Stock Code：3036

WT Microelectronics Co., Ltd.

Handbook of 2021 Annual Shareholders' Meeting

[Translation]

Meeting Time：May 28, 2021

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

Contents

WT Microelectronics Co., Ltd.
2021 Annual Shareholders' Meeting Agenda

Time: Friday, May 28, 2021, 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 2020 Business Report.
(II) The Audit Committee's Review Report on the 2020 Financial Statements.
(III) The 2020 Employees' profit sharing bonus and directors' compensation.
(IV) The 2020 Earnings Distribution of cash dividends.
(V) ASMedia Technology Inc. share exchange case Estimated Benefit Implementaion Report.
(VI) The Termination of Private Security Offering appoved by 2020 Shareholders' Meeting report.

IV. Proposed Resolutions

(I) The 2020 Business Report and Financial Statements.
(II) The 2020 Earnings Distribution.

V. Matters for Discussion

(I) Amendments to the Articles of Incorporation.
(II) Issuance of new Restricted Employee Shares.
(III) Issuance of new common shares for cash capital increase and/or Issuance of new common shares for cash to sponsor issuance of GDRs.
(IV) To release the non-competition restriction on directors.
(V) Amendments to the Rules of Procedure for the Shareholders' Meeting.
(VI) Amendments to the Rules for Director Elections.

VI. Extempore Motions

VII. End of Meeting

Reports

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

Agenda: The 2020 Business Report.

Description: Please refer to Annex 1 (pages 9-12) for the Company's 2020 Business Report.

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

Agenda: The Audit Committee's Review Report on the 2020 Financial Statements.

Description: Please refer to Annex 2 (page 13-14) for the Audit Committees' Review Report.

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

Agenda: The 2020 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 2020 profits (i.e., pre-tax profit in the current year minus remuneration to employees and directors) was NT$4,270,529,000; NT$42,800,000 (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 2020 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. NT$57,540,984 was first distributed to preferred shares shareholders at NT$0.42622951 per share for preferred shares A. NT$2,532,085,920 was then distributed to ordinary shares shareholder at NT$3.2 per share for ordinary shares. Cash dividends for preferred shares and ordinary shares 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: ASMedia Technology Inc. share exchange case Estimated Benefit Implementaion Report.

Description: 1.Handled in accordance with Official Letter Jin-Guan-Zheng-Fa-Zi No. 1090337510 from the Financial Supervisory Commission dated April 17, 2020.

2.Implementation status of the expected benefits from the share exchange is as follows:

Unit: USD

Item	Benefits from share exchange(2020)		Description
	Actual	Expected	
Operating Revenue	82,693,315	77,460,000	In 2020, Strategic cooperation with ASMedia Technology Inc. increased the Company's operating revenue by US$82.69 million with operating margin reaching US$4.07 million, achieving good results at 107% and 92% of the estimates, respectively.
Operating margin	4,074,747	4,440,000	

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

Agenda: The Termination of Private Security Offering appoved by 2020 Shareholders' Meeting report.

Description: 1. The Company's Annual shareholders' meeting on March 27, 2020 approved the Private Security Offering. The total number of shares, along with the private placement of common shares, Class B preferred shares and/or Class C preferred shares will not exceed 170,000,000 shares.

2. Pursuant to Article 43-6 of the Securities and Exchange Act, the private placement may be carried out by installments within one year of the shareholders' meeting resolution. However, the period for this private placement expired on March 26, 2021 and there were no appropriate subjects, hence to discontinue the private placement approved by the 2020 Annual Shareholders' Meeting .

Proposed Resolutions

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

Agenda: The 2020 Business Report and Financial Statements.

Description: 1. The 2020 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 (pages 9-12) and Annexes 3 and 4 (pages 15-38) for the 2020 Business Report, Independent Auditors' Report, and Financial Statements.

Resolution:

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

Agenda: The 2020 Earnings Distribution.

Description: Please refer to Annex 5 (page 39) for the Distribution of 2020 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, please refer to Annex 6 (pages 40-41) for the comparison table of the amended articles.

Resolution:

Item No. 2: **(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 of issuance: 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 7 (pages 42-44) 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 case 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:

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

Agenda: Issuance of new common shares for cash capital increase and/or issuance of new common shares for cash to sponsor issuance of GDRs.

Description:

1. To meet the capital requirements for long-term strategic development and business growth (including but not limited to replenishing working capital, repaying loans, and long-term strategic development, either one or multiple purposes), and consider the internationalization and diversity of capital raising methods, the Company plans to request approval from the shareholders' meeting to authorize the Board of Directors,within the limit of 120,000,000 common shares, depending on the market conditions and the Company's capital requirements, to choose appropriate timing and capital raising instrument(s), to issue new common shares for cash capital increase and/or issue new common shares for cash to sponsor issuance of GDRs (hereinafter collectively referred to as the "Cash Capital Increase Proposal").
2. Please refer to Annex 8 (pages 45-46) for the Method and Contents for Issuance of new common shares for cash capital increase and/or Issuance of new common shares for cash to sponsor issuance of GDRs.
3. The new shares issued for cash capital increase will share the same rights and obligations as the original outstanding common shares.
4. The limit of common shares to be issued in the Cash Capital Increase Proposal is 120,000,000 shares, which is approximately 13.17% of the Company's outstanding shares after capital increase, and is not expected have a material impact on original shareholders' equity. The Cash Capital Increase Proposal aims to meet capital requirements for long-term strategic development, business growth and to improve business benefits. It will have a positive effect on the Company's future development and should not be any negative effects on the rights and equity of shareholders.
5. The main contents of the Cash Capital Increase Proposal, including but not limited to the underwriting method, issuance price, actual number of issued shares, issuance conditions, plan items, amount of funds raised, estimated progress of fund utilization ,expected benefits and all other matters related to the proposal, is proposed to authorize to the board of directors to conduct, adjust, and implement. The chairperson is authorized to make modifications or corrections at his/her full discretion in response to orders from the competent authority and based on business assessment or laws and regulations and the objective market environment.
6. Chairperson or a person designated by the chairperson will be authorized to sign contracts and documents and handle related affairs to complete the Cash Capital Increase Proposal.
7. For any matters not fully deliberated herein, it is proposed that the board of directors be authorized by the shareholders’ meeting to deal with the matters in accordance with laws and regulations.

Resolution:

Item No. 4: **(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 9 (pages 47)for positions concurrently held by directors and independent directors in other companies. A proposal will be made during the Annual Shareholders' Meeting to exempt directors from the non-compete clause.

Resolution:

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

Agenda: Amendments to the Rules of Procedure for the Shareholders' Meeting.

Description: Please refer to Annex 10 (pages 48-51) for the comparison talble of the Rules of Procedure for Shareholders' Meetings before and after amendment, which was carried out in response to the Company's practices and amendment to the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by the TWSE.

Resolution:

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

Agenda: Amendments to the Rules for Director Elections.

Description: Amendments to the Rules for Director Elections were proposed in response to the Company's practices and a candidates nomination system is adopted by company for election of directors, the shareholders shall elect the directors from among the list of director candidates. Please refer to Annex 11 (pages 52-54) for the comparison table of the Rules for Director Elections before and after amendment.

