Stock Code: 3036

WT Microelectronics Co., Ltd.

Handbook of 2020 Annual Shareholders' Meeting

[Translation]

Meeting Time: March 27, 2020
Venue: 3F., No. 631, Zhongzheng Rd., Zhonghe Dist., New Taipei City (RSL Hotel Taipei Zhonghe)

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WT Microelectronics Co., Ltd.
2020 Annual Shareholders' Meeting Agenda

Time: Friday, March 27, 2020, 9:00 a.m.

Venue: 3F., No. 631, Zhongzheng Rd., Zhonghe Dist., New Taipei City (RSL Hotel Taipei Zhonghe)

Meeting Agenda:

I. Call the Meeting to Order (Announce number of shareholders present)

II. Chairperson remarks

III. Reports

(I) The 2019 Business Report.
(II) The Audit Committee's Review Report on the 2019 Financial Statements.
(III) The 2019 Employees' profit sharing bonus and directors' compensation.
(IV) The 2019 Earnings Distribution of cash dividends.
(V) The Status of the sixth domestic unsecured convertible corporate bonds.

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(II) The 2019 Earnings Distribution.

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(V) Issuance of common shares to raise capital via book building.
(VI) Issuance of new restricted employee shares.

VI. Election Matters

(I) To elect a new Independent Director to fill the vacancy.

VII. Other Matters

(I) To release the non-competition restriction on Directors.

VIII. Extempore Motions

IX. End of Meeting

Reports

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

Agenda: The 2019 Business Report.

Description: Please refer to Annex 1 (Page 15 to Page 17) for the Company's 2019 Business Report.

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

Agenda: The Audit Committee's Review Report on the 2019 Financial Statements.

Description: Please refer to Annex 2 (Page 18) for the Audit Committees' Review Report.

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

Agenda: The 2019 Employees' profit sharing bonus and directors' compensation.

Description:

1. This proposal was handled in accordance with Article 19 of the Articles of Incorporation.
2. The Company's 2019 profits (i.e., pre-tax profit in the current year minus remuneration to employees and directors) was NT$2,922,196,000; NT$29,300,000 (no less than 1%) was distributed to employees and NT$10,500,000 (no more than 3%) was distributed to directors as cash bonus

Item No. 4: **(Proposed by the Board of Directors)**

Agenda: The 2019 Earnings Distribution of cash dividends.

Description:

1. The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision to the shareholders meeting in accordance with Article 20 of the Articles of Incorporation.
2. Cash dividends amounting to NT$1,645,110,999 were distributed to shareholders at NT$2.77606941 per share. Cash dividends were rounded to the nearest whole number. The total amount of cash dividends less than NT$1 was adjusted from greatest to smallest in accordance with the total amount of cash dividends.
3. The chairperson was authorized by the Board of Directors to decide the ex-dividend date, date of issuance, and other relevant issues. In the event that proposed distribution of earnings is affected by a change in the Company's outstanding common shares, the chairperson is authorized by the Board of Directors to make adjustment to such distribution at his/her discretion.

Item No. 5: **(Proposed by the Board of Directors)**

Agenda: The Status of the sixth domestic unsecured convertible corporate bonds.

Description: The Company issued unsecured convertible corporate bonds domestically for the sixth time on July 1, 2019 to repay bank loans and strengthen its financial structure; a total of NT$1.2 billion was issued. The reason for issuing corporate bonds and related matters were reported in accordance with Article 246 of the Company Act, please refer to Annex 3 (Page 19).

Proposed Resolutions

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

Agenda: The 2019 Business Report and Financial Statements.

Description:

1. The 2019 Business Report and financial statements for WT Microelectronics Co., Ltd. were approved by the Board of Directors and audited by CPA Juan Lu, Man-Yu and CPA Wu, Han-Chi from Pricewaterhouse Coopers Taiwan. The aforementioned financial statements and Business Report were reviewed by the Audit Committee of WT Microelectronics Co., Ltd. The review reports are on file.
2. Please refer to Annex 1 (Page 15 to Page 17) and Annexes 4 and 5 (Page 20 to Page 46) for the 2019 Business Report, Independent Auditors' Report, and Financial Statements.

Resolution:

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

Agenda: The 2019 Earnings Distribution.

Description: Please refer to Annex 6 (Page 47) for the Distribution of 2019 Earnings which was approved by the Board of Directors and reviewed by the Audit Committee.

Resolution:

Matters for Discussion

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

Agenda: Amendments to the Articles of Incorporation.

Description: Amendments to the Articles of Incorporation were proposed in response to the Company's future business requirements and to increase fundraising methods, please refer to Annex 7 (Page 48 to Page 58) for the comparison table of the amended articles.

Resolution:

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

Agenda: Amendments to the Procedures for Acquisition or Disposal of Assets.

Description: Please refer to Annex 8 (Page 59) for the comparison table of revised articles of the procedure for the acquisition or disposal of assets in coordination with the Company's operations.

Resolution:

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

Agenda: Private Placement of Class B preferred shares and / or Class C preferred shares.

Description:

1. The Company intends to seek authorization from the shareholders meeting for the Board of Directors to privately place Class B preferred shares and/or Class C preferred shares at an appropriate time under the premise of not causing any material change to management rights. The total number of shares, along with the private placement of common shares in item no. 4 will not exceed 170,000,000 shares, and will be issued at once or in batches within one year after the resolution of a shareholders meeting. The private placement will be carried out in accordance with Article 43-6 of the Securities and Exchange Act, related laws and regulations, the Articles of Incorporation, and the following principles. Please refer to Annexes 9 and 10 (Page 60 to Page 63) for the terms of issuance for Class B preferred shares and Class C preferred shares.
2. Pursuant to Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities, matters to be described are as follows:

   (1) Basis and reasonableness of private offering price:

   A. The private offering price was set at not lower than 80% of the theoretical price, which is calculated using the pricing model selected based on the rights in the terms of issuance. The model must give consideration to all rights in the terms of issuance. If there are any rights that were not taken into consideration in the model, the rights that were not considered shall be excluded from the terms of issuance.

B. A proposal will be made to the shareholders meeting to authorize the Board of Directors to decide the actual date of pricing and issue price of preferred shares in this private placement, withing the percentage decided by the shareholders meeting, based on the market situation and the selected strategic investors.

C. The private offering price above complies with the Directions for Public Companies Conducting Private Placements of Securities. Furthermore, considering the limitations on the number of privately placed shares that may be transferred and who it may be transferred to within three years after the privately placed shares are delivered, and that an application may not be subsequently submitted to the competent authority for public offering of the shares within three years. Hence, the public offering price should be reasonable.

(2) Method for selecting designated persons:

A. The offerees of preferred shares in this private placement are limited to specific persons prescribed in Official Letter (2002) Tai-Cai-Zheng-1-Zi No. 0910003455 from the Financial Supervisory Commission dated June 13, 2002 in accordance with Article 43-6 of the Securities and Exchange Act.

B. The Company currently has not contacted any offerees. However, the offeree selection method and its purpose, necessity, and expected benefits are as follows:

a. Selection method and purpose: The selection of offerees in principle shall provided added value to the Company, and offerees that can directly or indirectly improve the Company's future business performance will be given priority.

b. Necessity and expected benefits: Offerees utilize their experience, technology, knowledge, brand, or reputation to assist the Company in making technological advancements, reducing cost, expanding the market, or strengthen relationships with suppliers and customers.

(3) The necessity, amount, use of funds, and expected benefits of private offering:

A. Reasons against a public offering:

Compared with public offering, private placement prohibits the transfer of shares within three years, which ensures the long-term relationship between the Company and strategic partners. Authorizing the Board of Directors to issue private placements based on the Company's operational requirements will effectively increase the mobility and flexibility of raising capital.

B. Maximum amount of private offering: The total number of preferred shares that will be privately placed will not exceed 170,000,000 shares along with the common shares in item no. 4. Each share has a par value NT$10; the total amount will be calculated based on the final private offering price.

C. Use of funds and expected benefits:

<table>
<tr><th>Expected number of private placements</th><th>Expected number of shares in private placement</th><th>Use of funds</th><th>Expected benefits</th></tr>
<tr><td>1st time</td><td>50,000,000</td><td rowspan="3">Increase working capital and/or repay bank loans.</td><td rowspan="3">Increase working capital and repayment ability, improve financial structure, and lift the burden of interest.</td></tr>
<tr><td>2nd time</td><td>50,000,000</td></tr>
<tr><td>3rd time</td><td>70,000,000</td></tr>
<tr><td colspan="4">With regard to the expected number of shares in the 1st, 2nd, and 3rd private placement, a part or all of the number of shares not issued in the previous private placement and/or expected to be issued in subsequent private placements may be issued during the current private placement. However, the total number of shares issued may not exceed 170,000,000 shares.</td></tr>
</table>

3. Pursuant to Article 43-8 of the Securities and Exchange Act and related laws and regulations, privately placed preferred shares and common shares converted from the preferred shares may not be transferred within three years after being delivered by the Company, except for specific circumstances in compliance with the law. The Company shall to apply to the competent authority for the public listing on TWSE/TPEx of preferred shares that were privately placed and common shares converted from the preferred shares after three full years in accordance with the law.
4. Details of Class B preferred shares and/or Class C preferred shares in this private placement include but are not limited to the issue price, number of shares, terms of issuance, amount raised, plan items, progress of planned use of funds, expected benefits, and other matters not specified. A proposal will be made to the shareholders meeting to authorize the Board of Directors to determine the details in accordance with regulations of the competent authority, market conditions, and the Company's operational requirements. The shareholders meeting will also be requested to authorize the Board of Directors to make modification or correction at its full discretion in response to orders from the competent authority, business assessment, or changes in objective environmental conditions or laws.
5. In coordination with the private placement of preferred shares, a proposal will made in the shareholders meeting to authorize the chairperson or a designated person to sign all contracts and documents related to the private placement, and handle related matters. For matters that are not covered herein, the chairperson may, in accordance with law, proceed at his/her discretion.
6. To find a balance between the Company's funding requirements, purpose of strategic cooperation, and stockholders' equity, the total number of preferred shares in this private placement, common shares in item no. 4, and book building in item no. 5 for cash capital increase shall be limited to 170,000,000 shares.

Resolution:

Item No. 4: **(Proposed by the Board of Directors)**

Agenda: Private Placements of common shares.

Description: 1. The Company intends to seek authorization from the shareholders meeting for the Board of Directors to privately place common shares at an appropriate time under the premise of not causing any material change to management rights. The total number of shares along with the private placement of Class B preferred shares and/or Class C preferred shares in item no. 3 will not exceed 170,000,000 shares, and will be issued at once or in batches within one year after the resolution of a shareholders meeting. The private placement will be carried out in accordance with Article 43-6 of the Securities and Exchange Act, related laws and regulations, the Articles of Incorporation, and the following principles.

2. Pursuant to Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities, matters to be described are as follows:

(1) Basis and reasonableness of private offering price:

A. Basis for setting the private offering price for common shares shall not be lower than 80% of following two bases, whichever is higher on the pricing date.

a. The simple arithmetic mean of the closing price for common shares over the past 1, 3, or 5 business days preceding the price-setting date after deducting distribution of stock and cash dividends and adding reversed dividends for capital reduction.

b. The simple arithmetic mean of the closing price for common shares over the past 30 business days preceding the price-setting date after deducting distribution of stock and cash dividends and adding reversed dividends for capital reduction.

B. A proposal will be made to the shareholders meeting to authorize the Board of Directors to decide the actual date of pricing and issue price of common shares in this private placement, withing the percentage decided by the shareholders meeting, based on the market situation and the selected strategic investors.

C. The private offering price above complies with the Directions for Public Companies Conducting Private Placements of Securities. Furthermore, considering the limitations on the number of privately placed shares that may be transferred and who it may be transferred to within three years after the privately placed shares are delivered, and that an application may not be subsequently submitted to the competent authority for public offering of the shares within three years. Hence, the public offering price should be reasonable.

(2) Method for selecting designated persons:

A. The offerees of common shares in this private placement are limited to specific persons prescribed in Official Letter (2002) Tai-Cai-Zheng-1-Zi No. 0910003455 from the Financial Supervisory Commission dated June 13, 2002 in accordance with Article 43-6 of the Securities and Exchange Act.

B. The Company currently has not contacted any offerees. However, the offeree selection method and its purpose, necessity, and expected benefits are as follows:

a. Selection method and purpose: The selection of offerees in principle shall provided added value to the Company, and offerees that can directly or indirectly improve the Company's future business performance will be given priority.

b. Necessity and expected benefits: Offerees utilize their experience, technology, knowledge, brand, or reputation to assist the Company in making technological advancements, reducing cost, expanding the market, or strengthen relationships with suppliers and customers.

(3) The necessity, amount, use of funds, and expected benefits of private offering:

A. Reasons against a public offering:
Compared with public offering, private placement prohibits the transfer of shares within three years, which ensures the long-term relationship between the Company and strategic partners. Authorizing the Board of Directors to issue private placements based on the Company's operational requirements will effectively increase the mobility and flexibility of raising capital.

B. Maximum amount of private offering: The total number of common shares that will be privately placed will not exceed 170,000,000 shares along with the Class B preferred shares and/or Class C preferred shares in item no. 3. Each share has a par value NT$10; the total amount will be calculated based on the final private offering price.

