

Stock Code : 3036

WT Microelectronics Co., Ltd.

Handbook of 2019 Regular Shareholders' Meeting

[Translation]

Meeting Time : June 21, 2019

Place : 18F, No. 738, Zhongzheng Road, Zhonghe District, New Taipei City
[WT's meeting room]

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WT Microelectronics Co., Ltd.

2019 Regular Shareholders' Meeting Agenda

Time: on Friday, June 21, 2019, at 9:00 a.m.

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

Meeting Agenda:

1. Call the Meeting to Order (Attendance reported)

2. Chairperson Remarks

3. Report Items

- (1) 2018 Business Report.
- (2) Supervisors' Review Report.
- (3) Report on 2018 Distribution of Remuneration to Employees and Directors and Supervisors.

4. Proposed Resolutions

- (1) 2018 Business Report and Financial Statements.
- (2) Distribution of 2018 Earnings.

5. Discussion Items

- (1) Amendments to the Articles of Incorporation.
- (2) Amendments to the Procedures for Acquisition or Disposal of Assets.
- (3) Amendments to the Procedures for Lending Funds and Endorsement & Guarantee.
- (4) Amendments to the Rules for Election of Directors and Supervisors.

6. Election Matters

- (1) Election of the 9th Term Directors.

7. Other Matters

- (1) Exemption of non-competition limitation for directors of the Company.

8. Questions and Motions

9. Adjournment

Report Items

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

Proposal: 2018 Business Report, for inspection.

Explanation: 2018 Business Report is attached as Annex 1 (Pages 7 to 10).

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

Proposal: Supervisors' Review Report, for inspection.

Explanation: Supervisors' Review Report is attached as Annex 2 (Pages 11 to 12).

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

Proposal: Report on 2018 Distribution of Remuneration to Employees and Directors and Supervisors, for inspection.

Explanation: According to Article 19 of Articles of Incorporation, 2018 remuneration of employees and directors and supervisors amounting to NT\$31,900,000 and NT\$12,000,000 respectively were distributed in cash.

Proposed Resolutions

Item No. 1:

(Proposed by the Board of Directors)

Proposal: 2018 Business Report and Financial Statements, for inspection.

Explanation: 1. 2018 Business Report, Consolidated Financial Statements and Parent Company Only Financial Statements for WT Microelectronics Co., Ltd. were approved by the Board of Directors and audited by CPA Hsu, Sheng-Chung and CPA Wu, Han-Chi from PricewaterhouseCoopers Taiwan. The aforementioned financial statements and Business Report were also reviewed by the supervisors of WT Microelectronics Co., Ltd. The review reports are on file.
2. 2018 Business Report, Independent Auditors' Report, and Financial Statements are attached as Annex 1 (Pages 7 to 10) and Annexes 3 to 4 (Pages 13 to 35).

Resolution:

Item No. 2:

(Proposed by the Board of Directors)

Proposal: Distribution of 2018 Earnings, for inspection.

Explanation: 1. Distribution of 2018 Earnings was approved by the Board of Directors and reviewed by the supervisors. Table for Distribution of Earnings is attached as Annex 5 (Page 36).
2. Cash dividends amounting to NT\$1,387,967,354 were distributed, for NT\$2.36 per share. Cash dividends were rounded to the nearest whole number. The total amount of cash dividends less than NT\$1 was adjusted from greatest to smallest in accordance with the total amount of cash dividends.
3. Upon the approval of Regular Shareholders' Meeting, chairman shall be authorized by the Board of Directors to resolve the ex-dividend date, ex-rights date, base date of new share issuance through capitalization and date of issuance, and other relevant issues.
4. In the event that proposed distribution of earnings is affected by a change in the Company's common shares, chairman shall be solely authorized by the Board of Directors to make adjustment to such distribution.

Resolution:

Discussion Items

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

Proposal: Amendments to the Articles of Incorporation, for resolution.

Explanation: In order to comply with the amendments to the Company Act, establish Audit Committee replacement supervisors, and conform to the needs of the company's operations, the company hereby proposes to amend the Articles of Incorporation, as attached in Annex 6 (Pages 37 to 42).

Resolution:

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

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

Explanation: In accordance with Financial Supervisory Commission Order No. 1070341072 dated November 26, 2018, promulgating amendments to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and out of the need to establish Audit Committee replacement supervisors, and conform to the needs of the company's operations, the company hereby proposes to amend the "Procedures for Acquisition or Disposal of Assets". The comparison table is attached as Annex 7 (Pages 43 to 63).

Resolution:

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

Proposal: Amendments to the Procedures for Lending Funds and Endorsement & Guarantee, for resolution.

Explanation: In accordance with Financial Supervisory Commission Order No. 1080304826 dated March 7, 2019, promulgating amendments to the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and out of the need to establish Audit Committee replacement supervisors, and conform to the needs of the company's operations, the company hereby proposes to amend the "Procedures for Lending Funds and Endorsement & Guarantee". The comparison table is attached as Annex 8 (Pages 64 to 71).

Resolution:

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

Proposal: Amendments to the Rules for Election of Directors and Supervisors, for resolution.

Explanation: The Audit Committee takes the place of the Supervisors in accordance with Article 14-4 of the Securities and Exchange Act. To comply with the establishment of the Audit Committee, the company hereby proposes to amend the "Rules for Election of Directors and Supervisors". The revised rules are entitled "Rules for Election of Directors". The comparison table is attached as Annex 9 (Pages 72 to 75).

Resolution:

Election Matters

Item No. 1:

(Proposed by the Board of Directors)

Proposal: Election of the 9th Term Directors, for election.

Explanation: 1. The term of the 8th Term directors and supervisors conclude as of June 2, 2019. In accordance with the law, an election will be held at this year's Regular Shareholders' Meeting. However, this year's Regular Shareholders' Meeting will be held June 21, 2019, and as a result, all directors' and supervisors' terms will conclude as of this Regular Shareholders' Meeting.

2. The Company shall assemble an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee is formed by all independent directors, and thus as of the 9th term directors, there is no need to elect supervisors.

3. According to Article 13 of the amended Articles of Incorporation, the 9th term shall elect 7 directors (including 3 independent directors). The election of directors shall use a candidate nomination system, with the shareholders electing the directors from a candidate list. The candidate list for the 9th term directors (including independent directors) was passed by resolution of the directors on May 8, 2019. Information on the director candidates' education, experience and number of shares held are attached as Annex 10 (Pages 76 to 79).

4. The new directors shall serve three years beginning with the date of their election, from June 21, 2019 to June 20, 2022.

5. This election shall be held in accordance with the amended Rules for Director Elections.

Voting Result:

Other Matters

Item No. 1:

(Proposed by the Board of Directors)

Proposal: Exemption of non-competition limitation for directors of the Company, for resolution.

Explanation:1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

2. Candidates for the 9th directors' term (including independent directors) holding concurrent In-Services in other companies are described in Annex 11 (Pages 80 to 81). It is proposed that the Regular Shareholders' Meeting exempt the prohibition on new directors from participation in competitive business from their date of election.

Resolution:

Questions and Motions

Adjournment

WT Microelectronics Co., Ltd. Business Report

1. 2018 Business Report

(1) Business Performance:

The Group's net consolidated operating revenue in 2018 was NT\$273,416.485 million, which exceeded 2017 of NT\$189,419.235 million by 44.34%. The net profit after tax in 2018 was NT\$2,778.515 million, which was higher than that of NT\$2,520.136 million in 2017, showing an increase of NT\$258.379 million and growth of 10.25%. In 2018, the application of various products demonstrated a significant growth trend. The growth came from the addition of new product lines in the fields of communication, personal computers, and consumer electronics, as well as the benefits of merging Maxtek Technology. In addition, industrial products benefit from the strong demand for automation and instrumentation, and automotive electronics continue to benefit from the increase in semiconductor applications. In addition to the growth in various product applications, we will continue to improve operational efficiency, optimize operational management systems, enhance our financial management system, and strengthen human resource management, in order to enhance the Company's capability to provide added value to the semiconductor industry supply chain and thus increase the long-term return on equity.

Unit: NT\$1,000

Item	2017	2018	Increase (Decrease)	Rate of change %
Operating revenue	189,419,235	273,416,485	83,997,250	44.34%
Operating	3,918,170	5,253,715	1,335,545	34.09%
Net profit after tax	2,520,136	2,778,515	258,379	10.25%

(2) Financial revenue and expenditure and profitability analysis:

Item		2017	2018
Capital structure	Debt to asset ratio (%)	73.28	76.76
	Long-term funds to fixed Assets Ratio (%)	2,890.21	2,264.71
Solvency	Current ratio (%)	134.13	124.69
	Quick ratio (%)	70.34	58.45
Profitability	Return on total assets (%)	4.34	4.13
	Return on equity (%)	13.63	13.27
	Net profit margin (%)	1.33	1.02
	Basic earnings per share(NT\$)(Note)	5.26	5.02

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

(3) Research and development status:

Due to the significant evolution of semiconductor technology and processes, the advancement of computer processing capabilities, the advent of next-generation networks, and the introduction of more diverse sensing components, the market has recently produced many smart products and related applications to meet people's modern needs, such as the advanced driver assistance system (ADAS), biometrics, Internet of Things, smart home, optical ranging sensors, and many smart component applications, which will become the highlight of the next-generation semiconductor industry. In addition to advancing key electronic components, such as high-performance RF power components for WiFi6 application, infrared lasers and infrared light-emitting diodes, MEMS components, high-performance microprocessors, high-performance power components, Multi-port 100G networking switch, high-precision Analog components, etc., the Group is involving more system integration personnel to actually develop and participate in designing and providing comprehensive solutions in order to comprehend the huge business opportunities derived from this mobile generation. For example, such efforts include multi-functional illuminator in an integrated optical reference design and power over ethernet with high isolation type reference design. 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 complete solutions. The following table shows the research and development expenditures for the last three years:

Unit: NT\$1,000

Item	2016	2017	2018
Net operating revenue	144,147,461	189,419,235	273,416,485
R & D expenses	304,838	318,726	367,592
R&D expenses as a percentage of revenue	0.21%	0.17%	0.13%

2. 2019 Business Plan

In 2019, the global economic outlook remains uncertain, the Company will formulate business strategy based on the overall economic situation and market conditions, continue to improve the overall market positioning in the Asia-Pacific semiconductor market and increase market share and profit; in addition, the Company will improve risk management and operational efficiency, optimize operational management systems, and strengthen financial and human resources management to provide additional values for the semiconductor industry chain and further increase the return on equity.

(1) Strategies:

- Introduce new product lines and new markets: According to 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, improving the capability of product and market planning, perfecting the market layout of non-3C products, and increasing the shipments in automotive electronics, cloud data centers, industrial control, and smart IoT, etc.

- **Improve client penetration and expansion:** Optimize management, quality of services, and product penetration for existing clients; expand quality clients from automotive electronics, industrial control, IOT, and medical treatment, improve sales of existing clients and applications of existing products, and cooperate more closely with leading vendors in every industry; provide quality technical support and all-round solutions, promote products more efficiently, and maintain a long-term relationship with new clients.
- **Perfect value-added services:** Help original manufacturers design through solid customer relationships and a quick response to the market; increase the additional values of products and the Company's overall profits through strong technical support for clients' development of new products.

(2) Management:

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

(3) Human Resources:

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

■ **Strengthen performance management:**

- Emphasize employees' duties and missions and consistent implementation.
- Review operating achievements and productivity and set up a more practical and specific targets and KPI.

Chairman: CHENG, WEN-TSUNG

Manager: CHENG, WEN-TSUNG

Accounting Supervisor: YANG, HSING-YU

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

The Board of Directors have prepared and submitted to us 2018 Parent Company Only Financial Statements and Consolidated Financial Statements audited by CPA Hsu, Sheng-Chung and CPA Wu, Han-Chi from PricewaterhouseCoopers Taiwan and 2018 Business Report,. We, the Supervisors, have duly examined the same as correct and accurate. We hereby report to the 2019 Regular Shareholders' Meeting in accordance to Article 219 of Company Act.

Sincerely,

2019 Regular Shareholders' Meeting
WT Microelectronics Co., Ltd.

Supervisor: TANG YE INVESTMENT CO., LTD.

Representative: WU, CHIH-HSIUNG

Supervisor: HU, HSIU-HSING

March 22, 2019

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

The Board of Directors have prepared and submitted to us Table for Distribution of Earnings in 2018. We, the Supervisors, have duly examined the same as correct and accurate. We hereby report to the 2019 Regular Shareholders' Meeting in accordance to Article 219 of Company Act.