Resolution:

Extempore Motions

End of Meeting

[Annex 1]

WT Microelectronics Co., Ltd.
Business Report

I. 2020 Business Report

(I) Business Performance:

The Group's net consolidated operating revenue in 2020 was NT$353,152,195,000, an increase of 5.36% compared to NT$335,187,151,000 in 2019. The net profit after tax in 2020 was NT$3,794,576,000, an increase of 49.91% or NT$1,263,329,000 compared to the NT$2,531,247,000 in 2019. COVID-19 accelerated digitalization around the world and the stay-at-home economy has driven demand growth. As a result, our main growth momentum in 2020 was from data centers and laptops. The increasing penetration of 5G smart phones has driven an increase in semiconductor content, and has also driven the continued growth of the communications industry. In addition to the development of high growth product applications and increasing customer penetration, we will continue to engage in digital transformation to improve our operational efficiency, optimize operational management systems, enhance our financial management system, and strengthen human resource management, in order to enhance our ability to provide added value to the semiconductor industry supply chain, and thus lay the foundation for corporate sustainability.

Unit: NT$1,000

Item	2019	2020	Increase (Decrease)	Rate of change %
Operating Revenue	335,187,151	353,152,195	17,965,044	5.36
Operating Profit	5,253,230	5,315,969	62,739	1.19
Net profit after tax	2,531,247	3,794,576	1,263,329	49.91

(II) Financial revenue and expenditure and profitability analysis:

Item		2019	2020
Financial structure	Debt to asset ratio (%)	76.84	64.80
	Long-term funds to fixed assets ratio (%)	2,542.03	4,824.28
Liquidity	Current Ratio (%)	127.06	134.47
	Quick Ratio (%)	66.00	79.84
Profitability	Return on assets (%)	3.42	3.64
	Return on equity (%)	11.18	10.90
	Net profit margin (%)	0.76	1.07
	Basic EPS (NTD) [Notes]	4.32	5.22

[Notes] Based on weighted average outstanding shares in each year.

(III) Research and development status:

The continued development of semiconductor processes has led to rising demand on high performance processors, as well as the application of AI to improve the processing ability of computers. The introduction of broadband semiconductor devices and rapid deployment and development of 5G mobile communications have made open radio access network, edge computing, and WiFi 6E new markets for the next phase of growth. Changes in the macro environment have led to new applications and new demand: High performance digital power sources, AI camera, smart speakers, 800G switch and 800G optical fiber module, applications of SiC and GaN in electric vehicles and base stations, time of flight components, Bluetooth 5.2 related products and ultra broadband, low power consumption, and high speed wireless personal area network. 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	2018	2019	2020
Net operating revenue	273,416,485	335,187,151	353,152,195
R&D expenses	367,592	407,103	385,971
R&D expenses as a percentage of revenue	0.13%	0.12%	0.11%

II. 2021 Business Plan

In 2021, facing the pandemic, uncertain global economic outlook, and changes in the supply 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 profitability. In addition, the Company will improve risk management and operational efficiency, optimize operational management systems, and strengthen financial and human resources management to provide added value for the semiconductor industry chain and further lay the foundation for corporate sustainability.

(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 and portion 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, smart IoT, and industrial control, improve sales of existing clients and new applications of existing products, and cooperate more closely with leading players in every segment; 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 processes.

- ■ Strengthen 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.

- ■ Respond to new international situations: In response to COVID-19 and the restructuring of supply chains, begin using video conference with vendors and customers to achieve rapid communication and timely response. Furthermore, continue to engage in digital transformation, optimize internal processes to improve operational efficiency, and increase added value in the supply chain.

(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 Review Report

The Board of Directors has prepared and submitted the 2020 business report and financial statements. PricewaterhouseCoopers Taiwan audited the financial statements and issued an audit report. These have been reviewed by the Audit Committee and determined to be correct and accurate as WT Microelectronics' 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

2021 Annual Shareholders' Meeting of WT Microelectronics Co., Ltd.

Audit Committee convener: Cheng, Tien-Chong

February 25, 2021

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

The Company's 2020 earnings distribution proposal submitted by the Board of Directors has been reviewed by the Audit Committee and determined to be correct. 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

2021 Annual Shareholders' Meeting of WT Microelectronics Co., Ltd.

Audit Committee convener: Cheng, Tien-Chong

April 16, 2021

[Annex 3]

2020 Consolidated Financial Statements and Independent Auditors' Report

Key audit matters for the Group’s 2020 consolidated financial statements 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. Under the arrangement, the Group calculates the amount of supplier rebates based on sales details, and recognises it as a deduction of accounts payable to suppliers and a deduction of operating costs. 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 analysis on the ratio of supplier rebates of main inventory items to corresponding total sales amount, and compared with historical data in order to assess its reasonableness;
C. Sampled supplier rebates and tested transaction data to confirm whether the transaction quantities were consistent with sales details. Also, verified arrangements and calculation worksheets, and recalculated supplier rebates to ensure that the rebate recognition was correct;

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, including supplier rebates which have been confirmed by suppliers, and examined the reconciliation for the differences between the amount stated in the suppliers' confirmation and the Company's records.

Impairment assessment of goodwill

Description

Refer to Note 4(19) 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(11) 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, 2020, the Group's goodwill amounted to NT$1,826,278 thousand. For the year ended December 31, 2020, the Group recognised consolidated impairment loss of goodwill amounting to NT$46,013 thousand.

Relative to the aforementioned acquired company and distribution business, some distribution businesses 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 assessed 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. Obtained an understanding and assessed management's assessment process of each cash generating unit and examined whether the adopted future cash flows are consistent with the budget provided by the operating segment;

B. As the recoverable amount was determined based on value-in–use, ascertained the reasonableness of estimated growth rate, discount rate and other significant assumptions and performed the following:

   (a) Compared the reasonableness of estimated growth rate with historical data and our knowledge of the business and industry;

   (b) Evaluated the parameters of discounted rate, including risk-free interest rate, industry's risk coefficient, returns on similar assets in the market, and proportion of equity capital; and

   (c) Checked the parameters of valuation model and the setting of calculation formula.

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

D. Assessed the future cash flow sensitivity analysis prepared by management based on the alternative hypothesis using different discount rates, and confirmed whether management has appropriately considered the possible impact on the estimation uncertainty of impairment assessment.

Assessment of 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(6) for details of inventory valuation. As at December 31, 2020, the Group's inventories and allowance for inventory valuation losses were NT$45,337,620 thousand and NT$1,023,228 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. The net realisable values of obsolete inventories are individually identified as obsolete or damaged, if any. 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 is subject to management's judgement, we consider the assessment of 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 in order to assess whether the provision policies and procedures were applied consistently and reasonably during the periods, including the classification of each inventory and identified as obsolete with supporting documents, and agreed to imformation obtained from physical inventory; and
C. Obtained the net realisable value statement of each inventory, and tested supporting documents in relation to sources of information in calculating the net realisable value.

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, 2020 and 2019.