C. Use of funds and expected benefits:

Expected number of private placements	Expected number of shares in private placement	Use of funds	Expected benefits
1st time	50,000,000	Increase working capital and/or repay bank loans.	Increase working capital and repayment ability, improve financial structure, and lift the burden of interest.
2nd time	50,000,000		
3rd time	70,000,000		
With regard to the expected number of shares in the 1st, 2nd, and 3rd private placement, a part or all of the number of shares not issued in the previous private placement and/or expected to be issued in subsequent private placements may be issued during the current private placement. However, the total number of shares issued may not exceed 170,000,000 shares.			

3. Pursuant to Article 43-8 of the Securities and Exchange Act and related laws and regulations, privately placed common shares may not be transferred within three years after being delivered by the Company, except for specific circumstances in

compliance with the law. The Company shall to apply to the competent authority for the public listing on TWSE/TPEx of common shares that were privately placed after three full years in accordance with the law.

4. Details of this private placement include but are not limited to the issue price, number of shares, terms of issuance, amount raised, plan items, progress of planned use of funds, expected benefits, and other matters not specified. A proposal will be made to the shareholders meeting to authorize the Board of Directors to determine the details in accordance with regulations of the competent authority, market conditions, and the Company's operational requirements. The shareholders meeting will also be requested to authorize the Board of Directors to make modification or correction at its full discretion in response to orders from the competent authority, business assessment, or changes in objective environmental conditions or laws.
5. In coordination with the private placement of common shares, a proposal will made in the shareholders meeting to authorize the chairperson or a designated person to sign all contracts and documents related to the private placement, and handle related matters. For matters that are not covered herein, the chairperson may, in accordance with law, proceed at his/her discretion.
6. To find a balance between the Company's funding requirements, purpose of strategic cooperation, and stockholders' equity, the total number of common shares in this private placement, preferred shares in item no. 3, and book building in item no. 5 for cash capital increase shall be limited to 170,000,000 shares.

Resolution:

Item No. 5: **(Proposed by the Board of Directors)**

Agenda: Issuance of common shares to raise capital via book building.

Description: The Company plans to issue new shares for cash capital increase in the coming year to replenish working capital and/or repay bank loans. The shareholders meeting will be requested to authorize the Board of Directors to issue no more than 170,000,000 new shares at once or in batches based the market situation and in coordination with the Company's capital requirements. Details are as follows:

1. In accordance with Article 28-1 of the Securities and Exchange Act, the Board of Directors is authorized to sell publicly offered shares via book building, and the required public offering percentage shall be handled according to the following method:
   (1) Pursuant to Article 267 of the Company Act, 10% to 15% of new shares are reserved for subscription by employees. Approval will be sought from the shareholders meeting for original shareholders to abandon their priority to subscribe for the remaining 85% to 90% and publicly offer the shares in accordance with Article 28-1 of the Securities and Exchange Act. The chairperson is authorized to engage a designated party to subscribe at face value any forfeited subscription quota or shortfall.

(2) The issue price of common shares, which are issued for cash capital increase and sold via book building, shall be set in accordance with Article 7 of the "Self-imposed Rules Governing Underwriters Assisting Companies in Issuing Securities" announced by Taiwan Securities Association. After book building is completed, the actual issue price will be jointly determined by the representative designated by the Board of Directors and the lead underwriter after conisdering the book building situation and market conditions.

(3) A proposal will be made during the shareholders meeting to authorize the Board of Directors to handle the public offering method in accordance with the law.

2. If any changes are necessary for important contents of the cash capital increase plan, including underwriting method, issue price, actual number of shares issued, issuance conditions, plan items, amount raised, expected progress, and expected benefits, as well as other relevant matters, as ordered by the competent authority and due to business assessment or due to regulatory requirements and the objective environment, the shareholders meeting will be requested to authorize the Board of Directors to make the changes at its discretion.
3. After the issuance of new shares for cash capital increase is approved by the shareholders meeting, a proposal will be made for the shareholders meeting to authorize the Board of Directors of a person authorized by the Board to set the record date of subscription, payment period, record date of capital increase, and handle relevant matters.
4. The new outstanding shares that are issued will have the same rights and obligations as the original outstanding shares and will be issued as non-physical securities.
5. To find a balance between the Company's funding requirements, purpose of strategic cooperation, and stockholders' equity, the total number of common shares via book building, preferred shares in item no. 3, and preferred shares in item no. 4 for cash capital increase shall be limited to 170,000,000 shares.

Resolution:

Item No. 6: **(Proposed by the Board of Directors)**

Agenda: Issuance of new restricted employee shares.

Description: 1. Proposal to issue new restricted employee shares in accordance with Article 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers (hereinafter referred to as the "Offering and Issuance Regulations").

2. Total amount issued: A total of 3,000,000 common shares will be issued as new restricted employee shares. Each share will have a par value of NT$10, and the total amount issued will be NT$30,000,000. The issuance must be reported to the competent authority within one year after the resolution of the shareholders meeting, and the shares will issued at once or in batches within one year after the competent authority's notice that the report was effective is delivered. The chairperson is authorized by the Board of Directors to set the actual issuance date.

3. Please refer to Annex 11 (Page 64 to Page 66) for the terms of issuance, employee qualifications, number of shares alloted to employees, necessity of the new restricted employee shares, expendable amount, dilution of the Company's earnings per share, other factors affecting shareholder equity, and restricted rights of new shares before employees meet the vesting conditions.
4. After the issuance of new restricted employee shares, the shares alloted to employees must be immediately handed over to the Company or a designated institution and held in trust.
5. After this item no. is approved by the Annual Shareholders' Meeting and reported to the competent authority and becomes effective, the chairperson is authorized to set the actual issuance date and specify other matters. The chairperson is also authorized to make changes in response to law amendments, review requirements of the competent authority, or other matters, and is authorized to handle matters not specify herein at his/her discretion.

Resolution:

Election Matters

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

Agenda: To elect a new Independent Director to fill the vacancy.

Description:

1. The Company shall have five to nine directors in accordance with Article 13 of the Articles of Incorporation before amendment. The Company currently has seven directors and plans to elect one independent director in response to the Company's operational requirements.
2. The candidate nomination system is used for the election of directors in accordance with Article 13 of the Articles of Incorporation. The director is elected by shareholders from the list of candidates. The new director assumes the position from the date of election, and shall have the same term as the current term Board of Directors from March 27, 2020 to June 20, 2022.
3. The list of independent director candidates was approved by the Board of Directors on February 15, 2020. Please refer to Annex 12 (Page 67) for the education, work experience, and number of shares held by the candidates.
4. Please refer to Appendix 1 (Page 69 to Page 70) for the Rules for Director Elections.

Election result:

Other Matters

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

Agenda: To release the non-competition restriction on Directors.

Description:
1. Article 209 of the Company Act stipulates that directors should brief actions they are going to take within the scope of business operations for themselves or for others in the shareholders' meetings and obtain permission.
2. Please refer to Annex 13 (Page 68) for positions concurrently held by director and independent director candidates in other companies. A proposal will be made during the Annual Shareholders' Meeting to exempt directors from the non-compete clause.

Resolution:

Extempore Motions

End of Meeting

[Annex 1]

WT Microelectronics Co., Ltd.
Business Report

I. 2019 Business Report

(I) Business Performance:

The Group's net consolidated operating revenue in 2019 was NT$335,187,151,000, a 22.59% growth compared with NT$273,416,485,000 in 2018. The net profit after tax in 2019 was NT$2,531,247,000, down NT$247,268,000 compared to the NT$2,778,515,000 in 2018, which is a marginal decline of 8.90%. Our product applications all grew in 2019 due to the continued increase in market share in an environment with sluggish final demand. The growth momentum was mainly driven by smart phone products, data centers, servers, and personal mobile processing products. In addition to the development of high growth product applications and increasing customer penetration, we will continue to improve operational efficiency, optimize operational management systems, enhance our financial management system, and strengthen human resource management, in order to enhance the Company's capability to provide added value to the semiconductor industry supply chain, and thus lay the foundation for corporate sustainability.

Unit: NT$1,000

Item	2018	2019	Increase (Decrease)	Rate of change %
Operating Revenue	273,416,485	335,187,151	61,770,666	22.59
Operating Profit	5,253,715	5,253,230	(485)	(0.01)
Net profit after tax	2,778,515	2,531,247	(247,268)	(8.90)

(II) Financial revenue and expenditure and profitability analysis:

Item		2018	2019
Financial structure	Debt to asset ratio (%)	76.76	76.84
	Long-term funds to fixed assets ratio (%)	2,264.71	2,542.03
Liquidity	Current ratio (%)	124.69	127.06
	Quick ratio (%)	58.45	66.00
Profitability	Return on assets (%)	4.13	3.42
	Return on equity (%)	13.27	11.18
	Net profit margin (%)	1.02	0.76
	Earnings per share (NTD) (Note)	5.02	4.32

[Notes] The earnings per share is based on the weighted average number of outstanding shares in the current year and the calculation using the number of weighted outstanding shares increased by retroactive adjustment of convertible corporate bonds.

(III) Research and development status:

Due to the continued advancement of semiconductor processes, artificial intelligence applications have significantly improved the data processing ability of computers. 5G and WiFi 6 are starting to enter the market to provide faster, low latency, and high throughput services and lead to the development of high bandwidth semiconductor components. This has led to the recent release of many smart, high performance applications and products in the market to meet people's needs, such as advanced driver assistance system (ADAS), AI camera, smart speaker, 400G switch and optical fiber module, and applications of SiC and GaN in electric vehicles and base stations. These have all become highlights of the next generation semiconductor industry. The Group is a distributor for key electronic components, such as: high performance x86 processors, neural embedded system image processor, high performance radio frequency components, single point infrared laser sensing component, multiple point far infrared sensing component, MEMS components, high performance microprocessors, high performance power components, high speed network switch, and high precision analog components. To provide sufficient technology to support system design and product development in these new platforms, the Group will continue to invest and accumulate system integration knowledge and technology to enhance the technical quality of overall R&D. Furthermore, the Group will continue to cooperate with world-class chip design manufacturers to provide customers with high-quality technical services and total solutions. Research and development expenditures over the last three years are shown below:

Unit: NT$1,000

Item	2017	2018	2019
Net operating revenue	189,419,235	273,416,485	335,187,151
R&D expenses	318,726	367,592	407,103
R&D expenses as a percentage of revenue	0.17%	0.13%	0.12%

II. 2020 Business Plan

In 2020, the global economic outlook remains uncertain and there are many uncertainties in the industrial chain, the Company will formulate business strategies based on the overall economic situation and market conditions, continue to improve overall market positioning in the Asia-Pacific semiconductor market, and increase market share and profit. In addition, the Company will improve risk management and operational efficiency, optimize operational management systems, and strengthen financial and human resources management to provide additional values for the semiconductor industry chain and further increase the return on equity for long-term shareholders.

(I) Business strategies:

- Introduce new product lines and expand into new application markets: According to the long-term development strategy plan, the Company will optimize portfolios by introducing new product lines that accord with the market demand and have high margin, strengthening product and market planning ability, improving strategies for non-3C markets, and increasing the shipments in automotive electronics, cloud data centers, smart IoT, 5G related applications, industrial control, green energy, and medical devices.
- Improve customer penetration and expansion: Optimize management, quality of services, and product penetration for existing clients; expand quality clients from automotive electronics, cloud data center, industrial control, and smart IoT, improve sales of existing clients and new applications of existing products, and cooperate more closely with leading players in every industry; provide quality technical support and total solutions, help them to promote their products to the market more efficiently, and maintain a long-term relationship with new clients through good interaction process.
- Perfect value-added services: Help suppliers to create demand through solid customer relationships and a quick response to the market; increase the added value of products and the Company's overall profits through strong technical support for clients' development of new products.
- Integration and flexible adjustment of resources: Resources are integrated and

adjusted when appropriate in response to strategy adjustments made by suppliers, in order to maximize the Company's benefits.

(II) Operations Management:

- Improve the operational risk management for steady operations: Due to some uncertainties in the global economy and technology industry chain, the Company will operate more steadily. The Company will thoroughly control the inventory level, billing period, accounts receivable, exchange rate hedging, working capital, contractual risk identification, and bank credit, and establish an abnormality management system to lower operational risks.
- Continuously improve operational efficiency and profitability: Improve the capability of operational management through optimizing operating procedures and strengthening the operations management system; adjust expenses to improve profitability and productivity; continue to use return on working capital (ROWC) and return on equity (ROE) as key financial indicators for the Company.
- Strengthen financial control and build a solid and flexible financial system: The Group adopts the all-round risk control and management system, which allows management to identify and measure market risk, credit risk, liquidity risk, and cash flow risk. With the solid internal control system and operating procedures, the Company considers economics, competition, and market risks in a timely manner and asks sales representatives and financial supervisors to regularly track the collection of accounts receivable to achieve optimal risk position and maintain suitable liquidity. In addition, the Company increases the flexibility in the use of funds through various channels to lower the cost of capital and operational risk.

(III) 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.
- **Improve the quality of employees:**
  - 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 in terms of level, quantity, and structure, and enhance the Company's future 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 effectively communicate the corporate culture and business philosophy.
  - Potential talent development: Discover talents with high potential and customize development plans that provide optimal job training and upgrade individual abilities; enhance the cultivation of managers at all levels.
- **Strengthen performance management:**
  - Strengthen employees' understanding of their individual duties and missions, and deepen this understanding to achieve consistent implementation.
  - Review business results and productivity and set up a more practical and specific targets and KPI based on the current status.