Sincerely,

2019 Regular Shareholders' Meeting
WT Microelectronics Co., Ltd.

Supervisor: TANG YE INVESTMENT CO., LTD.
Representative: WU, CHIH-HSIUNG

Supervisor: HU, HSIU-HSING

May 8, 2019

REPORT OF INDEPENDENT ACCOUNTANTS

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

Opinion

We have audited the accompanying consolidated balance sheets of WT Microelectronics Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

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

Recognition of supplier rebates

Description

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

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

As the terms of different types of supplier rebates vary and changes frequently, and the calculation

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

How our audit addressed the matter

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

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

Impairment assessment of goodwill

Description

Refer to Note 4(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(8) 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, 2018, the Group's goodwill amounted to NT\$1,867,821 thousand.

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

How our audit addressed the matter

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

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

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of inventory valuation. As at December 31, 2018, the Group's inventories and allowance for inventory valuation losses were NT\$47,835,404 thousand and NT\$959,984 thousand, respectively.

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

How our audit addressed the matter

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

- A. Obtained an understanding and evaluated the process of inventory and warehouse management, examined the annual plan and participated in stock take to assess the effectiveness of management's identification and controls on obsolete inventory;
- B. Obtained an understanding of the Group's nature of business and industry and assessed whether the provision policies and procedures were applied reasonably and consistently in all the periods; and
- C. Obtained the net realisable value statement of each inventory, assessed whether the estimation

policy was consistently applied, and tested relevant parameters, including the original data for sales and purchases and obtained supporting documents.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of WT Microelectronics Co., Ltd. as at and for the years ended December 31, 2018 and 2017.

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 supervisors, are responsible for overseeing the Group’s financial reporting process.

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

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

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management’s use of the going concern basis of accounting

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

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

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

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

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

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

Hsu, Sheng-Chung

Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan
March 22, 2019

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, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2018		December 31, 2017	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,335,181	4	\$ 2,288,075	3
1120	Financial assets at fair value through other comprehensive income - current	6(2)	24,350	-	-	-
1125	Available-for-sale financial assets - current	12(4)	-	-	466,686	1
1170	Accounts receivable, net	6(3)	36,127,336	39	32,326,085	43
1200	Other receivables	6(3)	2,089,219	2	1,344,146	2
130X	Inventories	6(4)	46,875,420	50	33,113,757	44
1410	Prepayments		342,572	-	347,727	-
1470	Other current assets	6(1) and 8	89,438	-	466,492	1
11XX	Total current assets		88,883,516	95	70,352,968	94
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	521,477	-	-	-
1523	Available-for-sale financial assets, net - non-current	12(4)	-	-	642,252	1
1543	Financial assets carried at cost – non-current	12(4)	-	-	9,143	-
1550	Investments accounted for using equity method	6(5)	246,346	-	348,138	-
1600	Property, plant and equipment	6(6)	995,294	1	785,965	1
1760	Investment property - net	6(7)	104,942	-	105,756	-
1780	Intangible assets	6(8)	1,878,609	2	1,663,682	2
1840	Deferred income tax assets	6(29)	660,027	1	567,902	1
1900	Other non-current assets	6(9)	534,597	1	690,342	1
15XX	Total non-current assets		4,941,292	5	4,813,180	6
1XXX	Total assets		\$ 93,824,808	100	\$ 75,166,148	100

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2018		December 31, 2017			
			AMOUNT	%	AMOUNT	%		
Current liabilities								
2100	Short-term borrowings	6(10)	\$	26,112,763	28	\$	24,362,972	32
2110	Short-term notes and bills payable	6(11)		1,828,513	2		1,499,017	2
2120	Financial liabilities at fair value through profit or loss - current	6(12)		3,994	-		7,777	-
2130	Contract liabilities - current	6(23)		118,246	-		-	-
2170	Accounts payable			37,997,769	40		24,462,653	33
2200	Other payables	6(13)		1,722,862	2		1,418,610	2
2230	Current income tax liabilities			639,616	1		537,108	1
2320	Long-term liabilities, current portion	6(14)(15)		1,937,468	2		-	-
2365	Refund liabilities - current	6(23)		879,111	1		-	-
2399	Other current liabilities			43,961	-		161,941	-
21XX	Total current liabilities			71,284,303	76		52,450,078	70
Non-current liabilities								
2530	Bonds payable	6(14)		-	-		1,216,527	2
2540	Long-term loans	6(15)		122,860	-		982,120	1
2570	Deferred income tax liabilities	6(29)		465,646	1		352,924	-
2600	Other non-current liabilities	6(16)		144,411	-		82,931	-
25XX	Total non-current liabilities			732,917	1		2,634,502	3
2XXX	Total liabilities			72,017,220	77		55,084,580	73
Equity attributable to owners of parent								
Share capital			6(18)					
3110	Share capital - common stock			5,551,889	6		5,522,227	7
3130	Certificates of entitlement to new shares from convertible bonds			24,217	-		392	-
Capital surplus			6(19)					
3200	Capital surplus			8,773,382	9		8,660,739	12
Retained earnings			6(20)					
3310	Legal reserve			1,741,965	2		1,489,975	2
3320	Special reserve			109,102	-		-	-
3350	Unappropriated retained earnings			5,749,889	6		4,516,703	6
Other equity interest			6(21)					
3400	Other equity interest		(	143,568)	-	(	109,102)	-
31XX	Equity attributable to owners of the parent			21,806,876	23		20,080,934	27
36XX	Non-controlling interest	6(22)		712	-		634	-
3XXX	Total equity			21,807,588	23		20,081,568	27
Commitments and contingent liabilities			9					
3X2X	Total liabilities and equity		\$	93,824,808	100	\$	75,166,148	100

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items		Notes	Year ended December 31			
			2018		2017	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23)	\$ 273,416,485	100	\$ 189,419,235	100
5000	Operating costs	6(4)	(262,771,537)	(96)	(180,997,653)	(96)
5900	Net operating margin		10,644,948	4	8,421,582	4
	Operating expenses	6(27)				
6100	Selling expenses		(4,017,488)	(2)	(3,160,726)	(2)
6200	General and administrative expenses		(946,308)	-	(1,023,960)	-
6300	Research and development expenses		(367,592)	-	(318,726)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(59,845)	-	-	-
6000	Total operating expenses		(5,391,233)	(2)	(4,503,412)	(2)
6900	Operating profit		5,253,715	2	3,918,170	2
	Non-operating income and expenses					
7010	Other income	6(24)	67,535	-	43,859	-
7020	Other gains and losses	6(25)	101,904	-	200,822	-
7050	Finance costs	6(26)	(1,698,684)	(1)	(962,791)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(5)	(103,660)	-	(95,170)	-
7000	Total non-operating income and expenses		(1,632,905)	(1)	(813,280)	-
7900	Profit before income tax		3,620,810	1	3,104,890	2
7950	Income tax expense	6(29)	(842,295)	-	(584,754)	-
8200	Profit for the year		\$ 2,778,515	1	\$ 2,520,136	2

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31			
		2018		2017	
		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(16)	(\$ 6,446)	-	(\$ 8,620)	-
8316 Unrealised loss on valuation of equity investment instruments measured at fair value through other comprehensive income	6(21)	(317,172)	-	-	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	1,661	-	1,466	-
8310 Other comprehensive loss that will not be reclassified to profit or loss		(321,957)	-	(7,154)	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss	6(21)(22)				
8361 Financial statements translation differences of foreign operations		590,295	-	(1,139,887)	(1)
8362 Unrealised loss on valuation of available-for-sale financial assets		-	-	(151,466)	-
8370 Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	6(5)	(5,941)	-	806	-
8399 Income tax related to components of other comprehensive (loss) income that will be reclassified to profit or loss	6(29)	(1,395)	-	1,872	-
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		582,959	-	(1,288,675)	(1)
8300 Total other comprehensive income (loss) for the year		<u>\$ 261,002</u>	<u>-</u>	<u>(\$ 1,295,829)</u>	<u>(1)</u>
8500 Total comprehensive income for the year		<u>\$ 3,039,517</u>	<u>1</u>	<u>\$ 1,224,307</u>	<u>1</u>
Profit attributable to:					
8610 Owners of the parent		\$ 2,778,229	1	\$ 2,519,897	2
8620 Non-controlling interest		286	-	239	-
		<u>\$ 2,778,515</u>	<u>1</u>	<u>\$ 2,520,136</u>	<u>2</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 3,039,224	1	\$ 1,224,141	1
8720 Non-controlling interest		293	-	166	-
		<u>\$ 3,039,517</u>	<u>1</u>	<u>\$ 1,224,307</u>	<u>1</u>
Earnings per share (in dollars)	6(30)				
9750 Basic earnings per share		<u>\$ 5.02</u>		<u>\$ 5.26</u>	
9850 Diluted earnings per share		<u>\$ 4.71</u>		<u>\$ 4.89</u>	

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
		Share capital		Retained earnings				Other equity interest					
			Certificates of bond-to-stock conversion	Capital reserves	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealised gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total equity
	Notes	Share capital - common stock											
2017													
		\$ 4,715,196	\$ -	\$ 6,372,059	\$ 1,320,029	\$ -	\$ 3,315,686	\$ 162,084	\$ -	\$ 1,017,416	\$ 16,902,470	\$ 640	\$ 16,903,110
		-	-	-	-	-	2,519,897	-	-	-	2,519,897	239	2,520,136
	6(21)	-	-	-	-	-	(7,154)	(1,137,136)	-	(151,466)	(1,295,756)	(73)	(1,295,829)
		-	-	-	-	-	2,512,743	(1,137,136)	-	(151,466)	1,224,141	166	1,224,307
	6(18)	750,000	-	2,100,000	-	-	-	-	-	-	2,850,000	-	2,850,000
	6(17)	-	-	49,037	-	-	-	-	-	-	49,037	-	49,037
	6(20)												
		-	-	-	169,946	-	(169,946)	-	-	-	-	-	-
		-	-	-	-	-	(1,141,780)	-	-	-	(1,141,780)	-	(1,141,780)
	6(18)(19)	57,031	392	140,164	-	-	-	-	-	-	197,587	-	197,587
	6(19)	-	-	(521)	-	-	-	-	-	-	(521)	-	(521)
	6(22)	-	-	-	-	-	-	-	-	-	-	(172)	(172)
		\$ 5,522,227	\$ 392	\$ 8,660,739	\$ 1,489,975	\$ -	\$ 4,516,703	(\$ 975,052)	\$ -	\$ 865,950	\$ 20,080,934	\$ 634	\$ 20,081,568
2018													
		\$ 5,522,227	\$ 392	\$ 8,660,739	\$ 1,489,975	\$ -	\$ 4,516,703	(\$ 975,052)	\$ -	\$ 865,950	\$ 20,080,934	\$ 634	\$ 20,081,568
	12(4)	-	-	-	-	-	(75,668)	-	843,629	(865,950)	(97,989)	-	(97,989)
		5,522,227	392	8,660,739	1,489,975	-	4,441,035	(975,052)	843,629	-	19,982,945	634	19,983,579
		-	-	-	-	-	2,778,229	-	-	-	2,778,229	286	2,778,515
	6(21)	-	-	-	-	-	(4,785)	582,952	(317,172)	-	260,995	7	261,002
		-	-	-	-	-	2,773,444	582,952	(317,172)	-	3,039,224	293	3,039,517
	6(20)												
		-	-	-	251,990	-	(251,990)	-	-	-	-	-	-
		-	-	-	-	109,102	(109,102)	-	-	-	-	-	-
		-	-	-	-	-	(1,381,423)	-	-	-	(1,381,423)	-	(1,381,423)
	6(18)(19)	29,662	23,825	112,643	-	-	-	-	-	-	166,130	-	166,130
	6(22)	-	-	-	-	-	-	-	-	-	-	(215)	(215)
	6(21)	-	-	-	-	-	277,925	-	(277,925)	-	-	-	-
		\$ 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