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.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with generally accepted auditing standards in the Republic of China, 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Juanlu, Man Yu

Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2021

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, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 23,314,455	18	$ 25,995,988	26
2110	Short-term notes and bills payable	6(13)	747,643	1	463,840	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	26,118	-
2130	Contract liabilities - current	6(24)	506,379	-	195,597	-
2170	Accounts payable		54,945,766	42	45,689,544	45
2200	Other payables	6(14)	1,723,279	1	1,803,941	2
2230	Current income tax liabilities		684,636	1	644,397	1
2280	Lease liabilities - current		169,023	-	146,154	-
2320	Long-term liabilities, current portion	6(16)	-	-	120,080	-
2365	Refund liabilities - current	6(24)	459,101	-	552,019	1
2399	Other current liabilities		62,460	-	44,635	-
21XX	**Total current liabilities**		82,612,742	63	75,682,313	75
	Non-current liabilities					
2530	Bonds payable	6(15)	377,194	-	1,124,091	1
2540	Long-term loans	6(16)	800,000	1	-	-
2570	Deferred income tax liabilities	6(31)	604,978	1	519,569	1
2580	Lease liabilities - non-current		330,899	-	426,419	-
2600	Other non-current liabilities		167,404	-	135,708	-
25XX	**Total non-current liabilities**		2,280,475	2	2,205,787	2
2XXX	**Total liabilities**		84,893,217	65	77,888,100	77
	Equity attributable to owners of parent					
	Share capital	6(19)				
3110	Common stock		7,880,260	6	5,903,358	6
3120	Preference share		1,350,000	1	-	-
3130	Certificates of entitlement to new shares from convertible bonds		2,057	-	11,011	-
	Capital surplus	6(20)				
3200	Capital surplus		20,094,981	15	9,531,836	9
	Retained earnings	6(21)				
3310	Legal reserve		2,280,822	2	2,019,788	2
3320	Special reserve		791,142	1	143,568	-
3350	Unappropriated retained earnings		8,070,791	6	6,659,975	7
	Other equity interest	6(22)				
3400	Other equity interest		5,607,964	4	(791,142)	(1)
31XX	**Equity attributable to owners of the parent**		46,078,017	35	23,478,394	23
36XX	Non-controlling interest	6(23)	38,364	-	742	-
3XXX	**Total equity**		46,116,381	35	23,479,136	23
	Commitments and contingent liabilities	9				
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 131,009,598	100	$ 101,367,236	100

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	2020 AMOUNT	2020 %	2019 AMOUNT	2019 %
4000	Operating revenue	6(24)	$ 353,152,195	100	$ 335,187,151	100
5000	Operating costs	6(6)	(342,377,773)	(97)	(324,386,746)	(97)
5900	Net operating margin		10,774,422	3	10,800,405	3
	Operating expenses	6(29)				
6100	Selling expenses		(4,069,653)	(1)	(4,149,755)	(1)
6200	General and administrative expenses		(978,659)	(1)	(987,816)	-
6300	Research and development expenses		(385,971)	-	(407,103)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(24,170)	-	(2,501)	-
6000	Total operating expenses		(5,458,453)	(2)	(5,547,175)	(1)
6900	Operating profit		5,315,969	1	5,253,230	2
	Non-operating income and expenses					
7100	Interest income	6(25)	16,068	-	21,500	-
7010	Other income	6(26)	210,236	-	52,000	-
7020	Other gains and losses	6(27)	278,052	-	21,257	-
7050	Finance costs	6(28)	(990,675)	-	(1,953,119)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(30,881)	-	(85,783)	-
7000	Total non-operating income and expenses		(517,200)	-	(1,944,145)	(1)
7900	**Profit before income tax**		4,798,769	1	3,309,085	1
7950	Income tax expense	6(31)	(1,004,193)	-	(777,838)	-
8200	**Profit for the year**		$ 3,794,576	1	$ 2,531,247	1

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

			Year ended December 31			
			2020		2019	
	Items	Notes	AMOUNT	%	AMOUNT	%
	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(17)	($ 5,707)	-	($ 10,286)	-
8316	Unrealised gain on valuation of equity investment instruments measured at fair value through other comprehensive income	6(22)	8,014,355	2	207,749	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		1,142	-	2,057	-
8310	Other comprehensive income that will not be reclassified to profit or loss		8,009,790	2	199,520	-
	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)	(1,442,482)	-	(753,219)	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(7)	2,116	-	(1,406)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(31)	-	-	(13,087)	-
8360	Other comprehensive loss that will be reclassified to profit or loss		(1,440,366)	-	(767,712)	-
8300	**Total other comprehensive income (loss) for the year**		$ 6,569,424	2	($ 568,192)	-
8500	**Total comprehensive income for the year**		$ 10,364,000	3	$ 1,963,055	1
	Profit attributable to:					
8610	Owners of the parent		$ 3,794,178	1	$ 2,530,940	1
8620	Non-controlling interest		398	-	307	-
			$ 3,794,576	1	$ 2,531,247	1
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 10,363,641	3	$ 1,962,768	1
8720	Non-controlling interest		359	-	287	-
			$ 10,364,000	3	$ 1,963,055	1
	Earnings per share (in dollars)	6(32)				
9750	Basic earnings per share		$	5.22	$	4.32
9850	Diluted earnings per share		$	5.06	$	4.18

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(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	Preference share	Certificates of bond-to-stock conversion	Capital Surplus	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	Total	Non-controlling interest	Total equity
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		-	-	-	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		-	-	-	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
2020													
Balance at January 1, 2020		$ 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
Consolidated net income		-	-	-	-	-	-	3,794,178	-	-	3,794,178	398	3,794,576
Other comprehensive income (loss)	6(22)	-	-	-	-	-	-	(4,565)	(1,440,312)	8,014,340	6,569,463	(39)	6,569,424
Total comprehensive income (loss)		-	-	-	-	-	-	3,789,613	(1,440,312)	8,014,340	10,363,641	359	10,364,000
Appropriations of 2019 earnings:	6(21)												
Legal reserve		-	-	-	-	261,034	-	(261,034)	-	-	-	-	-
Special reserve		-	-	-	-	-	647,574	(647,574)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,645,111)	-	-	(1,645,111)	-	(1,645,111)
Issuance of shares	6(19)(20)	1,710,000	-	-	4,914,000	-	-	-	-	-	6,624,000	-	6,624,000
Issuance of preference shares	6(19)(20)	-	1,350,000	-	5,400,000	-	-	-	-	-	6,750,000	-	6,750,000
Compensation cost of share-based payments	6(18)	-	-	-	1,706	-	-	-	-	-	1,706	-	1,706
Conversion of convertible bonds	6(19)(20)	266,902	-	(8,954)	496,449	-	-	-	-	-	754,397	-	754,397
Changes in non-controlling interest	6(23)	-	-	-	-	-	-	-	-	-	-	37,263	37,263
Disposal of financial assets at fair value through other comprehensive income	6(22)	-	-	-	-	-	-	174,922	-	(174,922)	-	-	-
Reorganization	4(3)	-	-	-	(249,010)	-	-	-	-	-	(249,010)	-	(249,010)
Balance at December 31, 2020		$ 7,880,260	$ 1,350,000	$ 2,057	$ 20,094,981	$ 2,280,822	$ 791,142	$ 8,070,791	($ 2,600,106)	$ 8,208,070	$ 46,078,017	$ 38,364	$ 46,116,381