Chairperson: Cheng, Wen-Tsung
Managerial officer: Cheng, Wen-Tsung
Chief Accountant: Yang, Hsing-Yu

[Annex 2]

WT Microelectronics Co., Ltd.
Audit Committee's Report

The Board of Directors has prepared and submitted the 2019 business report, financial statements, and earnings distribution proposal. The financial statements were audited by PricewaterhouseCoopers Taiwan and has issued a review report. These have been reviewed by the Audit Committee and determined to be correct and accurate as ASE's business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

2020 Annual Shareholders' Meeting of WT Microelectronics Co., Ltd.

WT Microelectronics Co., Ltd.

Audit Committee convener: Cheng, Tien-Chong

February 15, 2020

[Annex 3]

WT Microelectronics Co., Ltd.
Corporate bond issuance and implementation status

Type of Corporate Bonds	Sixth domestic unsecured convertible corporate bonds
Date of Board resolution	May 8, 2019
Financial Supervisory Commission (FSC) approval letter number	Official Letter Jin-Guan-Zheng-Fa-Zi No. 1080318448 dated June 10, 2019
Issuance date	July 1, 2019
Par value	NT$100,000
Issue price	Issued at par value
Total amount	NT$1.2 billion
Interest Rate	Coupon rate of 0%
Maturity	3 years: Matures on July 1, 2022
Trustee	Trust Department, Taiwan Cooperative Bank
Underwriting institution	Grand Fortune Securities Co., Ltd. Mega Securities Co., Ltd.
Repayment method	Except when the holder of this convertible corporate bond converts it into the Company's common shares in accordance with Article 10 of these Terms, or when the Company buys it back from the securities firm, the Company shall pay the par value in a lump sum cash payment to the holder upon maturity.
Reason for Raising Capital and Expected Benefits	All of the funds will be used to repay bank loans, which will lift the Company's financial burden and improve liquidity. It will also strengthen the Company's financial structure and benefit overall business development.
Issuance and conversion, and potential dilution and impact on existing shareholders' equity from the terms of issuance	For the issuance of convertible corporate bonds of NT$1.2 billion, with a conversion price of NT$40 at the time of issue, the maximum number of the Company's common stock convertible is approximately 30,000,000 shares. Based on the 586,643,000 outstanding shares issued by the Company at the time of issue, the maximum dilution of shareholding is approximately 4.87%. For shareholders' equity, the conversion of corporate bonds into the Company's common shares not only reduces liabilities, but also increases shareholders' equity, thereby increasing the net value per share. Thus, it better protects shareholders' equity in the long run.
Outstanding principal	NT$1,114,700,000 (as of January 31, 2020)
Number of common shares already converted to	2,268,608 shares (as of January 31, 2020)
Latest Convertible Price	NT$37.6

[Annex 4]

REPORT OF INDEPENDENT ACCOUNTANTS

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

Opinion

We have audited the accompanying consolidated balance sheets of WT Microelectronics Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Recognition of supplier rebates

Description

Refer to Note 4(13) for accounting policies on supplier rebates.

The Group is primarily engaged in the sale of electronic and communication components. In line with industry practice, the Group has entered into rebate arrangements with its suppliers for various kinds and quantities of inventories. The Group calculates the amount of supplier rebates in accordance with the arrangement, and recognises it as a deduction of accounts payable to suppliers, and also a deduction of cost of sales or inventory depending on whether the inventories have been sold. The Group pays the net purchase price, after confirmation that the rebate is granted and the credit memo from its suppliers has been received.

As the terms of different types of supplier rebates vary and changes frequently, and the calculation is complex, the Group relies on the information system to gather related transaction information, and manually matches each inventory category with its corresponding rebate term to calculate the supplier rebate that should be recognised. Since the supplier rebate is material to the financial statements and requires more audit effort to address this audit matter, the recognition of supplier rebate has been identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding and assessed the internal controls related to supplier rebates, and tested the effectiveness of relevant internal controls to verify whether major supplier rebates had been reviewed by responsible management, and the inventory cost had been correctly deducted and paid in net amount based on the credit memo approved by suppliers;
B. Performed trend analysis on the ratio of supplier rebates to corresponding transaction amount;
C. Sampled supplier rebates and tested whether the transaction quantities which were used in the calculation were consistent with its original transaction data, and obtained arrangements and calculation worksheets to ensure that the rebate recognition was consistent with the arrangements;
D. Sampled the supplier rebates which were recognised before balance sheet date but have not yet been confirmed by suppliers, verified its consistency and reasonableness with subsequent credit memos approved by suppliers after the balance sheet date, and confirmed whether there were any material differences; and

E. Performed confirmation of selected material accounts payable, examined whether there is a significant difference between the amount of supplier rebates recognised based on the arrangements and the amount indicated in the suppliers' confirmation, and investigated the differences, if any.

Impairment assessment of goodwill

Description

Refer to Note 4(20) for accounting policies on goodwill impairment, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to goodwill impairment, and Note 6(10) for details of goodwill impairment.

The Group acquired 100% shares of stock of target companies or electronic components distribution business by cash or through exchange of shares of stock. The purchase price was allocated to the net identifiable assets acquired at fair value in accordance with the accounting policies on business combinations. The goodwill which was generated from purchase price allocation was presented in "Intangible assets - goodwill". As at December 31, 2019, the Group's goodwill amounted to NT$1,859,262 thousand.

Relative to the aforementioned acquired company and distribution business, some distribution business were managed by other operating segments in the same district after the acquisition due to management purpose. After identifying the smallest cash generating unit which can generate independent cash flows, the Group uses the expected future cash flows of each cash generating unit and proper discount rate to determine recoverable amount of goodwill, and assesses whether goodwill may be impaired. The above expected future cash flows of each cash generating unit are based on its own financial forecast for the next 5 years. As the assumptions used in the forecast requires management judgement and involves a high degree of uncertainty that may have a material effect in determining the recoverable amount and goodwill impairment assessment, we consider the impairment assessment of goodwill a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Assessed the consistency of smallest cash generating unit which was identified by management and used in goodwill allocation, and the lowest level at which management monitored the goodwill;
B. Assessed management's assessment process of each cash generating unit and determined whether the future cash flows used in valuation model for the next 5 years are consistent with the operating

plan which was approved by the Board of Directors;

C. As the recoverable amount was determined by value-in–use, ascertained the reasonableness of each estimated growth rate, discount rate and other significant assumptions and performed the following:
   (a) Compared the reasonableness of estimated growth rate with historical data, economic and external industry forecast information;
   (b) Compared discount rate assumptions with respect to cash generating units' capital cost and similar return on assets; and
   (c) Checked the parameters of valuation model and the setting of calculation formula.

D. Compared the higher of recoverable amount and book value of each cash generating unit to verify the appropriateness of impairment assessment.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(5) for details of inventory valuation. As at December 31, 2019, the Group's inventories and allowance for inventory valuation losses were NT$46,779,421 thousand and NT$984,229 thousand, respectively.

The Group is primarily engaged in the sales of various kinds of electronic components. Due to rapid technology innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. For non-obsolete inventories, the net realisable value is estimated based on the estimated selling price in a certain period around balance sheet date. For aged inventories and individually determined as obsolete inventories, the net realisable value is determined based on historical experience of inventory usage and sales discount. Since the amount of inventory is material, inventory types vary, sources of information in calculating the net realisable value of each type of inventories are many, and the identification of obsolete and damaged inventory and its net realisable value are subject to management's judgement, we consider the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding and evaluated the process of inventory and warehouse management, examined the annual plan and participated in stock take to assess the effectiveness of management's identification and controls on obsolete inventory;

B. Obtained an understanding of the Group's nature of business and industry and assessed whether the provision policies and procedures were applied reasonably and consistently in all the periods; and

C. Obtained the net realisable value statement of each inventory, assessed whether the estimation policy was consistently applied, and tested relevant parameters, including the original data for sales and purchases and obtained supporting documents.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of WT Microelectronics Co., Ltd. as at and for the years ended December 31, 2019 and 2018.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

transactions and events in a manner that achieves fair presentation.

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

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

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

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

Juanlu, Man Yu　　　　Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 15, 2020

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.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 3,106,631	3	$ 3,335,181	4
1120	Financial assets at fair value through other comprehensive income - current	6(2)	404,806	-	24,350	-
1170	Accounts receivable, net	6(3)	44,665,508	44	36,127,336	39
1200	Other receivables	6(3)(4)	1,734,068	2	2,089,219	2
130X	Inventories	6(5)	45,795,192	45	46,875,420	50
1410	Prepayments		411,090	1	342,572	-
1470	Other current assets	6(1) and 8	42,021	-	89,438	-
11XX	**Total current assets**		96,159,316	95	88,883,516	95
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	265,779	-	521,477	-
1550	Investments accounted for using equity method	6(6)	156,858	-	246,346	-
1600	Property, plant and equipment	6(7)	1,010,410	1	995,294	1
1755	Right-of-use assets	6(8)	848,855	1	-	-
1760	Investment property - net	6(9)	104,128	-	104,942	-
1780	Intangible assets	6(10)	1,883,859	2	1,878,609	2
1840	Deferred income tax assets	6(30)	752,760	1	660,027	1
1900	Other non-current assets	6(11)	185,271	-	534,597	1
15XX	**Total non-current assets**		5,207,920	5	4,941,292	5
1XXX	**Total assets**		$ 101,367,236	100	$ 93,824,808	100

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 25,995,988	26	$ 26,112,763	28
2110	Short-term notes and bills payable	6(13)	463,840	-	1,828,513	2
2120	Financial liabilities at fair value through profit or loss - current	6(14)	26,118	-	3,994	-
2130	Contract liabilities - current	6(24)	195,597	-	118,246	-
2170	Accounts payable		45,689,544	45	37,997,769	40
2200	Other payables	6(15)	1,803,941	2	1,722,862	2
2230	Current income tax liabilities		644,397	1	639,616	1
2280	Lease liabilities - current		146,154	-	-	-
2320	Long-term liabilities, current portion	6(16)(17)	120,080	-	1,937,468	2
2365	Refund liabilities - current	6(24)	552,019	1	879,111	1
2399	Other current liabilities		44,635	-	43,961	-
21XX	**Total current liabilities**		75,682,313	75	71,284,303	76
	Non-current liabilities					
2530	Bonds payable	6(16)	1,124,091	1	-	-
2540	Long-term loans	6(17)	-	-	122,860	-
2570	Deferred income tax liabilities	6(30)	519,569	1	465,646	1
2580	Lease liabilities - non-current		426,419	-	-	-
2600	Other non-current liabilities	6(18)	135,708	-	144,411	-
25XX	**Total non-current liabilities**		2,205,787	2	732,917	1
2XXX	**Total liabilities**		77,888,100	77	72,017,220	77
	Equity attributable to owners of parent					
	Share capital	6(19)				
3110	Share capital - common stock		5,903,358	6	5,551,889	6
3130	Certificates of entitlement to new shares from convertible bonds		11,011	-	24,217	-
	Capital surplus	6(20)				
3200	Capital surplus		9,531,836	9	8,773,382	9
	Retained earnings	6(21)				
3310	Legal reserve		2,019,788	2	1,741,965	2
3320	Special reserve		143,568	-	109,102	-
3350	Unappropriated retained earnings		6,659,975	7	5,749,889	6
	Other equity interest	6(22)				
3400	Other equity interest		(791,142)	(1)	(143,568)	-
31XX	**Equity attributable to owners of the parent**		23,478,394	23	21,806,876	23
36XX	**Non-controlling interest**	6(23)	742	-	712	-
3XXX	**Total equity**		23,479,136	23	21,807,588	23
	Commitments and contingent liabilities	9				
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 101,367,236	100	$ 93,824,808	100

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	2019 AMOUNT	2019 %	2018 AMOUNT	2018 %
4000	**Operating revenue**	6(24)	$ 335,187,151	100	$ 273,416,485	100
5000	**Operating costs**	6(5)	(324,386,746)	(97)	(262,771,537)	(96)
5900	**Net operating margin**		10,800,405	3	10,644,948	4
	Operating expenses	6(28)				
6100	Selling expenses		(4,149,755)	(1)	(4,017,488)	(2)
6200	General and administrative expenses		(987,816)	-	(946,308)	-
6300	Research and development expenses		(407,103)	-	(367,592)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(2,501)	-	(59,845)	-
6000	**Total operating expenses**		(5,547,175)	(1)	(5,391,233)	(2)
6900	**Operating profit**		5,253,230	2	5,253,715	2
	Non-operating income and expenses					
7010	Other income	6(25)	73,500	-	67,535	-
7020	Other gains and losses	6(26)	21,257	-	101,904	-
7050	Finance costs	6(27)	(1,953,119)	(1)	(1,698,684)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(6)	(85,783)	-	(103,660)	-
7000	**Total non-operating income and expenses**		(1,944,145)	(1)	(1,632,905)	(1)
7900	**Profit before income tax**		3,309,085	1	3,620,810	1
7950	Income tax expense	6(30)	(777,838)	-	(842,295)	-
8200	**Profit for the year**		$ 2,531,247	1	$ 2,778,515	1