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,620,810	\$ 3,104,890
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(27)	83,271	62,882
Amortisation	6(27)	10,642	10,874
Impairment loss determined in accordance with IFRS 9/ Provision for doubtful accounts	12(2)	59,845	199,421
Net (income) loss on financial liabilities at fair value through profit or loss	6(25)	(80,128)	6,862
Impairment loss on financial assets carried at cost	6(25)	-	7,694
Other current liabilities transferred to revenue	6(24)	-	(2,888)
Share-based payment	6(17)	-	49,037
Share of loss of associates and joint ventures accounted for using equity method	6(5)	103,660	95,170
Loss on disposal of property, plant and equipment, net	6(25)	838	425
Gain on disposal of investments	6(25)	-	(243,817)
Interest expense	6(26)	902,649	549,716
Interest income	6(24)	(13,232)	(9,217)
Dividends income	6(24)	(17,634)	(8,250)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(2,483,886)	(28,859)
Other receivables		(703,121)	1,309,985
Inventories		(12,660,421)	(11,299,814)
Prepayments		30,863	(118,821)
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		76,352	915
Contract liabilities		(10,553)	-
Accounts payable		12,189,354	6,242,518
Other payables		193,667	162,811
Other current liabilities (included in refund liabilities)		(16,418)	(59,713)
Accrued pension liabilities		(180)	(5,228)
Cash inflow generated from operations		1,286,378	26,593
Interest received		13,232	9,217
Dividends received		17,634	8,250
Interest paid		(862,978)	(527,359)
Income taxes paid		(673,951)	(487,302)
Net cash flows used in operating activities		(219,685)	(970,601)

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 31,601)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(2)	305,528	-
Proceeds from disposal of available-for-sale financial assets		-	255,168
Decrease (increase) in other financial assets		382,482	(8,293)
Proceeds from capital reduction of financial assets at cost		-	5,700
Acquisition of investments accounted for using equity method		-	(237,685)
Acquisition of property, plant and equipment	6(32)	(168,353)	(98,431)
Proceeds from disposal of property, plant and equipment		1,495	1,976
Acquisition of intangible assets	6(8)	(3,262)	(4,810)
Net cash payments for business combination	6(31)	(191,729)	(609,641)
Increase in other non-current assets		(73,602)	(114,337)
Net cash flows from (used in) investing activities		<u>220,958</u>	<u>(810,353)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term loans	6(33)	2,495,603	(1,764,589)
Increase in short-term notes and bills payable	6(33)	318,426	1,199,116
Proceeds from long-term loans	6(33)	-	982,120
Payments of long-term loans	6(33)	(750,000)	-
Increase (decrease) in other non-current liabilities		55,220	(197)
Issuance of common stock for cash	6(18)(19)	-	2,850,000
Cash dividends paid to non-controlling interest	6(22)	(215)	(172)
Cash dividends paid	6(20)	(1,381,423)	(1,141,780)
Net cash flows from financing activities		<u>737,611</u>	<u>2,124,498</u>
Effect of exchange rate changes		<u>308,222</u>	<u>(136,241)</u>
Net increase in cash and cash equivalents		1,047,106	207,303
Cash and cash equivalents at beginning of year		2,288,075	2,080,772
Cash and cash equivalents at end of year		<u>\$ 3,335,181</u>	<u>\$ 2,288,075</u>

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of WT Microelectronics Co., Ltd. (the “Company”) as at December 31, 2018 and 2017, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

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

Key audit matters

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

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

Recognition of supplier rebates**Description**

Refer to Note 4(12) for accounting policies on supplier rebates.

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

As the terms of different types of supplier rebates vary and changes frequently, and the calculation is complex, the Company relies on the information system to gather related transaction

information, and manually matches each inventory category with its corresponding rebate term to calculate the supplier rebate that should be recognised. Since the supplier rebate is material to the parent company only financial statements, and requires more audit effort to address this audit matter, the recognition of supplier rebate has been identified as a key audit matter.

How our audit addressed the matter

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

- A. Obtained an understanding and assessed the internal controls related to supplier rebates, and tested the effectiveness of relevant internal controls to verify whether major supplier rebates had been reviewed by responsible management, and the inventory cost had been correctly deducted and paid in net amount based on the credit memo approved by suppliers;
- B. Performed trend analysis on the ratio of supplier rebates to corresponding transaction amount;
- C. Sampled supplier rebates and tested whether the transaction quantities which were used in the calculation were consistent with its original transaction data, and obtained arrangements and calculation worksheets to ensure that the rebate recognition was consistent with the arrangements;
- D. Sampled the supplier rebates which were recognised before balance sheet date but have not yet been confirmed by suppliers, verified its consistency and reasonableness with subsequent credit memos approved by suppliers after the balance sheet date, and confirmed that there was no material differences; and
- E. Performed confirmation of selected material accounts payable, examined whether there is a significant difference between the amount of supplier rebates recognised based on the arrangements and the amount indicated in the suppliers' confirmation, and investigated the differences, if any.

Impairment assessment of investments accounted for using equity method and goodwill

Description

Refer to Notes 4(13) and 4(18) 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(5) and 6(7) for details of investments accounted for using equity method and goodwill impairment.

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

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

How our audit addressed the matter

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

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

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(12) 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(4) for details of inventory valuation. As at December 31, 2018, the Company's inventories and allowances for inventory valuation losses were NT\$34,445,437 thousand and NT\$678,676 thousand, respectively.

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

How our audit addressed the matter

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

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

sales and purchases and obtained supporting documents.

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

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

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

Those charged with governance, including supervisors, are responsible for overseeing the Company’s financial reporting process.

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

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

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

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

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Hsu, Sheng-Chung

Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2019

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

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

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2018		December 31, 2017	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 361,779	1	\$ 398,883	1
1170	Accounts receivable, net	6(3)	12,348,685	16	9,541,275	17
1180	Accounts receivable, net - related parties	7	9,658,282	12	4,281,760	8
1200	Other receivables	6(3)	814,646	1	608,035	1
1210	Other receivables - related parties	7	740,199	1	4,715	-
130X	Inventories	6(4)	33,766,761	43	21,257,304	39
1410	Prepayments		211,472	-	128,824	-
11XX	Total current assets		57,901,824	74	36,220,796	66
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	12,175	-	-	-
1543	Financial assets carried at cost - non-current	12(4)	-	-	12,175	-
1550	Investments accounted for using equity method	6(5)	18,773,483	24	18,031,583	32
1600	Property, plant and equipment	6(6)	473,628	1	428,680	1
1780	Intangible assets	6(7)	228,117	-	61,338	-
1840	Deferred income tax assets	6(26)	408,584	1	367,186	1
1900	Other non-current assets		117,260	-	87,282	-
15XX	Total non-current assets		20,013,247	26	18,988,244	34
1XXX	Total assets		\$ 77,915,071	100	\$ 55,209,040	100

(Continued)

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2018		December 31, 2017	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 16,486,561	21	\$ 12,451,991	22
2110	Short-term notes and bills payable	6(9)	1,348,885	2	1,149,289	2
2120	Financial liabilities at fair value through profit or loss - current	6(10)	3,537	-	7,777	-
2130	Contract liabilities - current	6(20) and 7	2,145,327	3	-	-
2170	Accounts payable		31,458,629	40	16,097,844	29
2180	Accounts payable - related parties	7	313,360	-	1,469,396	3
2200	Other payables	6(11)	899,979	1	700,121	1
2220	Other payables - related parties	7	3,871	-	7,121	-
2230	Current income tax liabilities		287,843	-	315,707	1
2320	Long-term liabilities, current portion	6(12)(13)	1,937,468	3	-	-
2365	Refund liabilities - current	6(20)	519,642	1	-	-
2399	Other current liabilities	7	196,434	-	439,261	1
21XX	Total current liabilities		<u>55,601,536</u>	<u>71</u>	<u>32,638,507</u>	<u>59</u>
Non-current liabilities						
2530	Bonds payable	6(12)	-	-	1,216,527	2
2540	Long-term loans	6(13)	122,860	-	982,120	2
2570	Deferred income tax liabilities	6(26)	368,005	1	276,261	1
2600	Other non-current liabilities	6(14)	15,794	-	14,691	-
25XX	Total non-current liabilities		<u>506,659</u>	<u>1</u>	<u>2,489,599</u>	<u>5</u>
2XXX	Total liabilities		<u>56,108,195</u>	<u>72</u>	<u>35,128,106</u>	<u>64</u>
Equity						
Share capital		6(16)				
3110	Share capital - common stock		5,551,889	7	5,522,227	10
3130	Certificates of entitlement to new shares from convertible bonds		24,217	-	392	-
Capital surplus		6(17)				
3200	Capital surplus		8,773,382	11	8,660,739	15
Retained earnings		6(18)				
3310	Legal reserve		1,741,965	2	1,489,975	3
3320	Special reserve		109,102	-	-	-
3350	Unappropriated retained earnings		5,749,889	8	4,516,703	8
Other equity interest		6(19)				
3400	Other equity interest		(143,568)	-	(109,102)	-
3XXX	Total equity		<u>21,806,876</u>	<u>28</u>	<u>20,080,934</u>	<u>36</u>
Commitments and contingent liabilities						
3X2X	Total liabilities and equity		<u>\$ 77,915,071</u>	<u>100</u>	<u>\$ 55,209,040</u>	<u>100</u>

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

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

		Year ended December 31			
Items	Notes	2018		2017	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20) and 7	\$ 213,640,619	100	\$ 146,986,637	100
5000 Operating costs	6(4) and 7	(209,128,174)	(98)	(142,930,078)	(97)
5900 Net operating margin		<u>4,512,445</u>	<u>2</u>	<u>4,056,559</u>	<u>3</u>
Operating expenses	6(24) and 7				
6100 Selling expenses		(1,586,704)	(1)	(1,346,283)	(1)
6200 General and administrative expenses		(448,318)	-	(428,874)	(1)
6300 Research and development expenses		(199,519)	-	(183,318)	-
6450 Impairment loss determined in accordance with IFRS 9	12(2)	(5,387)	-	-	-
6000 Total operating expenses		<u>(2,239,928)</u>	<u>(1)</u>	<u>(1,958,475)</u>	<u>(2)</u>
6900 Operating profit		<u>2,272,517</u>	<u>1</u>	<u>2,098,084</u>	<u>1</u>
Non-operating income and expenses					
7010 Other income	6(21)	17,579	-	16,852	-
7020 Other gains and losses	6(22)	35,478	-	(42,231)	-
7050 Finance costs	6(23)	(1,011,645)	(1)	(662,788)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		<u>1,831,184</u>	<u>1</u>	<u>1,423,027</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>872,596</u>	<u>-</u>	<u>734,860</u>	<u>1</u>
7900 Profit before income tax		<u>3,145,113</u>	<u>1</u>	<u>2,832,944</u>	<u>2</u>
7950 Income tax expense	6(26)	(366,884)	-	(313,047)	-
8200 Profit for the year		<u>\$ 2,778,229</u>	<u>1</u>	<u>\$ 2,519,897</u>	<u>2</u>
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(14)	(\$ 2,291)	-	(\$ 18,897)	-
8330 Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method	6(27)	(320,963)	-	8,530	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	<u>1,297</u>	<u>-</u>	<u>3,213</u>	<u>-</u>
8310 Other comprehensive loss that will not be reclassified to profit or loss		<u>(321,957)</u>	<u>-</u>	<u>(7,154)</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(19)	569,283	-	(1,074,520)	(1)
8380 Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6(27)	<u>13,669</u>	<u>-</u>	<u>(214,082)</u>	<u>-</u>
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		<u>582,952</u>	<u>-</u>	<u>(1,288,602)</u>	<u>(1)</u>
8300 Total other comprehensive income (loss) for the year		<u>\$ 260,995</u>	<u>-</u>	<u>(\$ 1,295,756)</u>	<u>(1)</u>
8500 Total comprehensive income for the year		<u>\$ 3,039,224</u>	<u>1</u>	<u>\$ 1,224,141</u>	<u>1</u>
Earnings per share (in dollars)	6(28)				
9750 Basic earnings per share		<u>\$ 5.02</u>		<u>\$ 5.26</u>	
9850 Diluted earnings per share		<u>\$ 4.71</u>		<u>\$ 4.89</u>	