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 4,798,769	$ 3,309,085
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(29)	297,451	287,610
Amortisation	6(29)	13,454	9,776
Impairment loss determined in accordance with IFRS 9	12(2)	24,170	2,501
Net loss on financial assets and liabilities at fair value through profit or loss	6(27)	48,150	9,982
Share-based payments	6(18)	1,706	-
Share of loss of associates and joint ventures accounted for using equity method	6(7)	30,881	85,783
Loss on disposal of property, plant and equipment, net	6(27)	749	285
Impairment loss	6(27)	46,013	3,811
Interest expense	6(28)	570,507	1,036,861
Interest income	6(25)	(16,068)	(21,500)
Dividend income	6(26)	(115,395)	(5,977)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(16,623)	-
Accounts receivable		(18,888,582)	(9,660,226)
Other receivables		454,008	332,388
Inventories		(1,367,170)	115,385
Prepayments		(405,390)	(57,545)
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		(83,066)	12,154
Contract liabilities		316,665	74,386
Accounts payable		14,122,144	9,357,292
Other payables		(11,477)	23,965
Other current liabilities (including refund liabilities)		(76,461)	(325,880)
Accrued pension liabilities		(2,503)	(20,869)
Cash (outflow) inflow generated from operations		(258,068)	4,569,267
Interest received		16,068	21,500
Dividends received		115,395	5,977
Interest paid		(566,047)	(1,045,436)
Income taxes paid		(963,509)	(684,002)
Net cash flows (used in) from operating activities		(1,656,161)	2,867,306

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in other receivables - related parties		$ 147,775	$ -
Acquisition of financial assets at fair value through profit or loss		(176,921)	-
Proceeds from disposal of financial assets at fair value through profit or loss		56,450	-
Acquisition of financial assets at fair value through other comprehensive income		(98,923)	(20,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	187,887	92,212
Decrease in other financial assets		38,875	47,220
Acquisition of property, plant and equipment	6(34)	(105,967)	(110,030)
Proceeds from disposal of property, plant and equipment		280	488
Acquisition of intangible assets	6(11)	(5,008)	(23,585)
Net cash payments for business combination	6(33)(34)	(253,983)	(15,396)
(Increase) decrease in other non-current assets		(48,435)	3,932
Acquisition of right-of-use assets		-	(17,227)
Net cash flows used in investing activities		(257,970)	(42,386)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(35)	(2,648,544)	(11,581)
Increase (decrease) in short-term notes and bills payable	6(35)	277,458	(1,374,671)
Proceeds from long-term borrowings	6(35)	800,000	-
Payments of long-term loans	6(35)	(120,424)	(865,160)
Proceeds from issuing bonds	6(15)(35)	-	1,195,000
Repayments of bonds	6(35)	-	(49,900)
Increase (decrease) in other non-current liabilities		28,276	(1,547)
Changes in non-controlling interest	6(23)	(276)	(257)
Payment of lease liabilities	6(35)	(167,446)	(156,509)
Cash dividends paid	6(21)	(1,645,111)	(1,387,967)
Issuance of preference shares	6(19)	6,750,000	-
Net cash flows from (used in) financing activities		3,273,933	(2,652,592)
Effect of exchange rate changes		(839,321)	(400,878)
Net increase (decrease) in cash and cash equivalents		520,481	(228,550)
Cash and cash equivalents at beginning of year		3,106,631	3,335,181
Cash and cash equivalents at end of year		$ 3,627,112	$ 3,106,631

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

[Annex 4]

2020 Standalone Financial Statements and Independent Auditors' Report

Key audit matters for the Company's 2020 parent company only financial statements 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 the 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. Under the arrangement, the Company calculates the amount of supplier rebates based on sales details, and recognises it as a deduction of accounts payable to suppliers and a deduction of operating costs. 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, as well as the fact that the aforementioned matter also affects the Company's subsidiaries (recognised as investments accounted for using equity method), 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 analysis on the ratio of supplier rebates of main inventory items to corresponding total sales amount, and compared with historical data in order to assess its reasonableness;
C. Sampled supplier rebates and tested transaction data to confirm whether the transaction quantities were consistent with sales details. Also, verified arrangements and calculation worksheets, and recalculated supplier rebates to ensure that the rebate recognition was correct;

D. Sampled the supplier rebates which were recognised before the 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, including supplier rebates which has been confirmed by suppliers, and examined the reconciliation for the differences between the amount stated in the suppliers' confirmation and the Company's records.

Impairment assessment of investments accounted for using equity method and goodwill

Description

Refer to Notes 4(12) and 4(16) 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(7) and 6(10) 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". As at December 31, 2020, the goodwill of the Group and the Company amounted to NT$1,826,278 thousand and NT$179,304 thousand, respectively. For the year ended December 31, 2020, the Group and the Company recognised impairment loss of goodwill amounting to NT$46,013 thousand and NT$46,013 thousand, respectively.

Relative to the aforementioned acquired company and distribution business, some distribution businesses 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 used the expected future cash flows of each cash generating unit and proper discount rate to determine recoverable amount of goodwill, and assessed 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. Obtained an understanding and assessed management's assessment process of each cash generating unit and examined whether the adopted future cash flows are consistent with the budget provided by the operating segment;
B. As the recoverable amount was determined based on value-in–use, ascertained reasonableness of estimated growth rate, discount rate and other significant assumptions and performed the following:
   (a) Compared the reasonableness of estimated growth rate with historical data and our knowledge of the business and industry;
   (b) Evaluated the parameters of discount rate, including risk-free interest rate, industry's risk coefficient, returns on similar assets in the market, and proportion of equity capital; and
   (c) Checked the parameters of valuation model and the setting of calculation formula.
C. Compared the higher of recoverable amount and book value of each cash generating unit to verify the appropriateness of impairment assessment.
D. Assessed the future cash flow sensitivity analysis prepared by management based on the alternative hypothesis using different discount rates, and confirmed whether management has appropriately considered the possible impact on the estimation uncertainty of impairment assessment.

Assessment of 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(6) for details of inventory valuation. As at December 31, 2020, the Company's inventories and allowances for inventory valuation losses were NT$30,941,748 thousand and NT$679,711 thousand, respectively.

The Company 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 the balance sheet date. The net realisable values of obsolete inventories are individually identified as obsolete or damaged, if any. Since the amount of inventory is material, inventory types vary, sources of information in calculating the net realisable values of each type of inventories are many, and the identification of obsolete and damaged inventory and its net realisable value is subject to management's judgement, as well as the fact that the aforementioned matter also affects the Company's subsidiaries (recognised as investments accounted for using equity method), we consider the assessment of 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 in order to assess whether the provision policies and procedures were applied consistently and reasonably during the periods, including the classification of each inventory and identified as obsolete with supporting documents, and agreed to information obtained from physical inventory; and
C. Obtained the net realisable value statement of each inventory, and tested supporting documents in relation to sources of information in calculating the net realisable value.