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	2019 AMOUNT	2019 %	2018 AMOUNT	2018 %
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans	6(18)	($ 10,286)	-	($ 6,446)	-
8316	Unrealised gain (loss) on valuation of equity investment instruments measured at fair value through other comprehensive income	6(22)(23)	207,749	-	(317,172)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	2,057	-	1,661	-
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**		199,520	-	(321,957)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(22)(23)	(753,219)	-	590,295	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(6)	(1,406)	-	(5,941)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(30)	(13,087)	-	(1,395)	-
8360	**Components of other comprehensive (loss) income that will be reclassified to profit or loss**		(767,712)	-	582,959	-
8300	**Total other comprehensive (loss) income for the year**		($ 568,192)	-	$ 261,002	-
8500	**Total comprehensive income for the year**		$ 1,963,055	1	$ 3,039,517	1
	Profit attributable to:					
8610	Owners of the parent		$ 2,530,940	1	$ 2,778,229	1
8620	Non-controlling interest		307	-	286	-
			$ 2,531,247	1	$ 2,778,515	1
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 1,962,768	1	$ 3,039,224	1
8720	Non-controlling interest		287	-	293	-
			$ 1,963,055	1	$ 3,039,517	1
	Earnings per share (in dollars)	6(31)				
9750	**Basic earnings per share**		$ 4.32		$ 5.02	
9850	**Diluted earnings per share**		$ 4.18		$ 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, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
		Share capital			Retained earnings			Other equity interest					
	Notes	Share capital - common stock	Certificates of bond-to-stock conversion	Capital reserves	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealised gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total equity
2018													
Balance at January 1, 2018		$ 5,522,227	$ 392	$ 8,660,739	$ 1,489,975	$ -	$ 4,516,703	($ 975,052)	$ -	$ 865,950	$ 20,080,934	$ 634	$ 20,081,568
Effects of retrospective application		-	-	-	-	-	(75,668)	-	843,629	(865,950)	(97,989)	-	(97,989)
Adjusted balance at January 1, 2018		5,522,227	392	8,660,739	1,489,975	-	4,441,035	(975,052)	843,629	-	19,982,945	634	19,983,579
Consolidated net income		-	-	-	-	-	2,778,229	-	-	-	2,778,229	286	2,778,515
Other comprehensive income (loss)	6(22)	-	-	-	-	-	(4,785)	582,952	(317,172)	-	260,995	7	261,002
Total comprehensive income (loss)		-	-	-	-	-	2,773,444	582,952	(317,172)	-	3,039,224	293	3,039,517
Appropriations of 2017 earnings:	6(21)												
Legal reserve		-	-	-	251,990	-	(251,990)	-	-	-	-	-	-
Special reserve		-	-	-	-	109,102	(109,102)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(1,381,423)	-	-	-	(1,381,423)	-	(1,381,423)
Conversion of convertible bonds	6(19)(20)	29,662	23,825	112,643	-	-	-	-	-	-	166,130	-	166,130
Changes in non-controlling interest	6(23)	-	-	-	-	-	-	-	-	-	-	(215)	(215)
Disposal of financial assets at fair value through other comprehensive income	6(22)	-	-	-	-	-	277,925	-	(277,925)	-	-	-	-
Balance at December 31, 2018		$ 5,551,889	$24,217	$ 8,773,382	$ 1,741,965	$ 109,102	$ 5,749,889	($ 392,100)	$ 248,532	$ -	$ 21,806,876	$ 712	$ 21,807,588
2019													
Balance at January 1, 2019		$ 5,551,889	$24,217	$ 8,773,382	$ 1,741,965	$ 109,102	$ 5,749,889	($ 392,100)	$ 248,532	$ -	$ 21,806,876	$ 712	$ 21,807,588
Consolidated net income		-	-	-	-	-	2,530,940	-	-	-	2,530,940	307	2,531,247
Other comprehensive income (loss)	6(22)	-	-	-	-	-	(8,229)	(767,694)	207,751	-	(568,172)	(20)	(568,192)
Total comprehensive income (loss)		-	-	-	-	-	2,522,711	(767,694)	207,751	-	1,962,768	287	1,963,055
Appropriations of 2018 earnings:	6(21)												
Legal reserve		-	-	-	277,823	-	(277,823)	-	-	-	-	-	-
Special reserve		-	-	-	-	34,466	(34,466)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(1,387,967)	-	-	-	(1,387,967)	-	(1,387,967)
Due to recognition of equity component of convertible bonds issued	6(20)	-	-	37,762	-	-	-	-	-	-	37,762	-	37,762
Conversion of convertible bonds	6(19)(20)	351,469	(13,206)	720,614	-	-	-	-	-	-	1,058,877	-	1,058,877
Changes in non-controlling interest	6(23)	-	-	-	-	-	-	-	-	-	-	(257)	(257)
Disposal of financial assets at fair value through other comprehensive income	6(22)	-	-	-	-	-	87,631	-	(87,631)	-	-	-	-
Changes in ownership interests in subsidiaries	6(20)	-	-	78	-	-	-	-	-	-	78	-	78
Balance at December 31, 2019		$ 5,903,358	$11,011	$ 9,531,836	$ 2,019,788	$ 143,568	$ 6,659,975	($ 1,159,794)	$ 368,652	$ -	$ 23,478,394	$ 742	$ 23,479,136

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, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 3,309,085	$ 3,620,810
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	287,610	83,271
Amortisation	6(28)	9,776	10,642
Impairment loss determined in accordance with IFRS 9	12(2)	2,501	59,845
Net loss (income) on financial liabilities at fair value through profit or loss	6(26)	9,982	(80,128)
Share of loss of associates and joint ventures accounted for using equity method	6(6)	85,783	103,660
Loss on disposal of property, plant and equipment, net	6(26)	285	838
Impairment loss	6(26)	3,811	-
Interest expense	6(27)	1,036,861	902,649
Interest income	6(25)	(21,500)	(13,232)
Dividends income	6(25)	(5,977)	(17,634)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(9,660,226)	(2,483,886)
Other receivables		332,388	(703,121)
Inventories		115,385	(12,660,421)
Prepayments		(57,545)	30,863
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		12,154	76,352
Contract liabilities		74,386	(10,553)
Accounts payable		9,357,292	12,189,354
Other payables		23,965	193,667
Other current liabilities (including refund liabilities)		(325,880)	(16,418)
Accrued pension liabilities		(20,869)	(180)
Cash inflow generated from operations		4,569,267	1,286,378
Interest received		21,500	13,232
Dividends received		5,977	17,634
Interest paid		(1,045,436)	(862,978)
Income taxes paid		(684,002)	(673,951)
Net cash flows from (used in) operating activities		2,867,306	(219,685)

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 20,000)	($ 31,601)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(2)	92,212	305,528
Decrease in other financial assets		47,220	382,482
Acquisition of property, plant and equipment	6(34)	(110,030)	(168,353)
Proceeds from disposal of property, plant and equipment		488	1,495
Acquisition of intangible assets	6(10)	(23,585)	(3,262)
Net cash payments for business combination	6(32)	(15,396)	(191,729)
Decrease (increase) in other non-current assets		3,932	(73,602)
Acquisition of right-of-use assets		(17,227)	-
Net cash flows (used in) from investing activities		(42,386)	220,958
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	6(35)	(11,581)	2,495,603
(Decrease) increase in short-term notes and bills payable	6(35)	(1,374,671)	318,426
Payments of long-term loans	6(35)	(865,160)	(750,000)
Proceeds from issuing bonds	6(35)	1,195,000	-
Repayments of bonds	6(35)	(49,900)	-
(Decrease) increase in other non-current liabilities		(1,547)	55,220
Changes in non-controlling interest	6(23)	(257)	(215)
Payment of lease liabilities	6(35)	(156,509)	-
Cash dividends paid	6(21)	(1,387,967)	(1,381,423)
Net cash flows (used in) from financing activities		(2,652,592)	737,611
Effect of exchange rate changes		(400,878)	308,222
Net (decrease) increase in cash and cash equivalents		(228,550)	1,047,106
Cash and cash equivalents at beginning of year		3,335,181	2,288,075
Cash and cash equivalents at end of year		$ 3,106,631	$ 3,335,181

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

[Annex 5]

REPORT OF INDEPENDENT ACCOUNTANTS

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

Opinion

We have audited the accompanying parent company only balance sheets of WT Microelectronics Co., Ltd. (the "Company") as at December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements of the current period are stated as follows:

Recognition of supplier rebates

Description

Refer to Note 4(11) for accounting policies on supplier rebates.

The Company is primarily engaged in sale of electronic and communication components. In line with industry practice, the Company has entered into rebate arrangements with its suppliers for various kinds and quantities of inventories. The Company calculates the amount of supplier rebates in accordance with the arrangement, and recognises it as a deduction of accounts payable to suppliers, and also a deduction of cost of sales or inventory depending on whether the inventories have been sold. The Company pays the net purchase price, after confirmation that the rebate is granted and the credit memo from its suppliers has been received.

As the terms of different types of supplier rebates vary and changes frequently, and the calculation is complex, the Company relies on the information system to gather related transaction information, and manually matches each inventory category with its corresponding rebate term to calculate the supplier rebate that should be recognised. Since the supplier rebate is material to the parent company only financial statements, and requires more audit effort to address this audit matter, the recognition of supplier rebate has been identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding and assessed the internal controls related to supplier rebates, and tested the effectiveness of relevant internal controls to verify whether major supplier rebates had been reviewed by responsible management, and the inventory cost had been correctly deducted and paid in net amount based on the credit memo approved by suppliers;
B. Performed trend analysis on the ratio of supplier rebates to corresponding transaction amount;
C. Sampled supplier rebates and tested whether the transaction quantities which were used in the calculation were consistent with its original transaction data, and obtained arrangements and calculation worksheets to ensure that the rebate recognition was consistent with the arrangements;

D. Sampled the supplier rebates which were recognised before balance sheet date but have not yet been confirmed by suppliers, verified its consistency and reasonableness with subsequent credit memos approved by suppliers after the balance sheet date, and confirmed that there was no material differences; and
E. Performed confirmation of selected material accounts payable, examined whether there is a significant difference between the amount of supplier rebates recognised based on the arrangements and the amount indicated in the suppliers' confirmation, and investigated the differences, if any.

Impairment assessment of investments accounted for using equity method and goodwill

<u>Description</u>

Refer to Notes 4(12) and 4(17) for accounting policies on investments accounted for using equity method and goodwill impairment, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to goodwill impairment, and Notes 6(6) and 6(9) for details of investments accounted for using equity method and goodwill impairment.

The Company and its subsidiaries (the "Group") acquired 100% shares of stock of target companies or electronic components distribution business by cash or through exchange of shares of stock. The purchase price was allocated to the net identifiable assets acquired at fair value in accordance with the accounting policies on business combinations. The goodwill which was generated from purchase price allocation was presented in "Investments accounted for using equity method" and "Intangible assets - goodwill".

Relative to the aforementioned acquired company and distribution business, some distribution business were managed by other operating segments in the same district after the acquisition due to management purpose. After identifying the smallest cash generating unit which can generate independent cash flow, the Group used the expected future cash flows of each cash generating unit and proper discount rate to determine recoverable amount of goodwill, and assesses whether goodwill may be impaired. The above expected future cash flows of each cash generating unit are based on its own financial forecast for the next 5 years. As the assumptions used in the forecast requires management judgement and involves a high degree of uncertainty that may have a material effect in determining the recoverable amount of investments accounted for using equity method and goodwill impairment assessment, we consider the impairment assessment of goodwill a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Assessed the consistency of smallest cash generating unit which was identified by management and used in goodwill allocation, and the lowest level at which management monitored the goodwill;
B. Assessed management's assessment process of each cash generating unit and determined whether the future cash flows used in valuation model for the next 5 years are consistent with the operating plan which was approved by the Board of Directors;
C. As the recoverable amount was determined by value-in–use, ascertained reasonableness of each estimated growth rate, discount rate and other significant assumptions and performed the following:
    (a) Compared the reasonableness of estimated growth rate with historical data, economic and external industry forecast information;
    (b) Compared discount rate assumptions with respect to cash generating units' capital cost and similar return on assets; and
    (c) Checked the parameters of valuation model and the setting of calculation formula.
D. Compared the higher of recoverable amount and book value of each cash generating unit to verify the appropriateness of impairment assessment.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(5) for details of inventory valuation. As at December 31, 2019, the Company's inventories and allowances for inventory valuation losses were NT$34,094,862 thousand and NT$691,360 thousand, respectively.

The Company is primarily engaged in sales of various kinds of electronic components. Due to rapid technology innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. For non-obsolete inventories, the net realisable value is estimated based on the estimated selling price in a certain period around balance sheet date. For aged inventories and individually determined as obsolete inventories, the net realisable value is determined based on historical experience of inventory usage and sales discount. Since the amount of inventory is material, inventory types are various, sources of information in calculating the net realisable value of each type of inventories are many, and the identification of obsolete and damaged inventory and its net realisable value are subject to management's judgement, we consider the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding and evaluated the process of inventory and warehouse management, examined the annual plan and participated in stock take to assess the effectiveness of management's identification and controls on obsolete inventory;
B. Obtained an understanding of the Company's nature of business and industry and assessed whether the provision policies and procedures were applied reasonably and consistently in all the periods; and
C. Obtained the net realisable value statement of each inventory, assessed whether the estimation policy was consistently applied, and tested relevant parameters, including the original data for sales and purchases and obtained supporting documents.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

transactions and events in a manner that achieves fair presentation.

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

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

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

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

Juanlu, Man-Yu　　　　　　　　　　Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 15, 2020

The accompanying parent company only 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 parent company only 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.