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

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital		Retained earnings				Other equity interest			Total equity
		Share capital - common stock	Certificates of bond-to-stock conversion	Capital reserves	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealised gain or loss on available-for-sale financial assets	
2017											
Balance at January 1, 2017		\$ 4,715,196	\$ -	\$ 6,372,059	\$ 1,320,029	\$ -	\$ 3,315,686	\$ 162,084	\$ -	\$ 1,017,416	\$ 16,902,470
Profit for the year		-	-	-	-	-	2,519,897	-	-	-	2,519,897
Other comprehensive loss	6(14)(19)(26)	-	-	-	-	-	(7,154)	(1,137,136)	-	(151,466)	(1,295,756)
Total comprehensive income (loss)		-	-	-	-	-	2,512,743	(1,137,136)	-	(151,466)	1,224,141
Issuance of common stock for cash	6(16)	750,000	-	2,100,000	-	-	-	-	-	-	2,850,000
Share-based payments		-	-	49,037	-	-	-	-	-	-	49,037
Appropriations of 2016 earnings:	6(18)										
Legal reserve		-	-	-	169,946	-	(169,946)	-	-	-	-
Cash dividends		-	-	-	-	-	(1,141,780)	-	-	-	(1,141,780)
Conversion of convertible bonds	6(16)	57,031	392	140,164	-	-	-	-	-	-	197,587
Changes in equity of associates accounted for using equity method		-	-	(521)	-	-	-	-	-	-	(521)
Balance at December 31, 2017		\$ 5,522,227	\$ 392	\$ 8,660,739	\$ 1,489,975	\$ -	\$ 4,516,703	(\$ 975,052)	\$ -	\$ 865,950	\$ 20,080,934
2018											
Balance at January 1, 2018		\$ 5,522,227	\$ 392	\$ 8,660,739	\$ 1,489,975	\$ -	\$ 4,516,703	(\$ 975,052)	\$ -	\$ 865,950	\$ 20,080,934
Effects of retrospective application		-	-	-	-	-	(75,668)	-	843,629	(865,950)	(97,989)
Adjusted balance at January 1, 2018		5,522,227	392	8,660,739	1,489,975	-	4,441,035	(975,052)	843,629	-	19,982,945
Profit for the year		-	-	-	-	-	2,778,229	-	-	-	2,778,229
Other comprehensive loss	6(14)(19)(26)	-	-	-	-	-	(4,785)	582,952	(317,172)	-	260,995
Total comprehensive income (loss)		-	-	-	-	-	2,773,444	582,952	(317,172)	-	3,039,224
Appropriations of 2017 earnings:	6(18)										
Legal reserve		-	-	-	251,990	-	(251,990)	-	-	-	-
Special reserve		-	-	-	-	109,102	(109,102)	-	-	-	-
Cash dividends		-	-	-	-	-	(1,381,423)	-	-	-	(1,381,423)
Conversion of convertible bonds	6(16)	29,662	23,825	112,643	-	-	-	-	-	-	166,130
Disposal of financial assets at fair value through other comprehensive income		-	-	-	-	-	277,925	-	(277,925)	-	-
Balance at December 31, 2018		\$ 5,551,889	\$ 24,217	\$ 8,773,382	\$ 1,741,965	\$ 109,102	\$ 5,749,889	(\$ 392,100)	\$ 248,532	\$ -	\$ 21,806,876

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

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,145,113	\$ 2,832,944
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	47,630	38,108
Amortisation	6(24)	5,773	7,162
Impairment loss determined in accordance with IFRS 9/Provision for doubtful accounts	12(2)	5,387	50,741
Net (income) loss on financial liabilities at fair value through profit or loss	6(22)	(73,458)	6,862
Share-based payments	6(15)	-	49,037
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(1,831,184)	(1,423,027)
Loss on disposal of property, plant and equipment, net		-	187
Interest expense	6(23)	492,004	353,953
Interest income	6(21)	(14,737)	(10,815)
Dividend income	6(21)	-	(440)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(2,323,463)	3,601,939
Accounts receivable - related parties		(5,376,522)	(985,777)
Other receivables		(220,293)	960,095
Inventories		(12,509,457)	(4,686,978)
Prepayments		(82,648)	(30,540)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		69,218	915
Contract liabilities		1,728,700	-
Accounts payable		15,360,785	1,841,825
Accounts payable - related parties		(1,156,036)	871,087
Other payables		180,476	15,165
Other current liabilities		173,800	(276,471)
Accrued pension liabilities		(1,188)	(1,650)
Cash (outflow) inflow generated from operations		(2,380,100)	3,214,322
Interest received		14,737	10,815
Dividends received		975,455	750,335
Interest paid		(451,555)	(337,775)
Income taxes paid		(343,105)	(253,364)
Net cash flows (used in) from operating activities		(2,184,568)	3,384,333

(Continued)

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

	Notes	2018	2017
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in other receivables - related parties	7	(\$ 721,803)	\$ 1,731,641
Proceeds from capital reduction of financial assets carried at cost		-	5,700
Acquisition of investments accounted for using equity method		-	(3,495,949)
Proceeds from capital reduction of subsidiaries		-	1,380
Acquisition of property, plant and equipment	6(6)	(92,578)	(31,254)
Proceeds from disposal of property, plant and equipment		-	28
Net cash payments for business combination	6(29)	(169,290)	-
Acquisition of intangible assets	6(7)	(3,262)	(4,810)
(Increase) decrease in other non-current assets		(34,504)	3,587
Net cash flows used in investing activities		(1,021,437)	(1,789,677)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(30)	4,784,570	(4,962,591)
Increase in short-term notes and bills payable	6(30)	191,630	949,303
Proceeds from long-term loans	6(30)	-	982,120
Repayments of long-term loans	6(30)	(738,540)	-
Issuance of common stock for cash	6(16)	-	2,850,000
Cash dividends paid	6(19)	(1,381,423)	(1,141,780)
Net cash flows from (used in) financing activities		2,856,237	(1,322,948)
Effect of exchange rate changes		312,664	(435,627)
Net decrease in cash and cash equivalents		(37,104)	(163,919)
Cash and cash equivalents at beginning of year		398,883	562,802
Cash and cash equivalents at end of year		\$ 361,779	\$ 398,883

WT Microelectronics Co., Ltd.
Table for Distribution of Earnings
2018

Unit: NT\$

Undistributed earnings at the beginning of the period	\$ 2,774,187,884
Less: Adjustments under IFRS 9	(75,667,989)
Remeasurements of defined benefit plan in 2018	(4,784,633)
Add : Transfer from disposal of financial assets at fair value through other comprehensive income to retained earnings	277,925,205
Adjusted undistributed earnings	2,971,660,467
Add: Net income after tax in 2018	\$ 2,778,228,955
Less: Legal reserve (10%)	(277,822,896)
Less: Special reserve	(34,465,429)
Total distributable earnings in 2018	2,465,940,630
Accumulated distributable earnings at the end of the period	5,437,601,097
Less: Distributed earnings	
Cash dividends (NT\$2.36 per share)	(1,387,967,354)
Total Undistributed earnings at the end of the period	\$ 4,049,633,743

Note 1: Earnings in 2018 are distributed first.

Note 2: Distribution of dividend is based on 588,121,760 shares issued upon resolution of the Board of Directors on May 8, 2019.

Chairman: CHENG, WEN-TSUNG

Manager: CHENG, WEN-TSUNG

Accounting Supervisor: YANG, HSING-YU

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

Article After Amendment	Current Article	Description of Amendment
Article 1: The Company, organized under the Company Act, shall be named <u>文曄科技股份有限公司</u> in Chinese <u>and</u> WT MICROELECTRONICS CO., LTD. <u>in English.</u>	Article 1: The Company, organized under the Company Act, shall be named WT Microelectronics Co., Ltd.	The Company's English name was added and text was slightly revised in coordination with the amendment to the Company Act.
Article 5: The authorized capital of the Company is NT\$10 billion, consisting of 1 billion shares, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required. The total capital mentioned in the preceding paragraph shall reserve NT\$ <u>900</u> million, consisting of <u>90</u> million shares, with a par value of NT\$10 per share, for stock options, preferred stock with warrants, or corporate bonds with warrants.	Article 5: The authorized capital of the Company is NT\$10 billion, consisting of 1 billion shares, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required. The total capital mentioned in the preceding paragraph shall reserve NT\$ <u>820</u> million, consisting of <u>82</u> million shares, with a par value of NT\$10 per share, for stock options, preferred stock with warrants, or corporate bonds with warrants.	Revised in coordination with the Company's operational requirements.
Article 6: The Company can invest other companies and become their shareholders; the amount of investment is not limited by 40% of paid-up share capital stipulated in Article 13 of Company Act.	Article 6: The Company can invest other companies and become their shareholders. The amount of investment is not limited by 40% of paid-up share capital stipulated in Article 13 of Company Act.	Revised a punctuation mark.
Article 7: The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of <u>directors representing the Company</u> , and authenticated by the competent governmental authority upon issuance. <u>Stocks</u> issued by the Company <u>are not required to be printed.</u> The Company,	Article 7: The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of <u>three or more directors</u> , and authenticated by the competent governmental authority upon issuance. <u>Shares</u> issued by the Company <u>and registered with centralized securities</u>	The text was revised in coordination with the Company Act.

Article After Amendment	Current Article	Description of Amendment
<u>however, should contact the securities depository and custodian institution for registration of the share certificates.</u>	<u>depository enterprises need not be in certificate form.</u>	
Article 7-1: Unless otherwise stipulated, shareholder services of the Company shall be handled in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies <u>promulgated</u> by the competent authority.	Article 7-1: Unless otherwise stipulated, shareholder services of the Company shall be handled in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies <u>published</u> by the competent authority.	The text was revised.
Article 7-3: <u>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.</u>	New article added.	Added subjects eligible for employee bonuses in coordination with the amendment to the Company Act.
Article 8: Changes to the <u>shareholder</u> register <u>may not be made within</u> 60 days before an AGM, 30 days before an EGM, or 5 days before the ex-dividend date or the date set for the distribution of bonuses or other benefits.	Article 8: Changes to the <u>share</u> register <u>shall be suspended since</u> 60 days before an AGM, 30 days before an EGM, or 5 days before the ex-dividend date or the date set for the distribution of bonuses or other benefits.	The text was revised.
Article 9: There are two types of shareholders' meetings: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is <u>convened</u> once a year within six months of the close of the fiscal year by the board of directors in accordance with the law; Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.	Article 9: There are two types of shareholders' meetings: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is <u>held</u> once a year within six months of the close of the fiscal year by the board of directors in accordance with the law; Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.	Revised a punctuation mark and the text.
Article 10: For any shareholders' meeting, a shareholder who may not attend the meeting due to certain reasons shall appoint a proxy in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings	Article 10: For any shareholders' meeting, a shareholder who may not attend the meeting due to certain reasons shall appoint a proxy in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings	The text was revised.

Article After Amendment	Current Article	Description of Amendment
of Public Companies <u>promulgated</u> by the competent authority.	of Public Companies <u>published</u> by the competent authority.	
Article 11-1: <u>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 number of voting shares.</u>	Article 11-1: (Deleted).	Specified the resolution method of shareholders' meetings in the Articles of Incorporation.
Chapter 4: Directors and <u>Audit Committee</u>	Chapter 4: Directors and <u>Supervisors</u>	Established an audit committee to replace supervisors.
Article 13: The Company shall have five to nine directors, including at least <u>3</u> independent directors that represent no less than 1/5 of total directors. The number of directors shall be decided by the board of directors to meet this requirement. <u>The term of office shall be three years, and they may continue in office if re-elected.</u> Pursuant to Article 192-1 of the Company Act, the election of directors shall be based on a candidate nomination system. Directors of the Company shall be selected from the list of candidates in the shareholders' meeting. The election of directors and independent directors shall be held at the same time and voted separately. The aggregate shareholding percentages of all directors in their entirety shall comply with the regulations prescribed by the competent authority.	Article 13: The Company shall have five to nine directors, including at least <u>2</u> independent directors that represent no less than 1/5 of total directors. The number of directors shall be decided by the board of directors to meet this requirement, <u>and there shall be two supervisors.</u> Pursuant to Article 192-1 <u>and Article 216-1</u> of the Company Act, the election of directors <u>and supervisors</u> shall be based on a candidate nomination system. Directors <u>and supervisors</u> of the Company shall be selected from the list of candidates in the shareholders' meeting. <u>The term of office shall be three years, and they may continue in office if re-elected.</u> The election of directors and independent directors shall be held at the same time and voted separately. The aggregate shareholding percentages of all directors <u>and supervisors</u> in their entirety shall <u>each</u> comply with the regulations prescribed by the competent authority.	Established an audit committee to replace supervisors, so provisions related to supervisors were deleted and the text was revised.
<u>Article 13-1:</u> <u>The Company shall assemble an Audit Committee in accordance with Article</u>	New article added.	Established an audit committee to