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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, 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 auditors' 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 auditors' 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 parent company only 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 parent company only 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Juanlu, Man-Yu   Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2021

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 15,938,058	15	$ 18,348,337	22
2110	Short-term notes and bills payable	6(12)	649,675	1	398,953	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	25,841	-
2130	Contract liabilities - current	6(22) and 7	146,174	-	92,506	-
2170	Accounts payable		43,446,260	39	38,162,139	45
2180	Accounts payable - related parties	7	826,651	1	858,561	1
2200	Other payables	6(13)	1,160,320	1	1,158,740	1
2220	Other payables - related parties	7	3,966	-	6,136	-
2230	Current income tax liabilities		297,672	-	288,187	-
2280	Lease liabilities - current		101,122	-	86,764	-
2320	Long-term liabilities, current portion	6(15)	-	-	120,080	-
2365	Refund liabilities - current	6(22)	203,287	-	368,473	-
2399	Other current liabilities		15,158	-	6,087	-
21XX	**Total current liabilities**		62,788,343	57	59,920,804	70
	Non-current liabilities					
2530	Bonds payable	6(14)	377,194	-	1,124,091	1
2540	Long-term loans	6(15)	800,000	1	-	-
2570	Deferred income tax liabilities	6(29)	482,043	-	418,929	1
2580	Lease liabilities - non-current		139,564	-	194,466	-
2600	Other non-current liabilities	6(16)	44,262	-	24,309	-
25XX	**Total non-current liabilities**		1,843,063	1	1,761,795	2
2XXX	**Total liabilities**		64,631,406	58	61,682,599	72
	Equity					
	Share capital	6(18)				
3110	Common stock		7,880,260	7	5,903,358	7
3120	Preference stock		1,350,000	1	-	-
3130	Certificates of entitlement to new shares from convertible bonds		2,057	-	11,011	-
	Capital surplus	6(19)				
3200	Capital surplus		20,094,981	18	9,531,836	11
	Retained earnings	6(20)				
3310	Legal reserve		2,280,822	2	2,019,788	2
3320	Special reserve		791,142	1	143,568	-
3350	Unappropriated retained earnings		8,070,791	7	6,659,975	8
	Other equity interest	6(21)				
3400	Other equity interest		5,607,964	6	(791,142)	-
3XXX	**Total equity**		46,078,017	42	23,478,394	28
	Commitments and contingent liabilities	9				
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 110,709,423	100	$ 85,160,993	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
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	Year ended December 31 2020 AMOUNT	2020 %	2019 AMOUNT	2019 %
4000	Operating revenue	6(22) and 7	$ 288,646,964	100	$ 273,996,730	100
5000	Operating costs	6(6) and 7	(283,523,398)	(98)	(269,252,304)	(98)
5900	Net operating margin		5,123,566	2	4,744,426	2
	Operating expenses	6(27) and 7				
6100	Selling expenses		(1,989,616)	(1)	(1,691,857)	(1)
6200	General and administrative expenses		(524,655)	-	(486,028)	-
6300	Research and development expenses		(274,328)	-	(228,388)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(49,439)	-	(29,719)	-
6000	Total operating expenses		(2,838,038)	(1)	(2,435,992)	(1)
6900	Operating profit		2,285,528	1	2,308,434	1
	Non-operating income and expenses					
7100	Interest income	6(23)	3,117	-	8,581	-
7010	Other income	6(24)	128,701	-	4,582	-
7020	Other gains and losses	6(25)	244,114	-	117,708	-
7050	Finance costs	6(26)	(619,453)	-	(1,260,032)	(1)
7070	Share of profit of associates and joint ventures accounted for using equity method		2,175,222	1	1,703,123	1
7000	Total non-operating income and expenses		1,931,701	1	573,962	-
7900	**Profit before income tax**		4,217,229	2	2,882,396	1
7950	Income tax expense	6(29)	(423,051)	-	(351,456)	-
8200	**Profit for the year**		$ 3,794,178	2	$ 2,530,940	1
	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(16)	($ 21,654)	-	($ 9,881)	-
8316	Unrealised gain (loss) on valuation of equity instruments measured at fair value through other comprehensive income	6(21)	7,511,803	3	(3,167)	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method	6(30)	515,295	-	210,594	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	4,331	-	1,976	-
8310	Other comprehensive income that will not be reclassified to profit or loss		8,009,775	3	199,522	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	(1,351,264)	(1)	(501,673)	-
8380	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method	6(30)	(89,048)	-	(266,021)	-
8360	Other comprehensive income loss that will be reclassified to profit or loss		(1,440,312)	(1)	(767,694)	-
8300	**Total other comprehensive income (loss) for the year**		$ 6,569,463	2	($ 568,172)	-
8500	**Total comprehensive income for the year**		$ 10,363,641	4	$ 1,962,768	1
	Earnings per share (in dollars)	6(31)				
9750	Basic earnings per share		$	5.22	$	4.32
9850	Diluted earnings per share		$	5.06	$	4.18

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
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Share Capital				Retained Earnings			Other Equity Interest		
	Notes	Share capital - common stock	Preference share	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	Total equity
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(21)	-	-	-	-	-	-	(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(20)										
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(19)	-	-	-	37,762	-	-	-	-	-	37,762
Conversion of convertible bonds	6(18)(19)	351,469	-	(13,206)	720,614	-	-	-	-	-	1,058,877
Disposal of financial assets at fair value through other comprehensive income	6(21)	-	-	-	-	-	-	87,631	-	(87,631)	-
Changes in ownership interests in subsidiaries	6(19)	-	-	-	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
2020											
Balance at January 1, 2020		$ 5,903,358	$ -	$ 11,011	$ 9,531,836	$ 2,019,788	$ 143,568	$ 6,659,975	($ 1,159,794)	$ 368,652	$ 23,478,394
Profit for the year		-	-	-	-	-	-	3,794,178	-	-	3,794,178
Other comprehensive income (loss)	6(21)	-	-	-	-	-	-	(4,565)	(1,440,312)	8,014,340	6,569,463
Total comprehensive income (loss)		-	-	-	-	-	-	3,789,613	(1,440,312)	8,014,340	10,363,641
Appropriations of 2019 earnings:	6(20)										
Legal reserve		-	-	-	-	261,034	-	(261,034)	-	-	-
Special reserve		-	-	-	-	-	647,574	(647,574)	-	-	-
Cash dividends		-	-	-	-	-	-	(1,645,111)	-	-	(1,645,111)
Issuance of shares	6(18)	1,710,000	-	-	4,914,000	-	-	-	-	-	6,624,000
Issuance of preference shares	6(18)	-	1,350,000	-	5,400,000	-	-	-	-	-	6,750,000
Compensation cost of share-based payments	6(17)	-	-	-	1,706	-	-	-	-	-	1,706
Conversion of convertible bonds	6(18)(19)	266,902	-	(8,954)	496,449	-	-	-	-	-	754,397
Disposal of financial assets at fair value through other comprehensive income	6(21)	-	-	-	-	-	-	174,922	-	(174,922)	-
Reorganization		-	-	-	(249,010)	-	-	-	-	-	(249,010)
Balance at December 31, 2020		$ 7,880,260	$ 1,350,000	$ 2,057	$ 20,094,981	$ 2,280,822	$ 791,142	$ 8,070,791	($ 2,600,106)	$ 8,208,070	$ 46,078,017