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 490,983	-	$ 361,779	1
1170	Accounts receivable, net	6(3)	15,198,835	18	12,348,685	16
1180	Accounts receivable, net - related parties	7	15,161,405	18	9,658,282	12
1200	Other receivables	6(3)(4)	579,829	1	814,646	1
1210	Other receivables - related parties	7	2,073	-	740,199	1
130X	Inventories	6(5)	33,403,502	39	33,766,761	43
1410	Prepayments		211,848	-	211,472	-
11XX	**Total current assets**		65,048,475	76	57,901,824	74
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	28,994	-	12,175	-
1550	Investments accounted for using equity method	6(6)	18,534,802	22	18,773,483	24
1600	Property, plant and equipment	6(7)	487,709	1	473,628	1
1755	Right-of-use assets	6(8)	278,288	-	-	-
1780	Intangible assets	6(9)	254,427	-	228,117	-
1840	Deferred income tax assets	6(27)	431,904	1	408,584	1
1900	Other non-current assets		96,394	-	117,260	-
15XX	**Total non-current assets**		20,112,518	24	20,013,247	26
1XXX	**Total assets**		$ 85,160,993	100	$ 77,915,071	100

(Continued)

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10)	$ 18,348,337	22	$ 16,486,561	21
2110	Short-term notes and bills payable	6(11)	398,953	1	1,348,885	2
2120	Financial liabilities at fair value through profit or loss - current	6(12)	25,841	-	3,537	-
2130	Contract liabilities - current	6(21) and 7	92,506	-	2,145,327	3
2170	Accounts payable		38,162,139	45	31,458,629	40
2180	Accounts payable - related parties	7	858,561	1	313,360	-
2200	Other payables	6(13)	1,158,740	1	1,091,287	1
2220	Other payables - related parties	7	6,136	-	3,871	-
2230	Current income tax liabilities		288,187	-	287,843	-
2280	Lease liabilities - current		86,764	-	-	-
2320	Long-term liabilities, current portion	6(14)(15)	120,080	-	1,937,468	3
2365	Refund liabilities - current	6(21)	368,473	-	519,642	1
2399	Other current liabilities		6,087	-	5,126	-
21XX	**Total current liabilities**		59,920,804	70	55,601,536	71
	Non-current liabilities					
2530	Bonds payable	6(14)	1,124,091	1	-	-
2540	Long-term loans	6(15)	-	-	122,860	-
2570	Deferred income tax liabilities	6(27)	418,929	1	368,005	1
2580	Lease liabilities - non-current		194,466	-	-	-
2600	Other non-current liabilities	6(16)	24,309	-	15,794	-
25XX	**Total non-current liabilities**		1,761,795	2	506,659	1
2XXX	**Total Liabilities**		61,682,599	72	56,108,195	72
	Equity					
	Share capital	6(17)				
3110	Share capital - common stock		5,903,358	7	5,551,889	7
3130	Certificates of entitlement to new shares from convertible bonds		11,011	-	24,217	-
	Capital surplus	6(18)				
3200	Capital surplus		9,531,836	11	8,773,382	11
	Retained earnings	6(19)				
3310	Legal reserve		2,019,788	2	1,741,965	2
3320	Special reserve		143,568	-	109,102	-
3350	Unappropriated retained earnings		6,659,975	8	5,749,889	8
	Other equity interest	6(20)				
3400	Other equity interest		(791,142)	-	(143,568)	-
3XXX	**Total equity**		23,478,394	28	21,806,876	28
	Commitments and contingent liabilities	9				
	Significant subsquent events	11				
3X2X	**Total liabilities and equity**		$ 85,160,993	100	$ 77,915,071	100

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

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

			Year ended December 31			
			2019		2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Operating revenue**	6(21) and 7	$ 273,996,730	100	$ 213,640,619	100
5000	**Operating costs**	6(5) and 7	(269,252,304)	(98)	(209,128,174)	(98)
5900	**Net operating margin**		4,744,426	2	4,512,445	2
	Operating expenses	6(25) and 7				
6100	Selling expenses		(1,691,857)	(1)	(1,586,704)	(1)
6200	General and administrative expenses		(486,028)	-	(448,318)	-
6300	Research and development expenses		(228,388)	-	(199,519)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(29,719)	-	(5,387)	-
6000	**Total operating expenses**		(2,435,992)	(1)	(2,239,928)	(1)
6900	**Operating profit**		2,308,434	1	2,272,517	1
	Non-operating income and expenses					
7010	Other income	6(22)	13,163	-	17,579	-
7020	Other gains and losses	6(23)	117,708	-	35,478	-
7050	Finance costs	6(24)	(1,260,032)	(1)	(1,011,645)	(1)
7070	Share of profit of associates and joint ventures accounted for using equity method		1,703,123	1	1,831,184	1
7000	**Total non-operating income and expenses**		573,962	-	872,596	-
7900	**Profit before income tax**		2,882,396	1	3,145,113	1
7950	Income tax expense	6(27)	(351,456)	-	(366,884)	-
8200	**Profit for the year**		$ 2,530,940	1	$ 2,778,229	1
	Other comprehensive income (loss)					
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans	6(16)	($ 9,881)	-	($ 2,291)	-
8316	Unrealised loss on valuation of equity instruments measured at fair value through other comprehensive income	6(20)	(3,167)	-	-	-
8330	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(28)	210,594	-	(320,963)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	1,976	-	1,297	-
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**		199,522	-	(321,957)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(20)	(501,673)	-	569,283	-
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method	6(28)	(266,021)	-	13,669	-
8360	**Components of other comprehensive (loss) income that will be reclassified to profit or loss**		(767,694)	-	582,952	-
8300	**Total other comprehensive (loss) income for the year**		($ 568,172)	-	$ 260,995	-
8500	**Total comprehensive income for the year**		$ 1,962,768	1	$ 3,039,224	1
	Earnings per share (in dollars)	6(29)				
9750	**Basic earnings per share**		$	4.32	$	5.02
9850	**Diluted earnings per share**		$	4.18	$	4.71

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

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

		Share Capital			Retained Earnings			Other equity interest			
	Notes	Share capital - common stock	Certificates of bond-to-stock conversion	Capital reserves	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealised gain or loss on available-for-sale financial assets	Total equity
2018											
Balance at January 1, 2018		$ 5,522,227	$ 392	$ 8,660,739	$ 1,489,975	$ -	$ 4,516,703	($ 975,052)	$ -	$ 865,950	$ 20,080,934
Effects of retrospective application		-	-	-	-	-	(75,668)	-	843,629	(865,950)	(97,989)
Adjusted balance at 1 January, 2018		5,522,227	392	8,660,739	1,489,975	-	4,441,035	(975,052)	843,629	-	19,982,945
Profit for the year		-	-	-	-	-	2,778,229	-	-	-	2,778,229
Other comprehensive income (loss)	6(20)	-	-	-	-	-	(4,785)	582,952	(317,172)	-	260,995
Total comprehensive income (loss)		-	-	-	-	-	2,773,444	582,952	(317,172)	-	3,039,224
Appropriations of 2017 earnings:	6(19)										
Legal reserve		-	-	-	251,990	-	(251,990)	-	-	-	-
Special reserve		-	-	-	-	109,102	(109,102)	-	-	-	-
Cash dividends		-	-	-	-	-	(1,381,423)	-	-	-	(1,381,423)
Conversion of convertible bonds	6(17)(18)	29,662	23,825	112,643	-	-	-	-	-	-	166,130
Disposal of financial assets at fair value through other comprehensive income		-	-	-	-	-	277,925	-	(277,925)	-	-
Balance at December 31, 2018		$ 5,551,889	$ 24,217	$ 8,773,382	$ 1,741,965	$ 109,102	$ 5,749,889	($ 392,100)	$ 248,532	$ -	$ 21,806,876
2019											
Balance at January 1, 2019		$ 5,551,889	$ 24,217	$ 8,773,382	$ 1,741,965	$ 109,102	$ 5,749,889	($ 392,100)	$ 248,532	$ -	$ 21,806,876
Profit for the year		-	-	-	-	-	2,530,940	-	-	-	2,530,940
Other comprehensive income (loss)	6(20)	-	-	-	-	-	(8,229)	(767,694)	207,751	-	(568,172)
Total comprehensive income (loss)		-	-	-	-	-	2,522,711	(767,694)	207,751	-	1,962,768
Appropriations of 2018 earnings:	6(19)										
Legal reserve		-	-	-	277,823	-	(277,823)	-	-	-	-
Special reserve		-	-	-	-	34,466	(34,466)	-	-	-	-
Cash dividends		-	-	-	-	-	(1,387,967)	-	-	-	(1,387,967)
Due to recognition of equity component of convertible bonds issued	6(18)	-	-	37,762	-	-	-	-	-	-	37,762
Conversion of convertible bonds	6(17)(18)	351,469	(13,206)	720,614	-	-	-	-	-	-	1,058,877
Disposal of financial assets at fair value through other comprehensive income	6(20)	-	-	-	-	-	87,631	-	(87,631)	-	-
Changes in ownership interests in subsidiaries	6(18)	-	-	78	-	-	-	-	-	-	78
Balance at December 31, 2019		$ 5,903,358	$ 11,011	$ 9,531,836	$ 2,019,788	$ 143,568	$ 6,659,975	($ 1,159,794)	$ 368,652	$ -	$ 23,478,394

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

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 2,882,396	$ 3,145,113
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(25)	173,891	47,630
Amortization	6(25)	8,860	5,773
Impairment loss determined in accordance with IFRS 9	12(2)	29,719	5,387
Impairment loss	6(23)	3,811	-
Net loss (income) on financial liabilities at fair value through profit or loss	6(23)	10,406	(73,458)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(1,703,123)	(1,831,184)
Interest expense	6(24)	725,928	492,004
Interest income	6(22)	(8,581)	(14,737)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(2,998,819)	(2,323,463)
Accounts receivable - related parties		(5,503,122)	(5,376,522)
Other receivables		251,140	(220,293)
Inventories		363,259	(12,509,457)
Prepayments		(376)	(82,648)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		11,898	69,218
Contract liabilities		(2,052,821)	1,728,700
Accounts payable		6,703,510	15,360,785
Accounts payable - related parties		545,201	(1,156,036)
Other payables		270,712	371,784
Other current liabilities		(190,348)	(17,508)
Accrued pension liabilities		(1,366)	(1,188)
Cash outflow generated from operations		(477,825)	(2,380,100)
Interest received		8,581	14,737
Dividend received		1,730,549	975,455
Interest paid		(723,498)	(451,555)
Income taxes paid		(321,532)	(343,105)
Net cash flows from (used in) operating activities		216,275	(2,184,568)

(Continued)

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Other receivables - related parties	7	$ 721,803	($ 721,803)
Acquisition of financial assets at fair value through other comprehensive income		(20,000)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(2)	14	-
Acquisition of property, plant and equipment	6(32)	(77,866)	(92,578)
Acquisition of intangible assets	6(9)	(23,585)	(3,262)
Net cash payments for business combination	6(30)	(15,396)	(169,290)
Increase in other non-current assets		(11,353)	(34,504)
Net cash flows from (used in) investing activities		573,617	(1,021,437)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(33)	1,861,776	4,784,570
(Decrese) increase in short-term notes amd bills payable	6(33)	(957,983)	191,630
Repayments of long-term loans	6(33)	(873,500)	(738,540)
Proceeds from issuing bonds	6(14)(33)	1,195,000	-
Repayments of bonds	6(14)(33)	(49,900)	-
Payment of lease liabilities	6(33)	(102,347)	-
Cash dividends paid	6(19)	(1,387,967)	(1,381,423)
Net cash flows (used in) from financing activities		(314,921)	2,856,237
Effect of exchange rate changes		(345,767)	312,664
Net increase (decrease) in cash and cash equivalents		129,204	(37,104)
Cash and cash equivalents at beginning of year		361,779	398,883
Cash and cash equivalents at end of year		$ 490,983	$ 361,779

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

[Annex 6]

WT Microelectronics Co., Ltd.
Earnings distribution statement
2019

Unit: NTD

Undistributed earnings at the beginning of the period			**$**	**4,049,633,743**
Plus: Net income in 2019	$	2,530,939,999		
Less: Remeasurement of defined benefit plan in 2019		(8,228,445)		
Plus: Transfer from disposal of financial assets at fair value through other comprehensive income to retained earnings		87,630,649		
Current period net profit plus other profit items				2,610,342,203
Undistributed earnings in the current year				
Less: Legal reserve (10%)				(261,034,220)
Less: Special reserve				(647,573,280)
Accumulated distributable earnings at the end of 2019				**5,751,368,446**
Less: Distributed earnings				
Cash dividends (NT$2.77606941 per share)				(1,645,110,999)
Undistributed earnings at the end of the period			**$**	**4,106,257,447**

Note 1: Earnings in 2019 are distributed first.

Note 2: Distribution of dividends is based on 592,604,419 shares issued upon resolution of the Board of Directors on February 15, 2020.

Note 3: The Board of Directors is authorized to decide the distribution of partial or full dividends in cash in accordance with Article 20 of the Articles of Incorporation.