Article After Amendment	Current Article	Description of Amendment
<u>14-4 of the Securities and Exchange Act. The Audit Committee is formed by all independent directors and responsible for carrying out the supervisor duties specified in the Company Act, Securities and Exchange Act and other relevant regulations.</u>		replace supervisors.
Article 14-2: Unless otherwise stipulated in Company Act, meetings of the board of directors shall be convened by the chairman of the board of directors. Board of directors' meetings shall be announced to all directors with the reasons for the meetings stated seven days in advance. A board of directors' meeting may be called at any time in the event of an emergency. Meeting <u>notices</u> may be <u>effected</u> in writing or by means of fax or electronic transmission. A director may authorize a director to attend the meeting of the board of directors on behalf of them with the power of attorney stating the scope of authorization. A director may only be made proxy, as referred to in the preceding paragraph, for a maximum of one other director.	Article 14-2: Unless otherwise stipulated in Company Act, meetings of the board of directors shall be convened by the chairman of the board of directors. Board of directors' meetings shall be announced to all directors <u>and supervisors</u> with the reasons for the meetings stated seven days in advance. A board of directors' meeting may be called at any time in the event of an emergency. Meetings may be <u>announced</u> in writing or by means of fax or electronic transmission. A director may authorize a director to attend the meeting of the board of directors on behalf of them with the power of attorney stating the scope of authorization. A director may only be made proxy as referred to in the preceding paragraph for a maximum of one other director.	Established an audit committee to replace supervisors, so provisions related to supervisors were deleted and the text was revised.
Article 16: The remuneration of directors shall be proposed by Remuneration Committee considering the participation in the Company's operations and contributions and referring to the Company's business performance and the normal standards in the same trade, and submitted to the board of directors for resolution.	Article 16: The remuneration of directors <u>and supervisors</u> shall be proposed by Remuneration Committee considering the participation in the Company's operations and contributions and referring to the Company's business performance and the normal standards in the same trade, and submitted to the board of directors for resolution.	Established an audit committee to replace supervisors, so provisions related to supervisors were deleted.
Article 16-1: The Company may <u>obtain</u> 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	Article 16-1: The Company may <u>buy</u> 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.	Established an audit committee to replace supervisors, so provisions related to

Article After Amendment	Current Article	Description of Amendment
regulations.	<u>The same applies to supervisors of the Company.</u>	supervisors were deleted.
Article 18: The Company's board of directors is responsible for preparing the following statements and reports after the end of <u>each</u> fiscal year, <u>which</u> shall be <u>raised at</u> the regular shareholders' meeting for acknowledgment <u>in accordance with the law</u>. I. Business Report. II. Financial Statements. III. Proposal Concerning Appropriation of Net Profits or Recovering of Losses.	Article 18: <u>Pursuant to Article 228 of the Company Act</u>, the Company's board of directors is responsible for preparing the following statements and reports after the end of <u>every</u> fiscal year. <u>The statements and reports shall be submitted to supervisors for audit 30 days before the regular shareholders' meeting, and shall be submitted by the board of directors to the regular shareholders' meeting for acknowledgment.</u> I. Business Report. II. Financial Statements. III. Proposal Concerning Appropriation of Net Profits or Recovering of Losses.	Established an audit committee to replace supervisors, so provisions related to supervisors were deleted and the text was revised.
Article 19: If the Company makes profits (which mean profits before tax without deducting the remuneration of employees and directors), more than 1% of such profits shall be distributed to employees and up to 3% to directors as their remuneration. If the Company has accumulated losses, the reserve shall be appropriated to offset such losses. The employee bonuses mentioned in the preceding paragraph shall be distributed by stock or cash to eligible employees, which may include <u>subordinate companies' employees</u> with certain qualifications. The remuneration of directors may only be <u>distributed</u> in cash. The board of directors shall resolve on the matters mentioned in two preceding paragraphs and report in the Regular Shareholders' Meeting.	Article 19: If the Company makes profits (which mean profits before tax without deducting the remuneration of employees and directors <u>and supervisors</u>), more than 1% of such profits shall be distributed to employees and up to 3% to directors <u>and supervisors</u> as their remuneration. If the Company has accumulated losses, the reserve shall be appropriated to offset such losses. The employee bonuses mentioned in the preceding paragraph shall be distributed by stock or cash to eligible employees, which may include <u>employees of subordinate companies</u> with certain qualifications. The remuneration of directors <u>and supervisors</u> may only be in cash. The board of directors shall resolve on the matters mentioned in two preceding paragraphs and report in the Regular Shareholders' Meeting.	Established an audit committee to replace supervisors, so provisions related to supervisors were deleted.
Article 20: If the Company has earnings, such earnings shall <u>first</u> be appropriated to <u>pay taxes and</u> offset accumulated losses;	Article 20: If the Company has earnings, such earnings shall be appropriated to offset accumulated losses; then, 10% of such	Authorized the board of directors to distribute all or

Article After Amendment	Current Article	Description of Amendment
then, 10% of such remaining earnings shall be appropriated as the legal reserve, unless the legal reserve has reached the total paid-in capital. <u>Next, a special reserve is provided</u> or reversed in accordance with <u>laws</u> or regulations of <u>the</u> competent authority. If there are still remaining earnings, these may be added to initial cumulative undistributed earnings, and if distributable, <u>the</u> amount of distributable earnings and the method of distribution shall <u>then</u> be proposed by the board of directors and resolved in the shareholders' meeting. <u>Pursuant to Article 240 of the Company Act, the Company authorizes the board of directors to distribute a portion or the entirety of dividends, bonuses or legal surplus and capital surplus allocated in accordance with Article 241 of the Company Act in cash by resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and the distribution shall then be reported to the shareholders' meeting. The requirement for resolution by the shareholders' meeting in the preceding paragraph shall not apply.</u>	remaining earnings shall be appropriated as the legal reserve, unless the legal reserve has reached the total paid-in capital. <u>If necessary, the special reserve shall be recognized</u> or reversed in accordance with <u>the Order</u> or regulations of competent authorities. If there are still remaining earnings these may be added to initial cumulative undistributed earnings, and if distributable, <u>they shall be held or distributed in accordance with the Company's dividend policy.</u> The amount of distributable earnings and the method of distribution shall be proposed by the board of directors and resolved in the shareholders' meeting.	part of dividends, bonuses, legal surplus, and capital surplus in cash in coordination with the amendment to the Company Act.
Article 22: (Omitted) The 25th amendment was made on June 28, 2018. The 26th amendment was made on June 21, 2019.	Article 22: (Omitted) The 25th amendment was made on June 28, 2018.	Added the number and date of amendment.

WT Microelectronics Co., Ltd.

Comparison Table for Amendments to the Procedures for Acquisition or Disposal of Assets

Articles After Amendment	Current Articles	Description of Amendment
Article 2: Scope of Assets The term “assets” as used in the Procedures includes the following: I.(Omitted). II.Real property (including land, houses and buildings, and investment property) and equipment. III.-IV. (Omitted). V.Right-of-use assets. VI.Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). VII.Derivatives. VIII.Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with the law. IX.Other major assets.	Article 2: Scope of Assets The term “assets” as used in the Procedures includes the following: I.(Omitted). II.Real property (including land, houses and buildings, investment property, <u>land use right</u>) and equipment. III.-IV. (Omitted). V.Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). VI.Derivatives. VII.Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with the law. VIII.Other major assets.	Amended in accordance with Article 3 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”
Article 3: Definition of Terminology Terms used in the Procedures are defined as follows: I.Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from <u>a specified interest rate, financial instrument price, commodity price, foreign currency, index of prices or rates, credit rating or credit index, or other variables; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.</u> II.Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law:	Article 3: Definition of Terminology Terms used in the Procedures are defined as follows: I.Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from <u>products including asset, interest rate, exchange rate, index, or other benefits; and hybrid contracts combining the above products.</u> II.Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law:	Amended in accordance with Article 4 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

Articles After Amendment	Current Articles	Description of Amendment
Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act or other acts, or to transfer shares to another company through issuance of new shares of its own (hereinafter referred to as “transfer of shares”) as pursuant to Article 156-3 of the Company Act. III.-VIII. (Omitted).	Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act or other acts, or to transfer shares to another company through issuance of new shares of its own (hereinafter referred to as “transfer of shares”) as pursuant to <u>Paragraph 8</u> of Article 156 of the Company Act. III.-VIII. (Omitted).	
Article 4: Means of Price Determination and Reference Materials I.-II. (Omitted). III.The acquisition or disposal of real property, equipment, <u>or right-of-use assets thereof</u> shall take into consideration the publicly announced current value, assessed value, and the actual transaction price of nearby real properties, etc., (omitted).	Article 4: Means of Price Determination and Reference Materials I.-II. (Omitted). III.The acquisition or disposal of real property <u>or</u> equipment shall take into consideration the publicly announced current value, assessed value, and the actual transaction price of nearby real properties, etc., (omitted).	Amended in accordance with Article 9 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”
Article 5: Expert Opinions Where the Company obtains an appraisal or an opinion from a CPA, attorney, and securities underwriter, the appraisal and its appraiser, CPA, attorney, or securities underwriter shall <u>meet the following requirements:</u> I. <u>May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for the violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since the completion of the service of the sentence, since the expiration of a suspended sentence period, or since a pardon was received.</u> II. <u>May not be a related party or de facto</u>	Article 5: Expert Opinions Where the Company obtains an appraisal or an opinion from a CPA, attorney, and securities underwriter, the appraisal and its appraiser, CPA, attorney, or securities underwriter shall <u>not be a related party.</u>	Amended in accordance with Article 5 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

Articles After Amendment	Current Articles	Description of Amendment
<u>related party of any party of the transaction.</u> III.If the Company is required to obtain <u>appraisal reports from 2 or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u> When issuing an appraisal report or opinion, the aforementioned personnel shall comply with the following: I.Prior to accepting a case, they shall <u>prudently assess their own professional capabilities, practical experience, and independence.</u> II.When examining a case, they shall <u>appropriately plan and execute adequate working procedures in order to produce a conclusion and use it as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u> III.They shall undertake an item-by-item <u>evaluation of the comprehensiveness, accuracy, and reasonableness of the data sources used, the parameters, and the information as the basis for issuing the report or opinion.</u> IV.They shall issue a statement attesting <u>to the professional competence and independence of the related persons, that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u>		
Article 6: Limit of Authority Delegated I.Total amounts of real property <u>and right-of-use assets thereof</u> or securities acquired by the Company and its subsidiary not for business use and limits on individual securities are as follows: (I)The total amount of real property <u>and right-of-use assets</u>	Article 6: Limit of Authority Delegated I.Total amounts of real property or securities acquired by the Company and its subsidiary not for business use and limits on individual securities are as follows: (I)The total amount of real property acquired not for	Amended in accordance with Articles 3 and 7 of the “Regulations Governing the Acquisition and Disposal of Assets by Public

Articles After Amendment	Current Articles	Description of Amendment
<u>thereof</u> acquired not for business use shall be no more than 30% of the Company's net worth. (Omitted).	business use shall be no more than 30% of the Company's net worth. (Omitted).	Companies.”
Article 7: Level to which Authority is Delegated I. Level of authority for the acquisition or disposal of real property and <u>right-of-use assets thereof</u> or securities not for business use (I) The Company's acquisition or disposal of real property or <u>right-of-use assets</u> thereof not for business use shall require the approval of the Board. (II)-(III) (Omitted). II. Acquisition or disposal of equipment or <u>right-of-use assets thereof</u> The Company's acquisition or disposal of equipment or <u>right-of-use assets thereof</u> with a transaction amount of below NT\$50 million shall be submitted to the CEO for approval; where the transaction amount is between NT\$50 million and NT\$300 million, the approval of the Chairman of the Board shall be required; where the transaction amount exceeds NT\$300 million, the approval of the Board shall be required. III. Acquisition or disposal of intangible assets, <u>right-of-use assets thereof, or memberships</u> (I) (Omitted). (II) The acquisition or disposal of intangible assets or <u>right-of-use assets thereof</u> with a transaction amount of below NT\$50 million shall be submitted to the CEO for approval; where the transaction amount is between NT\$50 million and NT\$300 million, the approval of the Chairman of the Board shall be required; where the transaction amount exceeds	Article 7: Level to which Authority is Delegated I. Level of authority for the acquisition or disposal of real property or securities not for business use (I) The Company's acquisition or disposal of real property not for business use shall require the approval of the Board. (II)-(III) (Omitted). II. Acquisition or disposal of equipment The Company's acquisition or disposal of equipment with a transaction amount of below NT\$50 million shall be submitted to the CEO for approval; where the transaction amount is between NT\$50 million and NT\$300 million, the approval of the Chairman of the Board shall be required; where the transaction amount exceeds NT\$300 million, the approval of the Board shall be required. III. Acquisition or disposal of <u>memberships and</u> intangible assets (I) (Omitted). (II) The acquisition or disposal of intangible assets with a transaction amount of below NT\$50 million shall be submitted to the CEO for approval; where the transaction amount is between NT\$50 million and NT\$300 million, the approval of the Chairman of the Board shall be required; where the transaction amount exceeds	Amended for the reason as stated in Article 6, with partial wording amended.