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
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 4,217,229	$ 2,882,396
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(27)	179,099	173,891
Amortization	6(27)	11,179	8,860
Impairment loss determined in accordance with IFRS 9	12(2)	49,439	29,719
Impairment loss	6(25)	46,013	3,811
Net loss on financial assets and liabilities at fair value through profit or loss	6(25)	50,622	10,406
Share-based payments	6(17)	1,706	-
Share of profit of subsidiaries accounted for using equity method		(2,175,222)	(1,703,123)
Interest expense	6(26)	349,540	725,928
Interest income	6(23)	(3,117)	(8,581)
Dividend income	6(24)	(107,720)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(5,147,180)	(2,998,819)
Accounts receivable - related parties		(7,969,139)	(5,503,122)
Other receivables		82,333	251,140
Inventories		3,141,465	363,259
Prepayments		(200,493)	(376)
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		(83,330)	11,898
Contract liabilities		53,668	(2,052,821)
Accounts payable		5,284,121	6,703,510
Accounts payable - related parties		(31,910)	545,201
Other payables		8,138	270,712
Other current liabilities		9,071	(190,348)
Accrued pension liabilities		(1,701)	(1,366)
Cash outflow generated from operations		(2,236,189)	(477,825)
Interest received		3,117	8,581
Dividends received		1,175,510	1,730,549
Interest paid		(343,835)	(723,498)
Income taxes paid		(388,148)	(321,532)
Net cash flows (used in) from operating activities		(1,789,545)	216,275

(Continued)

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in other receivables - related parties	7	$ -	$ 721,803
Acquisition of financial assets at fair value through profit or loss		(132,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss		39,515	-
Acquisition of financial assets at fair value through other comprehensive income		(80,730)	(20,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	14
Acquisition of investments accounted for using equity method		(397,230)	-
Proceeds from capital reduction of subsidiaries		10,356	-
Acquisition of property, plant and equipment	6(33)	(25,916)	(77,866)
Acquisition of intangible assets	6(10)	(5,008)	(23,585)
Net cash payments for business combination	6(33)	(29,485)	(15,396)
Decrease (increase) in other non-current assets		814	(11,353)
Net cash flows (used in) from investing activities		(619,684)	573,617
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	6(34)	(2,410,279)	1,861,776
Increase (decrease) in short-term notes and bills payable	6(34)	245,228	(957,983)
Proceeds from long-term loans	6(34)	800,000	-
Repayments of long-term loans	6(34)	(120,080)	(873,500)
Proceeds from issuing bonds	6(14)(34)	-	1,195,000
Repayments of bonds	6(14)(34)	-	(49,900)
Payment of lease liabilities	6(34)	(107,309)	(102,347)
Cash dividends paid	6(20)	(1,645,111)	(1,387,967)
Issuance of preference shares	6(18)	6,750,000	-
Net cash flows from (used in) financing activities		3,512,449	(314,921)
Effect of exchange rate changes		(820,150)	(345,767)
Net increase in cash and cash equivalents		283,070	129,204
Cash and cash equivalents at beginning of year		490,983	361,779
Cash and cash equivalents at end of year		$ 774,053	$ 490,983

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

[Annex 5]

WT Microelectronics Co., Ltd.
Earnings Distribution Statement
2020

Unit: NTD

2020 after-tax net profit	**$**	**3,794,177,505**
Less: Remeasurements of defined benefit plan		(4,565,468)
Plus: Disposal of equity instruments measured at fair value through other comprehensive income		174,922,095
Current after-tax net profit plus other profit items included in undistributed earnings in the current year		3,964,534,132
Less: 10% statutory reserve		(396,453,413)
Plus: Reversal of special reserve		791,141,030
Plus: Undistributed earnings from the previous year		4,106,257,447
Accumulated distributable earnings at the end of 2020		8,465,479,196
Items for distribution: (Note 1)		
Preferred share dividends (Note 2)		(57,540,984)
Cash dividends on ordinary shares (Note 3) (NT$3.20 per share)		(2,532,085,920)
Undistributed earnings at the end of the period	**$**	**5,875,852,292**

Note 1: Earnings in 2020 are distributed first.

Note 2: 135,000,000 class A preferred shares were issued at the price of NT$50 on October 15, 2020; calculated at a dividend yield of 4% for preferred shares and the actual number of days issued (78 days in total).

Note 3: Distribution of dividends is based on 791,276,850 shares issued upon resolution of the Board of Directors on April 16, 2021.

Chairperson: Cheng, Wen-Tsung

Managerial officer: Cheng, Wen-Tsung

Chief Accountant: Yang, Hsing-Yu

[Annex 6]

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$20 billion, divided into 2 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$3 billion, divided into 300 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$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.	Increased the Company's authorized capital and retained the limit for issuing stock options in coordination with future business plans.
Article 11: Each share of the Company is entitled to one vote, unless otherwise specified or restricted by the law or Articles of Incorporation.	Article 11: Each share of the Company is entitled to one vote, unless otherwise specified or restricted.	Revised in coordination with practices.
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 (distributable earnings in the current year) plus undistributed earnings at the beginning of the period is the accumulated retained earnings, which shall first be distributed as dividends to holders of Preferred Share, and distribution of such earnings shall be 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 in the current year shall first be distributed as dividends to holders of Preferred Share, and any remaining amount may be added to unappropriated earnings at the beginning of the fiscal year as the accumulated retained earnings, and distribution of such earnings shall be submitted by the Board of Directors to the shareholders' meeting for approval. (Content below omitted)	Revised the wording to specify the scope of dividend distribution.

Article After Amendment	Current Article	Description of Amendment
Article 22: (Content above omitted) The 27th amendment was made on March 27, 2020. The 28th amendment was made on May 28, 2021.	Article 22: (Content above omitted) The 27th amendment was made on March 27, 2020.	To add the date of amendment.

[Annex 7]

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 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 achieve 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 causes:
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. Affiliates are determined in accordance with the standards set forth in Article 369-2 of the Company Act.

(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) Individuals with 10% and above of the Company's common shares are not eligible.

(V) 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 talent, 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 791,276,850 outstanding ordinary shares. The total number of the new restricted employee shares issued by the Company is equivalent to 0.38% of the Company's outstanding ordinary shares. The fair market value is estimated at NT$46.01, which is calculated by using the average closing price per share of the Company for the 30 business days ending April 15, 2021 of NT$46.01 less the issue price of NT$0. The total calculated expense amount determined by such market value is NT$132,931,000. The amortized expense estimated to be in the amount of NT$33,990,000, NT$33,480,000, NT$32,978,000, NT$32,483,000 for the first, second, third, and fourth years, respectively. The dilution of the Company's EPS is estimated to be approximately in the amount of NT$0.04, NT$0.04, NT$0.04 and NT$0.04 for the first, second, third, and fourth years, 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 8]

WT Microelectronics Co., Ltd.
Method and Contents for Issuance of new common shares for cash capital increase and/or Issuance of new common shares for cash to sponsor issuance of GDRs

I. Domestic cash capital increase by issuing new common shares:

The issuance of new common shares for cash capital increase will either be via book building or public subscription.