Chairperson: Cheng, Wen-Tsung
Managerial officer: Cheng, Wen-Tsung
Chief Accountant: Yang, Hsing-Yu

[Annex 7]

WT Microelectronics Co., Ltd.
Comparison Table of the Articles of Incorporation Before and After Amendment

Article After Amendment	Current Article	Description of Amendment
Article 5: The Company's authorized capital shall be NT$15 billion, divided into 1.5 billion shares, with a par value of NT$10 per share. The Board of Directors is authorized to issue the shares in installments, and part of the shares may be preferred shares. Among the above total capital, NT$1.2 billion, divided into 120 million shares, with a par value of NT$10 per share, shall be reserved for issuing stock warrants, preferred shares with warrants, or corporate bonds with warrants.	Article 5: The Company's authorized capital shall be NT$10 billion, divided into 1 billion shares, with a par value of NT$10 per share. The Board of Directors is authorized to issue the shares in installments. Among the above total capital, NT$900 million, divided into 90 million shares, with a par value of NT$10 per share, shall be reserved for issuing stock warrants, preferred shares with warrants, or corporate bonds with warrants.	To increase the Company's authorized capital and to add capital raising methods to cope with future business plans.
Article 5-1: The rights, obligations and other important issuance terms of Class A Preferred Shares are as follows: I. The dividend rate of Class A Preferred Shares is capped at 8% per annum on the issue price. Dividends are paid annually in cash in one lump sum. The Chairman is authorized by the Board of Directors or a Board Resolution to set the ex-dividend date and the amount of dividends to be paid for the previous fiscal year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated proportionally based on the actual number of days the Class A Preferred Shares remained outstanding in that year. II. The Company has sole discretion on the distribution of Class A Preferred Share dividends. If the there is no earning or insufficient earning for		This is a new article. To Specify the rights and obligations and other important terms of issuance associated with Class A Preferred Shares.

Article After Amendment	Current Article	Description of Amendment
distributing dividends of Class A Preferred Shares in the fiscal year, or the Company has other necessary considerations, the Board may decide not to distribute Class A Preferred Share dividends by Board Resolution, and it will not be deemed as an event of default. Class A Preferred Shares are non-cumulative shares. If the Company decide not to distribute preferred share dividends or to distribute insufficient dividend, the undistributed dividends or shortfalls in dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings. III. Except for the dividend prescribed in Subparagraph 1 of this Paragraph, Class A Preferred Shareholders are not entitled to participate in the distribution of cash or share dividends with regard of the common shares derived from earnings or capital reserves. IV. Class A Preferred Shares cannot be converted into common shares. V. Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of outstanding Class A preferred shares are entitled to receive residual assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the common shares. Class A preferred shares and other classes of preferred shares of the Company shall rank pari passu without any preference		

Article After Amendment	Current Article	Description of Amendment
among themselves and their repayment shall be capped at their respective issue amount. VI. The holders of Class A Preferred Shares are not entitled to any voting rights or election during general shareholders' meeting. Holders of outstanding Class A Preferred Shares have mandatory voting rights with respect to agendas that would affect preferred shares in preferred shareholders' meeting and in general shareholders' meeting. VII. Class A Preferred Shares are perpetual preferred shares. Holders of Class A Preferred Shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class A Preferred Shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations of the remaining and outstanding Class A Preferred Shares as described in the preceding paragraphs will remain unchanged. Holders of the outstanding Class A Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividend for the redemption year. VIII. If any Class A preferred shares remains outstanding, except to make up for losses, share premium of Class A Preferred Shares should not be capitalized into share capital. The Board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance, after		

Article After Amendment	Current Article	Description of Amendment
considering the situation of capital market and investors' willingness for subscription, in accordance with Articles of Incorporation and related laws and regulations.		
Article 5-2: The rights, obligations and other important issuance terms of Class B Preferred Shares are as follows: I. The dividend rate of Class B Preferred Shares is capped at 8% per annum on the issue price. Dividends are paid annually in cash in one lump sum. The Chairman is authorized by the Board of Directors or a Board Resolution to set the ex-dividend date and the amount of dividends to be paid for the previous fiscal year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated proportionally based on the actual number of days the Class B Preferred Shares remained outstanding in that year. II. The Company has sole discretion on the distribution of Class B Preferred Share dividends. If the there is no earning or insufficient earning for distributing dividends of Class B Preferred Shares in the fiscal year, or the Company has other necessary considerations, the Board may decide not to distribute Class B Preferred Share dividends by Board Resolution, and it will not be deemed as an event of default. Class B Preferred Shares are non-cumulative shares. If the Company decide not to distribute preferred share dividends or to distribute insufficient dividend, the undistributed dividends or shortfalls		<u>This is a new article.</u> To Specify the rights and obligations and other important terms of issuance associated with Class B Preferred Shares.

Article After Amendment	Current Article	Description of Amendment
in dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings. III. Except for the dividend prescribed in Subparagraph 1 of this Paragraph, Class B Preferred Shareholders are not entitled to participate in the distribution of cash or share dividends with regard of the common shares derived from earnings or capital reserves. IV. Class B Preferred Shares may not be converted within 3 year after the date of issuance. The Board is authorized to set the convertible period in the actual issuance terms. Holders of Class B Preferred Shares may, pursuant to the issuance terms, request the Company to convert its shareholding (in whole or in part) into common shares pursuant to the conversion ratio set out in the issuance terms (ratio is 1:1). Upon conversion, the converted shares shall have the same rights and obligations as common shares. Class B Preferred shares that are converted into common shares before the ex-dividend date shall participate in the distribution of profit and capital reserve to holders of common shares, and may not participate in the distribution of Class B Preferred Share dividends that year. Class B Preferred Shares that are converted into common shares after the ex-dividend date shall participate in the distribution of Class B Preferred Share dividends that year, and may not		

Article After Amendment	Current Article	Description of Amendment
participate in the distribution of profit and capital reserve to holders of common shares. In principle, holders of the converted shares should not participate in both the distribution of preferred share dividends and common share dividends during the same year for the same converted shares. V. Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of outstanding Class B preferred shares are entitled to receive residual assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the common shares. Class B preferred shares and other classes of preferred shares of the Company shall rank pari passu without any preference among themselves and their repayment shall be capped at their respective issue amount. VI. Class B Preferred Share Shareholders are entitled to the same voting rights and the right to be elected as common share shareholders during general shareholders' meeting. VII. Class B Preferred Shares are perpetual preferred shares. Holders of Class B Preferred Shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class B Preferred Shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations of the remaining and outstanding Class B Preferred Shares as described in the preceding		

Article After Amendment	Current Article	Description of Amendment
paragraphs will remain unchanged. Holders of the outstanding Class B Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividend for the redemption year. VIII. If any Class B preferred shares remains outstanding, except to make up for losses, share premium of Class B Preferred Shares should not be capitalized into share capital. The Board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance, after considering the situation of capital market and investors' willingness for subscription, in accordance with Articles of Incorporation and related laws and regulations.		
Article 5-3: The rights, obligations and other important issuance terms of Class C Preferred Shares are as follows: I. The dividend rate of Class C Preferred Shares is 4% per annum on the issue price. Dividends are paid annually in cash in one lump sum. The Chairman is authorized by the Board of Directors or a Board Resolution to set the ex-dividend date and the amount of dividends to be paid for the previous fiscal year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated proportionally based on the actual number of days the Class C Preferred Shares remained outstanding in that year. II. If there are no earnings during the		This is a new article. To Specify the rights and obligations and other important terms of issuance associated with Class C Preferred Shares.

Article After Amendment	Current Article	Description of Amendment
year, or if earnings together with share premium of Class C Preferred Shares are insufficient for the distribution of Class C Preferred Share dividends, the undistributed dividends or shortfall shall be cumulated and be deferred to pay in priority in subsequent years where there are earnings. III. Except for the dividend prescribed in Subparagraph 1 of this Paragraph, Class C Preferred Shareholders are not entitled to participate in the distribution of cash or share dividends with regard of the common shares derived from earnings or capital reserves. IV. Class C Preferred Shares may not be converted within 3 year after the date of issuance. The Board is authorized to set the convertible period in the actual issuance terms. Holders of Class C Preferred Shares may, pursuant to the issuance terms, request the Company to convert its shareholding (in whole or in part) into common shares pursuant to the conversion ratio set out in the issuance terms (ratio is 1:1). Upon conversion, the converted shares shall have the same rights and obligations as common shares. Class C Preferred shares that are converted into common shares before the ex-dividend date shall participate in the distribution of profit and capital reserve to holders of common shares, and may not participate in the distribution of Class C Preferred Share dividends that year. Class C Preferred Shares that are converted into common shares after the ex-dividend date		

Article After Amendment	Current Article	Description of Amendment
shall participate in the distribution of Class C Preferred Share dividends that year, and may not participate in the distribution of profit and capital reserve to holders of common shares. In principle, holders of the converted shares should not participate in both the distribution of preferred share dividends and common share dividends during the same year for the same converted shares. V. Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of outstanding Class C preferred shares are entitled to receive residual assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the common shares. Class C preferred shares and other classes of preferred shares of the Company shall rank pari passu without any preference among themselves and their repayment shall be capped at their respective issue amount. VI. Class C Preferred Share Shareholders are entitled to the same voting rights and the right to be elected as common share shareholders during general shareholders' meeting. VII. Class C Preferred Shares are perpetual preferred shares. Holders of Class C Preferred Shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class C Preferred Shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations		

Article After Amendment	Current Article	Description of Amendment
of the remaining and outstanding Class C Preferred Shares as described in the preceding paragraphs will remain unchanged. Holders of the outstanding Class C Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividend for the redemption year. VIII. If any Class C preferred shares remains outstanding, except to make up for losses, share premium of Class C Preferred Shares should not be capitalized into share capital. The Board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance, after considering the situation of capital market and investors' willingness for subscription, in accordance with Articles of Incorporation and related laws and regulations.		
Article 9: There are 2 types of shareholders' meetings: annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened within 6 months of the close of each fiscal year by the Board of Directors in accordance with the applicable laws; the extraordinary shareholders' meetings may be held in accordance with applicable laws whenever necessary. <u>The shareholders' meeting of preferred shares may be convened in accordance with relevant laws whenever necessary.</u>	Article 9: There are 2 types of shareholders' meetings: annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened within 6 months of the close of each fiscal year by the Board of Directors in accordance with the applicable laws; the extraordinary shareholders' meetings may be held in accordance with applicable laws whenever necessary.	To add provisions related to the convention of shareholder's meeting of preferred shares.
Article 13: The Company shall have <u>7</u> to <u>11</u> Directors, at least 3 of which, and no less	Article 13: The Company shall have <u>5</u> to <u>9</u> Directors, at least 3 of which, and no	To increase the number of Director seats to

Article After Amendment	Current Article	Description of Amendment
than 1/5 of total number of seats, are independent directors. The number of Directors shall be decided by the Board of Directors. The term of office of Directors shall be 3 years, and all Directors may be re-elected. (Content below omitted)	less than 1/5 of total number of seats, are independent directors. The number of Directors shall be decided by the Board of Directors. The term of office of Directors shall be 3 years, and all Directors may be re-elected. (Content below omitted)	meet the Company's operational requirements.
Article 20: If the Company has earnings, the Company shall first pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings in the current year shall first be distributed as dividends to holders of Preferred Share, and any remaining amount may be added to the unappropriated retained earnings at the beginning of the fiscal year as the accumulated unappropriated retained earnings, and distribution of such earnings shall submitted by the Board of Directors to the shareholders' meeting for approval. (Content below omitted)	Article 20: If the Company has earnings, the Company shall first pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings may be added to the unappropriated retained earnings at the beginning of the fiscal year as the accumulated unappropriated retained earnings, and distribution of such distributable earnings shall then be submitted by the Board of Directors to the shareholders' meeting for approval. (Content below omitted)	To add the priority sequence for distributing dividends on Preferred Shares and amend the wording.
Article 22: (Omitted) The 26th amendment was made on June 21, 2019. The 27th amendment was made on March 27, 2020.	Article 22: (Omitted) The 26th amendment was made on June 21, 2019.	To add the date of amendment.

[Annex 8]

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

Article After Amendment	Current Article	Description of Amendment
Article 7: Levels of authorization I. Levels of authorization for the acquisition or disposal of real property and right-of-use assets thereof or securities (I) The Chairman is authorized to approve the acquisition or disposal of real property and right-of-use assets in an amount less than NT$300 million. Where the transaction amount reaches NT$300 million, the approval of the Board of Directors shall be required. (II) (Omitted). (III) (Omitted). II.-III. (Omitted).	Article 7: Levels of authorization I. Levels of authorization for the acquisition or disposal of real property and right-of-use assets thereof or securities not for business use (I) Where the acquisition or disposal of real property or right-of-use assets thereof is not for business use, the approval of the Board of Directors shall be required. (II) Omitted. (III) Omitted. II.-III. (Omitted).	To adjust the level of authority.
Article 19: Trading Principles and Strategies I.-V. (Omitted). VI. Limits of authorization: (I) For non-trading purposes: 1. Chairman: The amount of a single transaction exceeds US$50 million. 2. President: The amount of a single transaction exceeds of US$30 million and is not more than US$50 million. 3. Vice President of Finance: The amount of a single transaction is not more thanUS$30 million. The Chairman is authorized to adjust the limits of authorization in response to changes in the environment, and report such adjustment to the Board of Directors. (II) (Omitted).	Article 19: Trading Principles and Strategies I.-V. (Omitted). VI. Limits of authorization: (I) For non-trading purposes: 1. Chairman: The amount of a single transaction exceeds US$50 million. 2. President: The amount of a single transaction is not more than US$50 million. The Chairman is authorized to adjust the limits of authorization in response to changes in the environment, and report such adjustment to the Board of Directors. (II)Omitted.	To adjust the limits of authorization.