Articles After Amendment	Current Articles	Description of Amendment
NT\$300 million, the approval of the Board shall be required.	NT\$300 million, the approval of the Board shall be required.	
Article 8: The Implementation Department The Company's acquisition and disposal of investments in long-term and short-term securities, real property, <u>equipment, or right-of-use assets thereof, memberships, and intangible assets</u> shall be processed by the finance department, stock affairs department, <u>accounting</u> department, or administrative department.	Article 8: The Implementation Department The Company's acquisition and disposal of investments in long-term and short-term securities, real property, <u>and</u> equipment shall be processed by the finance department, stock affairs department, or administrative department.	Amended in accordance with Article 3 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and implementation department added.
Article 9: Real Property, <u>Equipment, or Right-of-Use Assets Thereof</u> Where the Company acquires or disposes of real property, <u>equipment, or right-of-use assets thereof</u> , and the transaction amount reaches 20% of paid-in capital or exceeds NT\$300 million, except in transaction with a <u>domestic</u> government agency, engaging others to build on its own land or on rented land, or acquiring or disposing of machinery equipment <u>or right-of-use assets thereof</u> for business use, the Company shall obtain an appraisal report from a professional appraiser prior to the date of occurrence of the event and shall comply with the following provisions: (Omitted).	Article 9: Real Property <u>or</u> Equipment Where the Company acquires or disposes of real property <u>or</u> equipment, and the transaction amount reaches 20% of paid-in capital or exceeds NT\$300 million, except in transaction with a government agency, engaging others to build on its own land or on rented land, or acquiring or disposing of machinery equipment for business use, the Company shall obtain an appraisal report from a professional appraiser prior to the date of occurrence of the event and shall comply with the following provisions: (Omitted).	Amended in accordance with Article 9 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
Article 10: Securities (Omitted). If the transaction amount of the Company's acquisition or disposal of securities reaches 20% of the company's paid-in capital or exceeds NT\$300 million, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions	Article 10: Securities (Omitted). If the transaction amount of the Company's acquisition or disposal of securities reaches 20% of the company's paid-in capital or exceeds NT\$300 million, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in	Amended in accordance with the Financial Supervisory Commission's Jin-Guan-Zheng No. 1070331908 Letter dated August 29, 2018.

Articles After Amendment	Current Articles	Description of Amendment
of Statement of Auditing Standards No. 20 published by the ARDF. However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC): I. Securities obtained via cash capital contribution from the establishment or fundraising of companies in accordance with the <u>laws</u> where the rights represented by the securities obtained are equivalent to the proportion of cash capital contribution. II. (Omitted). III. Participation in the subscription of securities issued by an investee which the Company holds, <u>directly or indirectly</u>, 100% of shares for cash capital increase <u>or participation in cross subscription of securities issued by 100%-owned subsidiaries</u>. IV. (Omitted). V. <u>Domestic</u> government bonds or bonds under redemption and resale. VI. Public offered funds. VII. Stocks of listed companies acquired or disposed of under the <u>TWSE</u> or <u>TPEs</u> bidding rules or auction rules. VIII. Participation in the subscription of securities issued by <u>domestic</u> public companies for capital cash increase or subscription of domestic corporate bonds (including bank debentures) for which the securities are not private placement. IX. (Omitted).	accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC): I. Securities obtained via cash capital contribution from the establishment or fundraising of companies in accordance with the <u>Company Act</u> where the rights represented by the securities obtained are equivalent to the proportion of cash capital contribution. II. (Omitted). III. Participation in the subscription of securities issued by an investee which the Company <u>re-interests in 100% of shares</u> for cash capital increase. IV. (Omitted). V. Government bonds or bonds under redemption and resale. VI. <u>Domestic or foreign</u> public offered funds. VII. Stocks of listed companies acquired or disposed of under the <u>Stock Exchange Center</u> or <u>OTC</u> bidding rules or auction rules. VIII. Participation in the subscription of securities issued by a public company for capital cash increase or subscription of domestic corporate bonds (including bank debentures) for which the securities are not private placement. IX. (Omitted).	
Article 11: Intangible Assets, <u>Right-of-Use Assets</u> Thereof, or <u>Memberships</u> If the transaction amount of a company's acquisition or disposal of	Article 11: <u>Memberships or</u> Intangible Assets If the transaction amount of a company's acquisition or disposal of	Amended for the same reasons as stated in Article

Articles After Amendment	Current Articles	Description of Amendment
intangible assets, <u>right-of-use assets</u> thereof, or <u>memberships</u> reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, except for the transaction with a <u>domestic</u> government agency, (omitted).	<u>memberships or</u> intangible assets reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, except for the transaction with a government agency, (omitted).	9.
Article 12: Calculation of Major Asset Transaction The calculation of the transaction amounts in the preceding 3 articles shall be in accordance with Paragraph 2 of Article 30 herein. (Omitted).	Article 11-1: Calculation of Major Asset Transaction The calculation of the transaction amounts in the preceding 3 articles shall be in accordance with Paragraph 2 of Article 29 herein. (Omitted).	Changed the article number and adjusted the cited article number.
Article 13: Assets Auctioned by the Court (Omitted).	Article 12: Assets Auctioned by the Court (Omitted).	Changed the article number.
Article 14: Procedures, Assessment, and Counterparties (Omitted). The calculation of the transaction amounts in the preceding paragraph shall be in accordance with Article 12 herein. (Omitted).	Article 13: Procedures, Assessment, and Counterparties (Omitted). The calculation of the transaction amounts in the preceding paragraph shall be done in accordance with Article 11-1 herein. (Omitted).	Changed the article number and adjusted the cited article number for Paragraph 2.
Article 15: Information to be Submitted to <u>the Audit Committee and</u> the Board When the Company acquires or disposes of real property <u>or right-of-use assets thereof</u> from a related party, or when it acquires or disposes of assets other than real property <u>or right-of-use assets thereof</u> from a related party and the transaction amount reaches 20% of paid-in capital, 10% of the Company's total assets, or exceeds NT\$300 million, except in transaction of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the <u>Audit Committee</u> and then submitted to the Board for a resolution :	Article 14: Information to be Submitted to the Board <u>and Supervisors</u> When the Company acquires or disposes of real property from a related party, or when it acquires or disposes of assets other than real property from a related party and the transaction amount reaches 20% of paid-in capital, 10% of the Company's total assets, or exceeds NT\$300 million, except in transaction of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by <u>the Board and acknowledged by the Supervisors</u> :	Changed the article number and amended in accordance with Article 15 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," and adjusted the cited article number.

Articles After Amendment	Current Articles	Description of Amendment
I.-II. (Omitted). III. With respect to the acquisition of real property <u>or right-of-use assets thereof</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms shall be in accordance with Articles 16 and 17. IV.-VII (Omitted). The calculation of the transaction amounts in the preceding paragraph shall be in accordance with Paragraph 2 of Article 30 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been <u>recognized by the Audit Committee and</u> approved by the Board need not be counted toward the transaction amount. With respect to the <u>following transaction between the Company and its subsidiaries, or by its subsidiaries in which the Company holds, directly or indirectly, 100% of the issued shares or authorized capital</u>, the Board may delegate the Chairman of the Board to decide such matters when the transaction is within <u>NT\$300 million</u> and have the decisions subsequently submitted to and ratified in the next Board meeting: <u>I. Acquisition or disposal of equipment or right-of-use assets thereof for business use.</u> <u>II. Acquisition or disposal of real property right-of-use assets for business use.</u> When proposed for discussion by the Board pursuant to Paragraph 1, the Company shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.	I.-II. (Omitted). III. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms shall be in accordance with Articles 15 and 16. IV.-VII (Omitted). The calculation of the transaction amounts in the preceding paragraph shall be in accordance with Paragraph 2 of Article 29 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board <u>and recognized by the Supervisors</u> need not be counted toward the transaction amount. With respect to the <u>acquisition or disposal of equipment for business use between</u> the Company and its subsidiaries, the Board may, <u>pursuant to Subparagraph 2 of Article 7,</u> delegate the Chairman of the Board to decide such matters when the transaction is within <u>a set amount</u> and have the decisions subsequently submitted to and ratified in the next Board meeting. <u>Where the position of independent director has been established in accordance with the Securities and Exchange Act,</u> when proposed for discussion by the Board pursuant to Paragraph 1, the Company shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or	

Articles After Amendment	Current Articles	Description of Amendment
Items submitted to <u>the Audit Committee</u> for discussions pursuant to Paragraph 1 shall require the approval of half of all members of the Audit Committee, and be submitted to the Board for resolution. The provisions of Paragraphs <u>3</u> and <u>4</u> of Article <u>34</u> shall apply mutatis mutandis to the resolution.	expresses reservations about any matter, it shall be recorded in the minutes of the board meeting. <u>Where the Audit Committee has been established in accordance with the Securities and Exchange Act</u>, items submitted to <u>the Supervisors</u> for approval pursuant to Paragraph <u>1</u> shall <u>first</u> require the approval of half of all members of the Audit Committee, and be submitted to the Board for resolution. The provisions of Paragraphs <u>4</u> and <u>5</u> of Article <u>33</u> shall apply mutatis mutandis to the resolution.	
Article <u>16</u>: Evaluation of Transaction Costs Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party, it shall evaluate the reasonableness of the transaction costs by the following means: I.-II. (Omitted). Where land and structures thereupon are combined as a single property purchased <u>or leased</u> in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. When acquiring real property <u>or right-to-use assets thereof</u> from a related party, the Company shall appraise the cost of the real property <u>or the right-to-use assets thereof</u> in accordance with <u>the preceding 2 paragraphs of this Article</u> and shall also engage a CPA to verify and provide a specific opinion on the appraisal. Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the <u>preceding</u> Article, and the preceding three paragraphs	Article <u>15</u>: Evaluation of Transaction Costs Where the Company acquires real property from a related party, it shall evaluate the reasonableness of the transaction costs by the following means: I.-II. (Omitted). Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. When acquiring real property from a related party, the Company shall appraise the cost of the real property in accordance with Paragraphs <u>1 and 2</u> and shall also engage a CPA to verify and provide a specific opinion on the appraisal. Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article <u>14</u>, and the preceding three paragraphs shall not apply:	Changed the article number and amended in accordance with Article 16 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

Articles After Amendment	Current Articles	Description of Amendment
shall not apply: I. The related party acquired the real property <u>or right-of-use assets thereof</u> through inheritance or as a gift. II. More than 5 years have elapsed from the time the related party signed the contract to obtain the real property <u>or right-of-use assets thereof</u> to the date of the current transaction. III. (Omitted). IV. The real property <u>right-of-use assets for business use are acquired by the Company or its subsidiaries, or by its subsidiaries in which the Company holds, directly or indirectly, 100% of the issued shares or authorized capital.</u>	I. The related party acquired the real property through inheritance or as a gift. II. More than 5 years have elapsed from the time the related party signed the contract to obtain the real property to the date of the current transaction. III. (Omitted).	
Article 17: <u>Expert Opinions</u> When the results of the Company's appraisal conducted in accordance with Paragraphs 1 and 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in accordance with Article 18. However, where the following circumstances exist, objective evidence has been submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply: I. Where the related party acquired undeveloped or leased lands for development, it may submit proof of compliance with one of the following conditions: (I) (Omitted). (II) Completed transaction by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of	Article 16: <u>Evaluation of the Transaction Funding Costs</u> When the results of the Company's appraisal conducted in accordance with Paragraphs 1 and 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in accordance with Article 17. However, where the following circumstances exist, objective evidence has been submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply: I. Where the related party acquired undeveloped or leased lands for development, it may submit proof of compliance with one of the following conditions: (I) (Omitted). (II) Completed transaction by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar	Changed the article number and amended in accordance with Article 17 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

Articles After Amendment	Current Articles	Description of Amendment
reasonable price discrepancies in floor or area land prices in accordance with standard property market sale <u>or leasing</u> practices. II. Where the Company acquiring real property or <u>obtaining real property right-of-use assets through leasing</u> from a related party provides evidence that the terms of the transaction are similar to the terms of completed transaction involving neighboring or closely valued parcels of land of similar size by unrelated parties within the preceding year. Completed transaction involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction involving similarly sized parcels in principle refers to transaction completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; “within the preceding year” refers to the year preceding the date of occurrence of the acquisition of the real property <u>or right-of-use assets thereof</u>.	after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale practices. (III) <u>Completed transaction by unrelated parties within the preceding year involving other floors of the same property, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market leasing practices.</u> II. Where the Company obtaining real property from a related party provides evidence that the terms of the transaction are similar to the terms of completed transaction involving neighboring or closely valued parcels of land of similar size by unrelated parties within the preceding year. Completed transaction involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction involving similarly sized parcels in principle refers to transaction completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; “within the preceding year” refers to the year preceding the date of occurrence of the acquisition of the real property.	
Article 18: Procedures for Transaction with Unreasonable Prices	Article 17: Procedures for Transaction with Unreasonable Prices	Changed the article number