(I) Book building

1. If book building is selected, in addition to making 10% to 15% of the new shares available for subscription by employees of the Company and its subsidiaries according to Article 267 of the Company Act and Article 7-3 of the Company's Articles of Incorporation, the remaining shares, in accordance with Article 28-1 of the Securities and Exchange Act, will be submitted to the shareholder meeting for a resolution to have existing shareholders waive preemptive rights and to make all shares not reserved for employee subscription available for public offering by book building. The chairperson is authorized to engage a designated party to subscribe at issue price any forfeited subscription quota or shortfall.
2. When reporting the issuance to the FSC and submitting the book building agreement and underwriting contract to the Taiwan Securities Association according to the "Self-imposed Rules Governing Underwriters Assisting Companies in Issuing Securities" (hereinafter referred to as the "Self-imposed Rules") of the Taiwan Securities Association, the issue price may not be lower than 90% of the simple arithmetic mean of the closing price of ordinary shares in the prior 1, 3, or 5 business days, less stock dividend (or capital reduction) and cash dividend. The chairperson is authorized to decide on the actual issue price within the price range specified above based on the participation of underwriters in book building and market conditions.

(II) Public subscription

1. If public subscription is selected, in addition to making 10% to 15% of the new shares available for subscription by employees of the Company and its subsidiaries according to Article 267 of the Company Act and Article 7-3 of the Company's Articles of Incorporation, 10% of the new shares will be publicly offered in accordance with Article 28-1 of the Securities and Exchange Act, and the remaining shares will be reserved for subscription by original shareholders according to their shareholding ratio specified on the shareholders register on the subscription record date. For forfeited subscription quota or shortfall, the chairperson is authorized to engage a designated party to subscribe at the issue price.
2. The issue price will be reported to the FSC according to the Self-imposed Rules, and the closing price in the five business days before th ex-dividend date may not be lower than 70% of the simple arithmetic mean of the closing price of ordinary shares in the prior 1, 3, or 5 business days, less stock dividend (or capital reduction) and cash dividend. The chairperson is authorized to negotiate the actual issue price with underwriters by considering market conditionswithin the price range specified above.

II. Issuance of new common shares for cash to sponsor issuance of GDRs

(I) With regard to the issuance of common stock for cash capital increase and GDs, in addition to making 10% to 15% of the new shares available for subscription by employees of the Company and its subsidiaries according to Article 267 of the Company Act and Article 7-3 of the Company's Articles of Incorporation, the remaining shares, in accordance with Article 28-1 of the Securities and Exchange Act, will be submitted to the shareholder meeting for a resolution to have existing shareholders waive preemptive rights and to make all shares not reserved for employee subscription available for public offering in DRs. For forfeited subscription quota or shortfall, the chairperson is authorized to engage a designated party to subscribe at issue price, or list as the original securities participating in the issuance of DRs depending on market demand.

(II) According to the Self-imposed Rules, the issue price will not be lower than 80% of the simple arithmetic mean of the closing price of ordinary shares on the pricing date or in the 1, 3, or 5 business days prior to the pricing date, less stock dividend (or capital reduction) and cash dividend. In order to protect shareholder rights and interests and avoid short-term arbitrage by global depositary receipt holders, the issuance plan and depositary contract shall state that global depositary receipt holders cannot request reconversion within three months of issuance according to the “Self-imposed Rules”. If there are changes to domestic laws and regulations, the pricing method may be adjusted in accordance with the laws and regulations. The chairperson is authorized to negotiate the actual issue price with underwriters within the price range specified above according to international practices and with consideration to the international capital market, domestic stock prices, and book building.

(III) The issue price of ordinary shares issued for capital increase by cash was decided in accordance with related laws and regulations, as well as the fair market price of the Company's ordinary shares in the domestic stock exchange. Hence, the basis of pricing should be reasonable. Original shareholders may still purchase the Company's ordinary shares in the domestic stock exchange at price near the issue price of DRs, and do not need to bear foreign exchange risk and liquidity risk. Hence, it should not have a material impact on the rights and interests of the Company's original shareholders.

[Annex 9]

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

Title/Name	Company names and positions of concurrent employment
Director/ Cheng, Wen-Tsung	Director, Brillnics Inc. Director, Brillnics (HK) Limited. Director, Brillnics Singapore Pte. Ltd. Director, Brillnics Japan Inc. Chairperson, Brillnics (Taiwan) Inc. Chairperson, Shao Yang Investment Co., Ltd. Director, Wen You Investment Co.,Ltd. Director, Tang Ye Investment Co.,Ltd.
Director/ Hsu, Wen-Hung	Director, Brillnics Inc. Representative of Institutional Director, Brillnics (Taiwan) Inc.
Director/ Cheng, Ken-Yi	Director, Leader Electronics Inc.
Director/ Sung Kao, Hsin-Ming	Director, Vertex System Corporation. Representative of Institutional Director, Spiro Technology Systems Inc. Representative of Institutional Director, Everlasting Digital ESG Co., Ltd.
Independent Director/ Ding, Kung-Wha	Director, Hotung International Co., Ltd.

[Annex 10]

WT Microelectronics Co., Ltd.
Comparison Table of the Rules of Procedure for Shareholders' Meeting Before and After Amendment

Article After Amendment	Current Article	Description of Amenfment
Article 1: Unless otherwise specified by law or the Articles of Incorporation, the Company shall process its shareholders' meetings according to the terms of these Rules.	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.	The text is revised to comply with requirements in regulations.
Article 4: The total attendance and vote shall be calculated based on shares in accordance with the attendance cards turned in at the meeting plus ballots or electronic votes. If shareholders propose to count the attendance, the chairperson may not proceed. In the resolution, if the attendance has reached the statutory quota, the proposal is considered approved. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. Where there is an election of directors, the number of representatives assigned by a corporate shareholder shall be limited to the number of directors to be elected in the current shareholders' meeting. When a corporate is authorized to attend the shareholders' meeting, only one representative shall be appointed by the corporate.	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.	The regulation on the number of representatives of corporate shareholders and the contents previously prescribed in Paragraph 4 are added and moved to Article 10, Paragraph 4.
Article 7: The chairman shall call the	Article 7: The chairman shall call the	The text is revised and amended to meet

Article After Amendment	Current Article	Description of Amenfment
meeting to order at the time scheduled for the meeting <u>and announce related information including the number of shares without voting rights and the number of shares in attendance at the same time.</u> 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. (Content below omitted)	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. (Content below omitted)	requirements in regulations.
Article 8: (Content above omitted) 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	Article 8: (Content above omitted) 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	The text was revised.