[**Annex 9**]

WT Microelectronics Co., Ltd.
Terms of Issuance for Class B Preferred Shares

The rights, obligations and other important issuance terms of Class B Preferred Shares are as follows:

I. The dividend rate of Class B Preferred Shares is capped at 8% per annum on the issue price. Dividends are paid annually in cash in one lump sum. The Chairman is authorized by the Board of Directors or a Board Resolution to set the ex-dividend date and the amount of dividends to be paid for the previous fiscal year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated proportionally based on the actual number of days the Class B Preferred Shares remained outstanding in that year.

II. The Company has sole discretion on the distribution of Class B Preferred Share dividends. If the there is no earning or insufficient earning for distributing dividends of Class B Preferred Shares in the fiscal year, or the Company has other necessary considerations, the Board may decide not to distribute Class B Preferred Share dividends by Board Resolution, and it will not be deemed as an event of default. Class B Preferred Shares are non-cumulative shares. If the Company decide not to distribute preferred share dividends or to distribute insufficient dividend, the undistributed dividends or shortfalls in dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings.

III. Except for the dividend prescribed in Subparagraph 1 of this Paragraph, Class B Preferred Shareholders are not entitled to participate in the distribution of cash or share dividends with regard of the common shares derived from earnings or capital reserves.

IV. Class B Preferred Shares may not be converted within 3 year after the date of issuance. The Board is authorized to set the convertible period in the actual issuance terms. Holders of Class B Preferred Shares may, pursuant to the issuance terms, request the Company to convert its shareholding (in whole or in part) into common shares pursuant to the conversion ratio set out in the issuance terms (ratio is 1:1). Upon conversion, the converted shares shall have the same rights and obligations as common shares. Class B Preferred shares that are converted into common shares before the ex-dividend date shall participate in the distribution of profit and capital reserve to holders of common shares, and may not participate in the distribution of Class B Preferred Share dividends that year. Class B Preferred Shares that are converted into common shares after the ex-dividend date shall participate in the distribution of Class B Preferred Share dividends that year, and may not participate in the distribution of profit and capital reserve to holders of common shares. In principle, holders of the converted shares should not participate in both the distribution of preferred share dividends and common share dividends during the same year for the same converted shares.

V. Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of outstanding Class B preferred shares are entitled to receive residual assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the common shares. Class B preferred shares and other classes of preferred shares of the Company shall rank pari passu without any preference among themselves and their repayment shall be capped at their respective issue amount.

VI. Class B Preferred Share Shareholders are entitled to the same voting rights and the right to be elected as common share shareholders during general shareholders' meeting.

VII. Class B Preferred Shares are perpetual preferred shares. Holders of Class B Preferred Shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class B Preferred Shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations of the remaining and outstanding Class B Preferred Shares as described in the preceding paragraphs will remain unchanged. Holders of the outstanding Class B Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividend for the redemption year.

VIII. If any Class B preferred shares remains outstanding, except to make up for losses, share premium of Class B Preferred Shares should not be capitalized into share capital.

IX. If the Company has earnings, the Company shall first pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings in the current year shall first be distributed as dividends to holders of Preferred Share, and any remaining amount may be added to the unappropriated retained earnings at the beginning of the fiscal year as the accumulated unappropriated retained earnings, and distribution of such earnings shall submitted by the Board of Directors to the shareholders' meeting for approval.

Pursuant to Article 240 of the Company Act, the Company authorizes the Board of Directors to distribute a portion or all of dividends, bonuses or legal reserve and capital surplus in accordance with Article 241 of the Company Act in cash by resolution adopted by a majority in a meeting attended by two-thirds or more of the Directors, and the distribution shall then be reported to the shareholders' meeting, instead of being submitted to the shareholders' meeting for approval.

The Board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance, after considering the situation of capital market and investors' willingness for subscription, in accordance with Articles of Incorporation and related laws and regulations.

[Annex 10]

WT Microelectronics Co., Ltd.
Terms of Issuance for Class C Preferred Shares

The rights, obligations and other important issuance terms of Class C Preferred Shares are as follows:

I. The dividend rate of Class C Preferred Shares is 4% per annum on the issue price. Dividends are paid annually in cash in one lump sum. The Chairman is authorized by the Board of Directors or a Board Resolution to set the ex-dividend date and the amount of dividends to be paid for the previous fiscal year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated proportionally based on the actual number of days the Class C Preferred Shares remained outstanding in that year.

II. If there are no earnings during the year, or if earnings together with share premium of Class C Preferred Shares are insufficient for the distribution of Class C Preferred Share dividends, the undistributed dividends or shortfall shall be cumulated and be deferred to pay in priority in subsequent years where there are earnings.

III. Except for the dividend prescribed in Subparagraph 1 of this Paragraph, Class C Preferred Shareholders are not entitled to participate in the distribution of cash or share dividends with regard of the common shares derived from earnings or capital reserves.

IV. Class C Preferred Shares may not be converted within 3 year after the date of issuance. The Board is authorized to set the convertible period in the actual issuance terms. Holders of Class C Preferred Shares may, pursuant to the issuance terms, request the Company to convert its shareholding (in whole or in part) into common shares pursuant to the conversion ratio set out in the issuance terms (ratio is 1:1). Upon conversion, the converted shares shall have the same rights and obligations as common shares. Class C Preferred shares that are converted into common shares before the ex-dividend date shall participate in the distribution of profit and capital reserve to holders of common shares, and may not participate in the distribution of Class C Preferred Share dividends that year. Class C Preferred Shares that are converted into common shares after the ex-dividend date shall participate in the distribution of Class C Preferred Share dividends that year, and may not participate in the distribution of profit and capital reserve to holders of common shares. In principle, holders of the converted shares should not participate in both the distribution of preferred share dividends and common share dividends during the same year for the same converted shares.

V. Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of outstanding Class C preferred shares are entitled to receive residual assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the common shares. Class C preferred shares and other classes of preferred shares of the Company shall rank pari passu without any preference among themselves and their repayment shall be capped at their respective issue amount.

VI. Class C Preferred Share Shareholders are entitled to the same voting rights and the right to be elected as common share shareholders during general shareholders' meeting.

VII. Class C Preferred Shares are perpetual preferred shares. Holders of Class C Preferred Shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class C Preferred Shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations of the remaining and outstanding Class C Preferred Shares as described in the preceding paragraphs will remain unchanged. Holders of the outstanding Class C Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividend for the redemption year.

VIII. If any Class C preferred shares remains outstanding, except to make up for losses, share premium of Class C Preferred Shares should not be capitalized into share capital.

IX. If the Company has earnings, the Company shall first pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings in the current year shall first be distributed as dividends to holders of Preferred Share, and any remaining amount may be added to the unappropriated retained earnings at the beginning of the fiscal year as the accumulated unappropriated retained earnings, and distribution of such earnings shall submitted by the Board of Directors to the shareholders' meeting for approval.

Pursuant to Article 240 of the Company Act, the Company authorizes the Board of Directors to distribute a portion or all of dividends, bonuses or legal reserve and capital surplus in accordance with Article 241 of the Company Act in cash by resolution adopted by a majority in a meeting attended by two-thirds or more of the Directors, and the distribution shall then be reported to the shareholders' meeting, instead of being submitted to the shareholders' meeting for approval.

The Board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance, after considering the situation of capital market and investors' willingness for subscription, in accordance with Articles of Incorporation and related laws and regulations.

[**Annex 11**]

WT Microelectronics Co., Ltd.
Matters Related to the Issuance of New Restricted Employee Shares

I. **Total amount of issuance:** The total number of the new restricted employee shares issued by the Company shall be 3,000,000 common shares, each share having a par value of NT$ 10, for a total amount of NT$30,000,000.

II. **Terms and conditions of issuance:**

(I) Issue price: The issue is gratuitous with an issue price of NT$0 per share.

(II) Class of issued shares: The Company's newly issued common shares.

(III) Vesting conditions:

1.The restricted employee shares shall be vested on the dates and in the percentages in accordance with the following schedule and subject to the employee's continuous employment with the Company from the grant date (i.e., the record date for capital increase) through the vesting dates:

1.1st anniversary of the grant date: 25% of the vesting shares.

2.2nd anniversary of the grant date: 25% of the vesting shares.

3.3rd anniversary of the grant date: 25% of the vesting shares.

4.4th anniversary of the grant date: 25% of the vesting shares.

2.After the restricted employee shares are granted to the employee, the Company shall have the right to revoke and cancel the unvested restricted employee shares in the event that the employee breaches/violates any of terms of the employment agreement, employee handbook or policies/regulations of the Company.

(IV) Handling process of employee's failure to achive the vesting condition and inheritance:

1.The Company will revoke and cancel the unvested restricted employee shares in the event that the vesting conditions are not achieved.

2.Handling of voluntary resignation, retirement, layoff, dismissal, leave without pay, transfer to the Company's affiliates and death:

(1)Voluntary resignation:

In the event that the employee resigns voluntarily, the vesting conditions shall be deemed not achieved on the effective date of resignation and the Company will revoke and cancel the unvested restricted employee shares.

(2)Retirement:

In the event that the employee applies for retirement, the vesting conditions shall be deemed not achieved on the effective date of retirement and the Company will revoke and cancel the unvested restricted employee shares.

(3)Layoff:

In the event that the employee is laid off in accordance with the Labor Standards Act or other relevant regulations, the vesting conditions shall be deemed not achieved on the effective date of layoff and the Company will revoke and cancel the unvested restricted employee shares.

(4)Dismissal:

In the event that the employee is dismissed by the Company in accordance with relevant regulations, the vesting conditions shall be deemed not achieved on the effective date of dismissal and the Company will revoke and cancel the unvested restricted employee shares.

(5)Leave without pay:

In the event that the employee takes the leave without pay with the Company's approval, calculation of the vesting period will be suspended on the effective date of approval of leave without pay and will be resumed on the date of resumption of duty. The vesting date will be deferred for the period of leave without pay.

However, in the event that the employee does not resume his/her duty after the period of leave without pay, the abovementioned handling process of voluntary resignation will apply.

(6)Transfer to the Company's affiliates:

In the event that the transfer is made at the employee's request, the unvested restricted employee shares granted to the employee shall be handled in accordance with the abovementioned handling process of voluntary resignation. If the transfer is made at the Company's request, the unvested restricted employee shares shall be vested subject to the vesting conditions and the employee's continuous employment with the Company through the vesting date. Whether the personal performance target of the employee is met shall be determined by the Chairman by the achievement level of the Company's operation objectives and the personal performance evaluation provided by the affiliate.

(7)Death due to non-occupational cause:

In the event of the employee's death due to non-occupational causes, the employee will no longer be qualified to receive any restricted shares after his/her death, and the Company will revoke and cancel the unvested restricted employee shares.

(8)Disability or death due to occupational accident:

A. In the event of termination of employment due to disabilities as a result of occupational accidents of employee, for unvested restricted employee shares, the vesting conditions shall be deemed achieved on such termination date.

B. In the event of the employee's death due to occupational accident, upon death of the employee, for unvested restricted employee shares, the legal heirs of the employee shall complete all required legal procedures and provide relevant supporting documentation before inheriting the granted shares or disposal of interest in the granted shares.

III. Qualification requirements for employees:

(I) Employees in specific positions of the Company and its domestic and foreign affiliates who are employed on the date that the restricted employee shares are granted and meet certain performance requirements shall be eligible to be granted the restricted employee shares.

(II) The restricted employee shares will only be available to employees who are:

1.highly related to the future strategy and development of the Company.

2.critical to the Company's business operation.

3.Newly hired key employees.

(III) The number of shares granted shall be determined by seniority, position, performance, overall contribution, special contribution and other management factors. The number of shares granted shall be reviewed by the Chairman and approved by the Board. However, for employees who are managerial officers or the Board members, the grant of such shares is subject to approval from the Compensation Committee.

(IV) The sum of the cumulative number of shares granted to each employee by restricted employee shares and by employee stock warrant in accordance with Article 56-1-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall not exceed 0.3% of the total outstanding shares of the Company. The aforesaid total amount of shares plus the employee stock warrant the Company grants to each employee shall not exceed 1% of the total outstanding shares of the Company. However, with approval of the central competent authority of the industry, the total number of employee stock options and restricted employee shares obtained by a single employee may be exempted from the abovementioned limit.

IV. The reason why it is necessary to issue new restricted employee shares:

To attract and retain talents, motivate and engage employees for the best interest of the Company and its shareholders.

V. Calculated expense amount and dilution of the Company's earnings per share and other impact on shareholder's equity:

The Company currently has 592,604,419 outstanding shares. The total number of the new restricted employee shares issued by the Company is equivalent to 0.51% of the Company's outstanding shares. The fair market value is estimated at NT$40.36, which is calculated by using the average closing price per share of the Company for the 30 business days ending February 14, 2020 of NT$40.36 less the issue price of NT$0. The total calculated expense amount determined by such market value is NT$98,452,000. The amortized expense estimated to be in the amount of NT$27,942,000, NT$25,679,000, NT$23,482,000, NT$21,349,000 for the year 2021, 2022, 2023 and 2024, respectively. The dilution of the Company's EPS is estimated to be approximately in the amount of NT$0.05, NT$0.04, NT$0.04 and NT$0.04 for the year 2021, 2022, 2023 and 2024, respectively. There is a limited dilution of the Company's future EPS, and there is no material impact on existing shareholders' equity.

VI. The rights that are subject to restriction until vesting conditions are met:

The relevant restrictions and any other matters not set forth herein shall be dealt with in accordance with the applicable laws and regulations and the issuance rules set by the Company.