Articles After Amendment	Current Articles	Description of Amendment
Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party and the results of appraisals conducted in accordance with the <u>preceding two Articles</u> are uniformly lower than the transaction price, the following steps shall be taken: I. The Company shall set aside a special reserve against the difference between the real property <u>or right-of-use asset thereof</u> transaction price and the appraised cost, (omitted) II. The <u>Independent Directors of the Audit Committee</u> shall perform their duties in accordance with Article 218 of the Company Act. III. Actions taken pursuant to <u>the preceding two subparagraphs</u> shall be reported to a shareholders meeting and the details of the transaction shall be disclosed in the annual report and any investment prospectus. Where the Company has set aside a special reserve under the preceding paragraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, <u>or the leasing contract has been terminated</u>, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority of securities has given its consent. When the Company obtains real property <u>or right-of-use assets thereof</u> from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.	Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with <u>Articles 15 and 16</u> are uniformly lower than the transaction price, the following steps shall be taken: I. The Company shall set aside a special reserve against the difference between the real property transaction price and the appraised cost, (omitted) II. The <u>Supervisors</u> shall perform their duties in accordance with Article 218 of the Company Act. III. Actions taken pursuant to <u>Subparagraphs 1 and 2</u> shall be reported to the shareholders meeting and the details of the transaction shall be disclosed in the annual report and any investment prospectus. Where the Company has set aside a special reserve under the preceding paragraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority of securities has given its consent. When the Company obtains real property from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.	and amended in accordance with Article 18 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” and established the Audit Committee to replace Supervisors.
Article 19: Trading Principles and Guidelines	Article 18: Trading Principles and Guidelines	Changed the article number

Articles After Amendment	Current Articles	Description of Amendment
I.-II. (Omitted). III.Division of powers and responsibilities: (I)Finance department: Responsible for <u>interest and</u> exchange rate operations and management. The finance department shall collect market information on <u>interest and</u> exchange rate, be familiar with financial products and operating skills, and manage the Company's <u>interest and</u> exchange rate positions and hedge against such risks in accordance with the Company's policies and authorization. (II)Accounting department: Retain control of the Company's <u>interest and</u> exchange rate positions and periodically settle accounts on realized and unrealized gains and losses to provide the finance department with information for hedging operations. IV.Performance evaluation: The accounting department shall regularly assess net profit and loss and provide evaluation reports on <u>interest and</u> exchange rate positions to the authorized supervisor as the basis for management and performance evaluation and adjustments and improvements of the hedging strategy. V.Trading limit and upper limit on losses: (I)Trading limit 1. For non-trading purposes (1) Foreign <u>currency</u> hedging limit: The limit shall be the foreign currency positions generated <u>in the Group's</u> monthly operations	I.-II. (Omitted). III.Division of powers and responsibilities: (I)Finance department: Responsible for <u>foreign currency</u> operations and management. The finance department shall collect market information on <u>the foreign currency</u>, be familiar with financial products and operating skills, and manage the Company's <u>foreign currency</u> positions and hedge against such risks in accordance with the Company's policies and authorization. (II)Accounting department: Retain control of the Company's <u>foreign currency</u> positions and periodically settle accounts on realized and unrealized gains and losses to provide the finance department with information for hedging operations. IV.Performance evaluation: The accounting department shall regularly assess net profit and loss and provide evaluation reports on <u>foreign currency</u> positions to the authorized supervisor as the basis for management and performance evaluation and adjustments and improvements of the hedging strategy. V.Trading limit and upper limit on losses: (I)Trading limit 1. For non-trading purposes (1)Foreign <u>exchange</u> hedging limit: The limit shall be the net foreign currency positions generated in each month	and partial wording amended.

Articles After Amendment	Current Articles	Description of Amendment
(including net positions expected to be generated in future operations). (2) Limit for financial hedging trading: As a principle, the positions shall not exceed the <u>Group's</u> total liabilities. 2. (Omitted). (II) Upper limit on losses 1. For non-trading purposes The losses resulting from the trading of <u>hedging products in aggregated or individual contracts</u> shall be restricted to 10% of the <u>Group's</u> total liabilities. (Omitted).	(including net positions expected to be generated in future operations). (2) Limit for financial hedging trading: As a principle, the positions shall not exceed the <u>Company's</u> total liabilities. 2. (Omitted). (II) Upper limit on losses 1. For non-trading purposes The losses resulting from the trading of <u>forward or Swap transactions for hedging purposes</u> shall be restricted to 10% of the <u>Company's</u> total liabilities. (Omitted).	
Article <u>20</u> : Risk Management Scope (Omitted).	Article <u>19</u> : Risk Management Scope (Omitted).	Changed the article number.
Article <u>21</u> : Risk Management Measures When engaging in derivatives trading, the Company shall uphold its principle for stable and secure operations and meet the following internal control requirements: I.-IV. (Omitted). V. Personnel conducting trading <u>orders</u> shall pay close attention to whether the total trading amount exceeds the credit limit specified in the Procedures. <u>They shall also notify related personnel to process follow-up operations.</u>	Article <u>20</u> : Risk Management Measures When engaging in derivatives trading, the Company shall uphold its principle for stable and secure operations and meet the following internal control requirements: I.-IV. (Omitted). V. Personnel conducting trading shall pay close attention to whether the total trading amount exceeds the credit limit specified in the Procedures.	Changed the article number and partial wording amended.
Article <u>22</u> : Supervision and Management (Omitted).	Article <u>21</u> : Supervision and Management (Omitted).	Changed the article number and amended in accordance with Article 21 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

Articles After Amendment	Current Articles	Description of Amendment
Article 23: Internal Auditing System The Company shall establish a reference book for its derivatives transaction for audit purposes, which shall contain details about the type and amount of the derivatives trading and the date resolved by the Board. The reference book shall also include the other items to be evaluated prescribed in Subparagraph 3 of Article 21 and Subparagraph 2 of Paragraph 1 and Subparagraph 1 of Paragraph 2 of Article 22 herein. The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading and prepare an audit report. If any material violation is discovered, the <u>Audit Committee</u> shall be notified in writing.	Article 22: Internal Auditing System The Company shall establish a reference book for its derivatives trading for audit purposes, which shall contain details about the type and amount of the derivatives trading and the date resolved by the Board. The reference book shall also include the other items to be evaluated prescribed in Subparagraph 3 of Article 20 and Subparagraph 2 of Paragraph 1 and Subparagraph 1 of Paragraph 2 of Article 21 herein. The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading and prepare an audit report. If any material violation is discovered, the <u>Supervisors</u> shall be notified in writing.	Changed the article number and amended in accordance with Article 22 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," and established the Audit Committee to replace Supervisors.
Article 24: Expert Opinions Where the Company engages in mergers, demergers, acquisitions, or assignment of shares, prior to calling a Board meeting for approval, <u>the Audit Committee</u> shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the <u>Audit Committee for recognition</u> and the Board for approval by resolution. (Omitted).	Article 23: Expert Opinions Where the Company engages in mergers, demergers, acquisitions, or assignment of shares, prior to calling a Board meeting for approval, it shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board for approval by resolution. (Omitted).	Changed the article number and established the Audit Committee accordingly.
Article 25: Processing Procedures (Omitted). Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign	Article 24: Processing Procedures (Omitted). Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall	Changed the article number and amended in accordance with Article 25 of the "Regulations Governing the

Articles After Amendment	Current Articles	Description of Amendment
an agreement with such company whereby the latter is required to abide by the provisions of <u>the preceding two paragraphs</u> .	sign an agreement with such company whereby the latter is required to abide by the provisions of <u>Paragraphs 5 and 6</u> .	Acquisition and Disposal of Assets by Public Companies.”
Article 26: Confidentiality (Omitted).	Article 25: Confidentiality (Omitted).	Changed the article number.
Article 27: Modifications of the Share Exchange Ratio or Acquisition Price (Omitted).	Article 26: Modifications of the Share Exchange Ratio or Acquisition Price (Omitted).	Changed the article number.
Article 28: Items to be Recorded in the Contract (Omitted).	Article 27: Items to be Recorded in the Contract (Omitted).	Changed the article number.
Article 29: Other Important Matters After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or transfer of shares intends to further carry out a merger, demerger, acquisition, or transfer of shares with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or transfer of shares; except where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempt from calling another shareholders meeting to resolve on the matter anew. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 25, Article 26 and this Article.	Article 28: Other Important Matters <u>I.</u> After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or transfer of shares intends to further carry out a merger, demerger, acquisition, or transfer of shares with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or transfer of shares; except where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempt from calling another shareholders meeting to resolve on the matter anew. <u>II.</u> Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of <u>Paragraphs 2 to 5 of Article 24, Article 25, and this Article.</u>	Changed the article number, with partial wording amended in accordance with Article 30 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

Articles After Amendment	Current Articles	Description of Amendment
Article <u>30</u>: Public Announcement and Regulatory Filing Standards Under any of the following circumstances, the Company, when acquiring or disposing of assets, shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by the regulations within 2 days of the event, inclusive of the date of occurrence: I. Acquisition or disposal of real property <u>or right-of-use assets thereof</u> from a related party, or acquisition or disposal of assets other than real property <u>or right-of-use assets thereof</u> from a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or exceeds NT\$300 million. This shall not apply to the transaction of <u>domestic</u> government bonds or bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. II.-III. (Omitted). IV. Where <u>equipment or right-of-use assets thereof for business use are acquired or disposed of</u>, the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more. V. Where real property is acquired under an arrangement of engaging others to build on the Company's own land, on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, <u>the transaction counterparty is not a related party</u>, and the amount the Company expects to invest in the transaction exceeds NT\$500 million.	Article <u>29</u>: Public Announcement and Regulatory Filing Standards Under any of the following circumstances, the Company, when acquiring or disposing of assets, shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by the regulations within 2 days of the event, inclusive of the date of occurrence: I. Acquisition or disposal of real property from a related party, or acquisition or disposal of assets other than real property from a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or exceeds NT\$300 million. This shall not apply to the transaction of government bonds or bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. II.-III. (Omitted). IV. Where <u>the types of assets acquired or disposed of are equipment for business use and</u> the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more. V. Where real property is acquired under an arrangement of engaging others to build on the Company's own land, on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction exceeds NT\$500 million.	Changed the article number, with partial wording amended in accordance with Article 31 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

Articles After Amendment	Current Articles	Description of Amendment
VI. Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or exceeds NT\$300 million. It shall not apply to the following circumstances: (I) Transaction of <u>domestic</u> government bonds. (II) (Omitted). The amount of transaction above shall be calculated as follows: I.-II (Omitted). III. The cumulative transaction amount of acquisitions and disposals (respectively) of real property <u>or right-of-use assets thereof</u> within the same development project within the preceding year. IV. (Omitted). (Omitted).	VI. Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or exceeds NT\$300 million. It shall not apply to the following circumstances: (I) Transaction of government bonds. (II) (Omitted). The amount of transaction above shall be calculated as follows: I.-II (Omitted). III. The cumulative transaction amount of acquisitions and disposals (respectively) of real property within the same development project within the preceding year. IV. (Omitted). (Omitted).	
Article 31: Other Precautionary Matters (Omitted).	Article 30: Other Precautionary Matters (Omitted).	Changed the article number.
Article 32: Management of Subsidiaries I.-II. (Omitted). III. In the event that the subsidiary is not a publicly listed company, the Company shall, on behalf of the subsidiary, carry out relevant information announcement and reporting as stipulated in <u>the preceding</u> Chapter if necessary. With regard to the threshold for announcement or reporting by subsidiaries prescribed in Paragraph 1 of Article 30 herein <u>regarding</u> the paid-in capital or total assets, the calculation basis for the threshold shall be the paid-in capital or total assets of the parent company.	Article 31: Management of Subsidiaries I.-II. (Omitted). III. In the event that the subsidiary is not a publicly listed company, the Company shall, on behalf of the subsidiary, carry out relevant information announcements and reporting as stipulated in Chapter 4 if necessary. With regard to the threshold for announcement or reporting by subsidiaries prescribed in Paragraph 1 of Article 29 herein <u>reaching 20% of</u> the paid-in capital or <u>10% of</u> the total assets, the calculation basis for the threshold shall be the paid-in capital or total assets of the parent company.	Changed the article number and amended in accordance with Article 34 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
Article 33: Penalties (Omitted).	Article 32: Penalties (Omitted).	Changed the article number.
Article 34: Amendment Procedures The Procedures shall <u>first be recognized</u>	Article 33: Amendment Procedures The Procedures shall <u>have been</u>	Changed the article number