Article After Amendment	Current Article	Description of Amenfment
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. (Content below omitted)	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. (Content below omitted)	
Article 10: (Content above omitted) 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. <u>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.</u> Shareholders not obeying the chairman regarding the situations mentioned in preceding <u>three</u> paragraphs shall be handled in accordance with Article 18, Paragraph 4.	Article 10: (Content above omitted) 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 <u>two</u> paragraphs shall be handled in accordance with Article 18, Paragraph 4.	The original Article 4, Paragraph 4 is moved to this article and wording is revised.
Article 12: (Content above omitted) For such motions which are announced by the chairman to be determined by votes, ballots may be casted for several motions at the same time but shall be voted separately.	Article 12: (Content above omitted) For such motions which are announced by the chairman to be determined by votes, ballots may be casted for several motions at the same time but shall be voted separately.	The text was revised.
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. (Content below omitted)	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. (Content below omitted)	The text was revised.

Article After Amendment	Current Article	Description of Amenfment
Article 20: (Content above omitted) The 4th amendment was made on June 10, 2015. The 5th amendment was made on May 28, 2021.	Article 20: (Content above omitted) The 4th amendment was made on June 10, 2015.	Changed article number and the date format and added a new amendment and date.

[Annex 11]

WT Microelectronics Co., Ltd.
Comparison Table of the Rules for Director Elections Before and After Amendment

Article After Amendment	Current Article	Description of Amendments
Article 4: The <u>person having the convening right</u> 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 4: The <u>board</u> 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.	The ballots shall be prepared by the person having the convening right.
Article 6: For board member elections, the ballot box shall be prepared by the <u>person having the convening right</u> and examined by the ballot supervisor(s) in public before the voting.	Article 6: For board member elections, the ballot box shall be prepared by the <u>board of directors</u> and examined by the ballot supervisor(s) in public before the voting.	The ballot box shall be prepared by the person having the convening right.
	Article 7: <u>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</u>	<u>This Article is deleted to meet requirements in regulations</u>.

Article After Amendment	Current Article	Description of Amendments
	representative shall be filled in.	
Article 7: A ballot shall be deemed void under the following conditions: I. Ballots not prepared by the person having the convening right. II. Blank ballots when cast in the ballot box. III. The handwriting on the ballot was blurred or illegible or has been altered. IV. The candidate is verified to be inconsistent with the list of director candidates. V. There are other written characters or symbols in addition to the designated number of voting rights on the ballot. VI. There are two or more than two candidates filled in the same ballot.	Article 8: A ballot shall be deemed void under the following conditions: I. Ballots not prepared by the board. II. Blank ballots when cast in the ballot box. III. The handwriting on the ballot was blurred or illegible or has been altered. IV. If the candidate is a shareholder of the Company, the name(s) of the candidate(s) and shareholder's number are not consistent with the shareholder register; if the candidate is not a shareholder of the Company, the name(s) and numbers of identification certificates filled in the ballots are verified to be inconsistent. V. 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. VI. The name of a candidate filled in on the ballot is same as another shareholder's name but the respective shareholder's numbers or numbers of identification certificates are not indicated to distinguish them. VII. There are two or more than two candidates filled in the same ballot.	This Article was deleted to be compatible with Article 7 and the article number was adjusted. The article was amended according to regulations.
Article 8: The ballots should be calculated during the meeting right after the vote casting and the results of the election, including the list of persons elected as directors and the numbers of votes with which	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	This Article was deleted to be compatible with Article 7 and the article number was adjusted. The article was amended

Article After Amendment	Current Article	Description of Amendments
they were elected, should be announced by the chairman or the person designated by the chairman at the meeting. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the supervisor(s) and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	meeting.	according to regulations.
Article 9: (Omitted).	Article 10: (Omitted).	This Article was deleted to be compatible with Article 7 and the article number was adjusted.
Article 10: (Content above omitted) The 4th amendment was made on June 21, 2019. The 5th amendment was made on May 28, 2021.	Article 11: (Content above omitted) The 4th amendment was made on June 21, 2019.	This Article was deleted to be compatible with Article 7 and the article number was adjusted. The number and date of an amendment were added.

[Appendix 1]

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 2]

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 includes:

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

Article 3 The Company is headquartered in New Taipei City and when necessary may establish 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$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 options, preferred shares with warrants, or corporate bonds with warrants.

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 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 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 A 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. The holders of Class A Preferred Shares are not entitled to any voting rights or election during general shareholders' meetings. Holders of outstanding Class A Preferred Shares have mandatory voting rights with respect to agendas that would affect preferred shares in preferred shareholders' meetings and in general shareholders' meetings.

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 dividends for the redemption year.

VIII. If any Class A preferred shares remain outstanding, except to make up for losses, share premiums 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 considering the situation of capital market and investors' willingness for subscription, in accordance with the 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 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' meetings.

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 dividends for the redemption year.

VIII. If any Class B preferred shares remain outstanding, except to make up for losses, share premiums 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 the Articles of Incorporation and related laws and regulations.

Article 5-3 The rights and obligations and other important terms of issuance associated with 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' meetings.

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 dividends for the redemption year.

VIII. If any Class C preferred shares remain outstanding, except to make up for losses, share premiums 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 the Articles of Incorporation and related laws and regulations.

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 stock awards issued by the Company may include employees of subsidiaries 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 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.

The shareholders' meeting of preferred shares may be convened in accordance with relevant 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, a resolution of the shareholders' meeting shall be in accordance with the Rules of Procedure for Shareholders' Meeting stipulated by the Company.

Chapter 4 Directors and Audit Committee

Article 13 The Company shall have 7 to 11 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 of 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 Company's board of directors is responsible for preparing the following statements and reports after the end of each fiscal year, which shall be raised at the regular shareholders' meeting for acknowledgment in accordance with the law.

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 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.

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 December 20, 1993.
The 1st amendment was made on May 23, 1994.
The 2nd 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 Monday, March 17, 1997.
The 6th amendment was made on June 8, 1998.
The 7th amendment was made on March 30, 1999.
The 8th amendment was made on May 31, 1999.
The 9th amendment was made on September 15, 1999.
The 10th amendment was made on April 6, 2000.
The 11th amendment was made on May 2, 2001.
The 12th amendment was made on November 6, 2001.
The 13th amendment was made on June 17, 2002.
The 14th amendment was made on June 15, 2004.
The 15th amendment was made on May 25, 2005.
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 21th amendment was made on June 15, 2011.
The 22th amendment was made on June 13, 2012.
The 23th 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.
The 27th amendment was made on March 27, 2020.

WT Microelectronics Co., Ltd.

Chairperson Cheng, Wen-Tsung

[Appendix 3]

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 29,640,859.

II. As of the date of transfer termination (March 30, 2021), 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	3.04
Directors	Hsu, Wen-Hung	8,356,543	0.90
Directors	Sung Kao, Hsin-Ming	4,474,434	0.48
Directors	Wen You Investment Co., Ltd. Representative: Cheng, Ken-Yi	1,359,204	0.15
Independent Directors	Cheng, Tien-Chong	0	0
Independent Directors	Kung, Ju-Chin	0	0
Independent Directors	Ding, Kung-Wha	0	0
Total		42,367,293	4.57

Note: When calculating the percentage of outstanding ordinary and preferred shares, the total number of shares issued is 926,276,850.

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