[Annex 12]

WT Microelectronics Co., Ltd.
List of Independent Director Candidates

Basic information about independent director candidates	
Candidate name (full name)	**Ding, Kung-Wha**
Education	Master Degree in Public Finance, National Chengchi University Bachelor Degree in Finance, National Chung-Hsing University
Experience	■Adjunct Associate Professor at the Department of Public Finance and EMBA Program of National Chengchi University ■Adjunct Associate Professor at the Department of Public Finance and Department of Business Management, National Taipei University ■Officer at the Taxation and Tariff Committee, Ministry of Finance ■Auditor at the Securities and Futures Bureau, Ministry of Finance ■Section Chief at the National Treasury Administration, Ministry of Finance ■Senior Specialist at the Bureau of Foreign Trade, Ministry of Economic Affairs ■Section Chief, Committee Member, and Deputy Commissioner of the Securities Commission, Ministry of Finance ■Deputy Commissioner, Commissioner of the Securities and Futures Commission, Ministry of Finance ■Chairperson of the Securities and Futures Institute ■Chairperson of Taiwan Depository & Clearing Corporation ■Chairperson of Taipei Exchange ■Chairperson of the Financial Supervisory Commission
Current Position	■Independent Director, Taiwan High Speed Rail Corporation ■Independent Director, Energenesis Biomedical Co., Ltd. ■Adjunct Associate Professor at the Department of Public Finance, National Chengchi University ■Chair Professor at the Department of Finance, Chihlee University of Technology
Number of shares held	0

[Annex 13]

WT Microelectronics Co., Ltd.
Director and Independent Directors Candidates Concurrently Holding Positions in Other Companies

Directors (Including independent directors)	Company names and positions of concurrent employement
Sung Kao, Hsin-Ming	Chairperson of Smart Health Corporation
Ding, Kung-Wha	Independent Director, Taiwan High Speed Rail Corporation Independent Director, Energenesis Biomedical Co., Ltd.

[Appendix 1]

WT Microelectronics Co., Ltd.
Rules for Directors Election

Article 1: The directors of the Company shall be elected in accordance with the rules specified herein.

Article 2: The directors of the Company shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Act.

The single recorded cumulative voting system shall be used for election of the directors at the Company. The attendance card code of the electors may be used on the ballot instead of the name of the electors. Each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons, unless otherwise stipulated or limited.

Article 3: Independent and non-independent directors shall be elected from among a group of candidates nominated at shareholders' meetings 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. Candidates who acquire more votes should win the seats of independent or non-independent director. 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 board shall prepare for the ballots for directors in numbers corresponding to the directors to be elected, and fill in the number of the weighted votes, and distribute to the shareholders who attend the general shareholders' meeting. The election held by electronic votes requires no ballots.

Article 5: At the beginning of the election, the chairman of the meeting shall appoint ballot supervisor(s) to check and record the ballots from among the shareholders present.

Article 6: For board member elections, 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 document 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. 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 deemed void under the following conditions:

1. Ballots not prepared by the board.
2. Blank ballots when cast in the ballot box.
3. The writing 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 filled in the ballots 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 filled in the ballots 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 the ballots being the same as another candidate's name and the respective shareholder's numbers or numbers of identification certificates are not indicated to distinguish them.
7. There are two or more than two candidates filled in the same ballot.

Article 9: The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the chairman or the person designated by the chairman at the meeting.

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 and any revision thereof shall become effective after approval at the general 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.

The 4th amendment was made on June 21, 2019.

[Appendix 2]

WT Microelectronics Co., Ltd.
Rules of Procedure for Shareholders' Meeting

Article 1: Shareholders' meeting shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with 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 submit 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 ballets 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 time to start shareholders' meeting shall not be earlier than 9:00 a.m. or later than 3:00 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 the number of shares represented by the shareholders present at the shareholders' meeting has not yet constituted the quorum at the time scheduled for the shareholders' meeting, the chairman may postpone the time for the shareholders' meeting. The postponements shall be limited to two times at the most and shareholders' meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the shareholders' meeting represent more than one - third of the total outstanding shares, shareholders' meeting 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' meeting 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' meeting 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 provisional 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 chainman in accordance to the approval of the majority of the votes represented by the attending shareholders.

The shareholders cannot designate any other person as chairman and continue the meeting at same or other place after the meeting is adjourned.

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

If any shareholder present at the meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of 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: For the same proposal, each shareholder shall not speak twice without the chairman's consent, with five minutes in maximum for each speech. The chairman may stop the speech of any shareholder who violates the above rules or exceeds the scope of the agenda.

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: After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 12: Discussions or votes shall be carried out only for proposals. The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate. For such motions which are announced by the chairman to be determined by votes, ballets may be casted for several motions at the same time but shall be voted separately.

Article 13: Except 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 ballet 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: Each share of the Company is entitled to one vote, 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 ballets 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 person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).

The 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 voting shall be recorded.

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

Article 17: The recording mentioned in the preceding paragraph shall be preserved 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: Persons handling affairs of the meeting shall wear identification cards or badges

The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

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 meeting, the chairman may, at his discretion, set time for recess. In case of incident of force majeure, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will resume.

Before the agenda set forth in the shareholders' meeting（including provisional motions）are concluded, if the meeting place cannot continue to be used for the meeting, then, by resolution of the shareholders, another place may be sought to resume the meeting.

Article 20: These Rules and procedures shall be effective from the date it is approved by the shareholders' meeting. The same applies to modifications.

These Rules were formulated on May 31, 1999.

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

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

The 3rd amendment was made on May 25, 2005.
The 4th amendment was made on June 10, 2015.

[Appendix 3]

WT Microelectronics Co., Ltd.
Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company, organized under the Company Act, shall be named 文曄科技股份有限公司 in Chinese and WT MICROELECTRONICS CO., LTD. in English.

Article 2: The Company's scope of business shall be as follows:

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 domestic or foreign branches upon approval of the Board of Directors.

Article 4: Public announcements of the Company shall be made in accordance with Article 28 of Company Act.

Chapter 2 Shares

Article 5: The Company's authorized capital shall be NT$10 billion, divided into 1 billion shares, with a par value of NT$10 per share. The Board of Directors is authorized to issue the shares in installments.

Among the above total capital, NT$900 million, divided into 90 million shares, with a par value of NT$10 per share, shall be reserved for issuing stock warrants, preferred shares with warrants, or corporate bonds with warrants.

Article 6: In the event that the Company invests in other companies as a limited liability shareholder, the total amount of such reinvestment is not subject to the restriction of not more than 40% of paid-up capital of the Company as provided in Article 13 of Company Act.

Article 7: The share certificates of the Company shall be in name-bearing form, and shall be issued only after they have been signed and sealed by the Directors representing the Company, and duly certified by the competent authority. Shares issued by the Company are not required to be printed. The Company, however, should contact the securities depository and custodian institution for registration of the share certificates.

Article 7-1: Unless otherwise specified, share affairs of the Company shall be handled in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.

Article 7-2: When the Company transfers the shares to employees based on a price lower than the average actual repurchase price, or issues the employee stock warrants based on the price lower than the closing price of the Company's common shares on the date of issuance, the resolution shall be adopted by two-thirds of the votes of the shareholders present, who represent more than one-half of the total outstanding shares.

Article 7-3: Employees that are eligible to subscribe for new shares or restricted employee shares issued by the Company may include employees of affiliated companies that meet certain qualifications.

Article 8: Changes to the shareholder register shall be suspended 60 days before an annual shareholders' meeting, 30 days before an extraordinary shareholders' meeting, or within 5 days before the ex-rights/ex-dividend date.

Chapter 3 Shareholders' Meeting

Article 9: There are 2 types of shareholders' meetings: annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting is convened within 6 months of the close of each fiscal year by the Board of Directors in accordance with the applicable laws; extraordinary shareholders' meetings may be held in accordance with applicable laws whenever necessary.

Article 10: 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 promulgated by the competent authority.

Article 11: Each share of the Company is entitled to one vote, unless otherwise specified or restricted.

Article 11-1: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total outstanding shares.

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

Chapter 4 Directors

Article 13: The Company shall have 5 to 9 Directors, at least 3 of which, and no less than 1/5 of total number of seats, are independent directors. The number of Directors shall be decided by the Board of Directors. The term of office for Directors shall be 3 years, and all Directors may be re-elected.

Directors shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Act and elected from among a group of candidates nominated at shareholders' meetings. Directors of the Company shall be selected from the list of candidates in the shareholders' meeting. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately.

The total number of shares held by all Directors shall not be less than the percentage of the total shareholdings required by the competent authority in accordance with applicable laws.

Article 13-1: In compliance with Articles 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, the Securities and Exchange Act and other relevant regulations.

Article 14: The Directors shall elect from among themselves a Chairman of the Board of Directors, by a majority in a meeting attended by two-thirds or more of the Directors. The Chairman of the Board of Directors shall have the authority to 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 by the Company Act, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted by the majority of the Directors present at the meeting.

Article 14-2: Unless otherwise provided in the Company Act, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors.

Meetings of the Board of Directors shall be convened upon written notice mailed to all the other Directors, at least 7 days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the agenda. Notices of meetings may be sent in writing, via e-mail or by fax.

A Director may authorize another Director to attend the meeting on his/her behalf by presenting a written authorization indicating the scope of authorization.

Each Director may be authorized to attend a meeting by only one another Director.

Article 15: In the event that the Chairperson is absent or unable to exercise his/her authority, the Board of Directors shall designate one Director acting for him/her in accordance with Article 208 of Company Act.

Article 16: The remuneration for Directors shall be proposed by Remuneration Committee based on the degree of their involvement in the Company's operation and value of contribution, the Company's business performance and the standards of the industry, and submitted to the Board of Directors for resolution.

Article 16-1: The Company may tale out 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.

Chapter 5 Managerial Officers

Article 17: The Company shall have several managerial officers. Their appointment, dismissal, and remuneration shall be governed by Article of 29 of the Company Act.

Chapter 6 Accounting

Article 18: The Board of Directors shall prepare the following documents after the end of each fiscal year, and submit them at the annual shareholders' meeting for approval in accordance with the legal procedure.

I. Business report

II. Financial statements

III. Proposal to distribute earnings or to make up for losses.

Article 19: If the Company has profits (which mean profits before tax without deducting the remuneration of employees and Directors) in the fiscal year, the Company shall distribute no less than 1% of such profits to employees and no more than 3% to Directors as their remuneration; provided, however, that when the Company has accumulated losses, the profits shall be preserved to make up for losses.

The employee remuneration mentioned in the preceding paragraph shall be distributed in stock or cash, which may include eligible employees of affiliated companies. The remuneration of Directors may only be distributed in cash.

The matters mentioned in preceding two paragraphs shall be approved by the Board of

Directors and report to the annual shareholders' meeting.

Article 20: If the Company has earnings, the Company shall first pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings may be added to the unappropriated retained earnings at the beginning of the fiscal year as the accumulated unappropriated retained earnings, and distribution of such distributable earnings shall then be submitted by the Board of Directors to the shareholders' meeting for approval.

Pursuant to Article 240 of the Company Act, the Company authorizes the Board of Directors to distribute a portion or all of dividends, bonuses or legal reserve and capital surplus in accordance with Article 241 of the Company Act in cash by resolution adopted by a majority in a meeting attended by two-thirds or more of the Directors, and the distribution shall then be reported to the shareholders' meeting, instead of being submitted to the shareholders’ meeting for approval.

Chapter 7 Supplementary Provisions

Article 20-1:The Company’s dividend policy is based on the following principles:

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. Since the Company is currently in a growth stage, the earnings shall be held in respond to funds required for operational growth and investments. Currently, the Company adopts the minimum cash dividends plus additional dividends. The principles of distribution of earnings are as follows:

The distribution of earnings shall be no less than 40% of unappropriated retained earnings of the fiscal year. The distribution of cash dividends and stock dividends shall be made, taking into account of the future profits and capital demands, and the ratio for cash dividends shall be no less than 10% of total distribution. If total distribution amount exceeds 30% of paid-in capital before distribution, cash dividends shall be no less than 20% of total distribution for the fiscal year.

Article 20-2:(Deleted).

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 provided herein shall be governed in accordance with other applicable laws or regulations.

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

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

The 2ed 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 May2, 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 22ed amendment was made on June 13, 2012.
The 23rd amendment was made on June 10, 2015.
The 24th amendment was made on June 3, 2016.
The 25th amendment was made on June 28, 2018.
The 26th amendment was made on June 21, 2019.

WT Microelectronics Co., Ltd.

Chairman: Eric Cheng

[Appendix 4]

WT Microelectronics Co., Ltd.
Shareholdings of all Directors

I. According to Article 26 of Securities and Exchange Act and the 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 18,963,341.

II. As of the date of transfer termination (January 28, 2020), the respective and current shareholding of directors recorded in the shareholder register is as follows:

Title	Name	Number of shares held	Percentage of Shareholding to Total Shares Issued (%) (Note)
Chairperson	Cheng, Wen-Tsung	28,177,112	4.75
Directors	Hsu, Wen-Hung	8,356,543	1.41
Directors	Sung Kao, Hsin-Ming	4,474,434	0.76
Directors	Wen You Investment Co., Ltd. Representative: Cheng, Ken-Yi	1,359,204	0.23
Independent Director	Cheng, Tien-Chong	0	0
Independent Director	Kung, Ju-Chin	0	0
Independent Director	Lin Che-Wei	0	0
Total		42,367,293	7.15

Note: When calculating the percentage of outstanding shares, the total number of shares issued is 592,604,419.

III. The shareholding of the Company's directors has met the statutory requirements.