Articles After Amendment	Current Articles	Description of Amendment
<u>by the Audit Committee and then approved by the Board before it is submitted to the shareholders' meeting for approval and implementation.</u> The same shall apply to any amendment. When the Procedures for Acquisition or Disposal of Assets are submitted for discussion by the Board in accordance with the preceding paragraph, the Company shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting. <u>Items submitted to the Audit Committee for discussions pursuant to Paragraph 1</u> shall require the approval of half of all members of the Audit Committee. If the approval of half of all members of the Audit Committee is not obtained, the <u>amendment</u> of the Procedures may be implemented if approved by more than two-thirds of all Directors and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting. The terms "all members of the Audit Committee" and "all Directors" in <u>the preceding paragraph</u> shall refer to the persons currently holding such	<u>approved by the board of directors, submitted to each supervisor, and then to the shareholders' meeting for approval.</u> The same shall apply to any amendments. <u>If a Director expresses objection and records or written statements are available, the Company shall submit the information regarding the Director's objection to Supervisors.</u> <u>Where the position of Independent Director has been established in accordance with the Securities and Exchange Act,</u> and the Procedures for Acquisition or Disposal of Assets are submitted for discussion by the Board in accordance with the preceding paragraph, the Company shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting. <u>Where an Audit Committee has been established in accordance with the Securities and Exchange Act, the establishment or amendment of the Procedures for Acquisition or Disposal of Assets</u> shall require the approval of half of all members of the Audit Committee <u>and they shall be submitted to the Board for resolution.</u> If the approval of half of all members of the Audit Committee is not obtained <u>as described in the preceding paragraph,</u> the <u>establishment or revision</u> of the Procedures may be implemented if approved by more than two-thirds of all Directors and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting. The terms "all members of the Audit Committee" in Paragraph 3 and "all Directors" in the preceding paragraph shall refer to the persons currently	and established the Audit Committee accordingly to replace Supervisors.

Articles After Amendment	Current Articles	Description of Amendment
positions.	holding such positions.	
Article 35: According to the Procedures and other laws and regulations, the Company's acquisition or disposal of assets shall be <u>recognized by the Audit Committee and then</u> approved by the Board. <u>When</u> the transaction for the acquisition or disposal of assets are submitted for discussion by the Board in accordance with the preceding Paragraph, the Company shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting. Major transaction of assets or derivatives shall first be approved by half of all Audit Committee members and it shall be submitted to the Board for resolution., Paragraphs <u>3</u> and <u>4</u> of Article 34 shall apply mutatis mutandis to the resolution.	Article 34: According to the Procedures and other laws and regulations, the Company's acquisition or disposal of assets shall be approved by the Board. <u>If a Director expresses objection with records or written statements, the Company shall submit information regarding the Director's objection to Supervisors.</u> <u>Where the position of Independent Director has been established in accordance with the Securities and Exchange Act and</u> the transaction for the acquisition or disposal of assets are submitted for discussion by the Board in accordance with the preceding Paragraph, the Company shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting. <u>Where the Audit Committee has been established in accordance with the Securities and Exchange Act,</u> major transaction of assets or derivatives shall first be approved by half of all members of the Audit Committee and shall be submitted to the Board for resolution. Paragraphs <u>4</u> and <u>5</u> of Article 33 shall apply mutatis mutandis to the resolution.	Changed the article number and amended in accordance with Article 8 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” and established the Audit Committee to replace Supervisors.
	Article 35: <u>Where an Audit Committee has been established in accordance with the Securities and Exchange Act, the regulations for Supervisors in Article 14, Paragraph 2 of Article 22, Article 33, and Article 34 shall apply mutatis mutandis to the Audit Committee.</u> <u>Where an Audit Committee has been established in accordance with the Securities and Exchange Act,</u> Subparagraph 2 of Paragraph 1 of	Incorporating Articles 18 and 23.

Articles After Amendment	Current Articles	Description of Amendment
	Article 17 shall apply <u>mutatis mutandis</u> to the Independent Director of the Audit Committee.	

WT Microelectronics Co., Ltd.
Comparison Table for Amendments to the Procedures for Lending Funds
and Endorsement & Guarantee

Article After Amendment	Current Article	Description of Amendment
Article 2: Counterparties for which funds are loaned (Content above omitted) The restriction in paragraph 1, subparagraph 2 shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, <u>or to inter-company loans of funds conducted by an overseas company in which the Company holds, directly or indirectly, 100% of the voting shares to the Company.</u> However, the provisions of Articles 9 and 10 concerning the setting of the amount limits <u>on the aggregate amount and individual counterparties</u> shall still apply <u>and the durations of loans of funds shall be prescribed.</u> <u>The responsible person of the Company who has violated the provisions of paragraph 1 shall be liable, jointly and severally with the borrower, for the repayment of the loan at issue. For the damages, if any, to the Company resulted there-from, the responsible person of the Company shall also be liable for the repayment of the loan at issue.</u>	Article 2: Counterparties for which funds are loaned (Content above omitted) The restriction in paragraph 1, subparagraph 2 shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares. However, the provisions of Articles 9 and 10 concerning the setting of the amount limits <u>and the durations of loans</u> shall still apply.	To make amendments in accordance with Article 3 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.”
Article 7: Definition of announcing and reporting (Content above omitted) Date of occurrence in the Procedures means the date of contract signing, date of payment, dates of the Board of Directors resolutions, or other date that can	Article 7: Definition of announcing and reporting (Content above omitted) Date of occurrence in the Procedures means the date of <u>transaction</u> contract signing, date of payment, dates of the Board of Directors resolutions, or other date	To make amendments in accordance with Article 7 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public

Article After Amendment	Current Article	Description of Amendment
confirm the counterparty and monetary amount of the <u>loaning of funds or making of endorsements/guarantees</u> , whichever date is earlier.	that can confirm the counterparty and monetary amount of the <u>transaction</u> , whichever date is earlier.	Companies.”
Article 8: Evaluation standards for loaning funds to others (Content above omitted) Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the Chairman may be authorized, for the same <u>specific</u> borrowing counterparty, within a limit resolved by the Board of Directors, and within a period no longer than <u>the contract terms</u> , to give loans in installments or to make a revolving credit line available for the counterparty to draw down. Where the Board of Directors resolves agendas of loaning funds to others, it shall take into full consideration each independent director's opinions; <u>independent directors'</u> opinions expressing dissent <u>or reservation, if any, shall be expressly recorded</u> in the <u>minutes</u> of the Board of Directors' meeting.	Article 8: Evaluation standards for loaning funds to others (Content above omitted) Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the Chairman may be authorized, for the same borrowing counterparty, within a <u>certain monetary</u> limit resolved by the Board of Directors, and within a period no longer than <u>one year</u> , to give loans in installments or to make a revolving credit line available for the counterparty to draw down. Where the <u>Company has established the position of independent director, when its</u> Board of Directors resolves agendas of loaning funds to others, it shall take into full consideration each independent director's opinions; <u>their</u> opinions <u>specifically</u> expressing <u>assent or dissent and</u> <u>their reasons for dissent are to be</u> included in the <u>records</u> of the Board of Directors' meeting.	To revise the wording.
Article 9: Amount limit of loans of funds (Content above omitted) The aggregate amount of inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, <u>or to inter-company loans of funds conducted by an overseas company in which the Company holds, directly or indirectly, 100% of</u>	Article 9: Amount limit of loans of funds (Content above omitted) The aggregate amount of inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares shall not exceed the enterprise's net worth; provided that the amount of funds loaned to a single enterprise may not exceed	To make amendments in accordance with Article 3 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.”

Article After Amendment	Current Article	Description of Amendment
the voting shares to the Company, shall not exceed the enterprise's net worth; provided that the amount of funds loaned to a single enterprise may not exceed the enterprise's net worth.	the enterprise's net worth.	
Article 10: Duration of loans and calculation of interest Inter-company loans of funds conducted by the Company <u>or by an overseas company in which the Company holds, directly or indirectly, 100% of the voting shares to the Company</u> shall be short-term financing in principle, and may not be longer than 1 year. The duration of inter-company loans of funds between overseas <u>companies in which the Company holds, directly or indirectly, 100% of the voting shares</u> shall not be longer than <u>5</u> years. (Content below omitted)	Article 10: Duration of loans and calculation of interest Inter-company loans of funds conducted by the Company shall be short-term financing in principle, and shall not be longer than 1 year. <u>In the case of loan renewal, an application shall be resubmitted to the Company.</u> The duration of inter-company loans of funds between overseas <u>subsidiaries</u> shall <u>also</u> not be longer than <u>1</u> years, <u>and may be renewed.</u> (Content below omitted)	To make amendments in accordance with Article 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."
Article 14: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights After a loan is appropriated, the Company shall pay attention to the financial, business and credit status of the borrower and guarantor. In the case of provision of collateral, the Company shall also pay attention to whether the value of collateral is changed. Before the loan is due, the Company shall notify the borrower to pay off the principal and interests upon the due date. The loan officer shall formulate a monthly statement of funds loaned to other companies for the previous month and submit it to every management level for approval. If the borrower does not pay off the principal and interests after the	Article 14: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights After a loan is appropriated, the Company shall pay attention to the financial, business and credit status of the borrower and guarantor. In the case of provision of collateral, the Company shall also pay attention to whether the value of collateral is changed. Before the loan is due, the Company shall notify the borrower to pay off the principal and interests upon due <u>or engage in loan renewal.</u> The loan officer shall formulate a monthly statement of funds loaned to other companies for the previous month and submit it to every management level <u>and request</u> for approval. If the borrower does not pay off the principal and interests <u>or engage in</u>	To revise the wording.

Article After Amendment	Current Article	Description of Amendment
loan is due, the Company shall take measures to preserve creditor's rights according to the laws after issuing necessary notices.	<u>loan renewal</u> after the loan is due, the Company shall take measures to preserve creditor's rights according to the laws after issuing necessary notices.	
Article 16: Internal control (Content above omitted) Internal auditors shall audit the procedures governing loaning funds and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit Committee</u> in writing of any material violation found.	Article 16: Internal control (Content above omitted) Internal auditors shall audit the procedures governing loaning funds and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>all the supervisors</u> in writing of any material violation found.	To revise the wording in accordance with the establishment of the Audit Committee in substitution for supervisors.
Article 17: Supervision and management If, as a result of a change in circumstances, a counterparty for which funds are loaned does not meet the requirements of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>the Audit Committee</u> , and shall complete the rectification according to the timeframe set out in the plan.	Article 17: Supervision and management If, as a result of a change in circumstances, a counterparty for which funds are loaned does not meet the requirements of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>all the supervisors</u> , and shall complete the rectification according to the timeframe set out in the plan.	To revise the wording in accordance with the establishment of the Audit Committee in substitution for supervisors.
Article 18: Assessment standards for endorsement/guarantee Before making an endorsement/guarantee for others, the Company shall carefully evaluate whether the endorsement/guarantee is in compliance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and the Procedures. The Company may make an endorsement/guarantee	Article 18: Assessment standards for endorsement/guarantee Before making an endorsement/guarantee for others, the Company shall carefully evaluate whether the endorsement/guarantee is in compliance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and the Procedures. The Company may make an endorsement/guarantee	To revise the wording.

Article After Amendment	Current Article	Description of Amendment
only after the evaluation results under this paragraph and Article 20, paragraphs 2 and 3 have been submitted to and resolved upon by the Board of Directors, or approved by the Chairman of the Board, where empowered by the Board of Directors to grant endorsements/guarantees within <u>25% of the Company's total net worth</u>, for subsequent submission to and ratification by the next Board of Directors' meeting. Paragraph 2 (omitted) Where the Board of Directors resolves agendas of providing guarantees to others, it shall take into full consideration each independent director's opinions; <u>independent directors' opinions expressing dissent or reservation, if any, shall be expressly recorded in the minutes of the Board of Directors' meeting.</u>	only after the evaluation results under this paragraph and Article 20, paragraphs 2 and 3 have been submitted to and resolved upon by the Board of Directors, or approved by the Chairman of the Board, where empowered by the Board of Directors to grant endorsements/guarantees within <u>a specific limit</u>, for subsequent submission to and ratification by the next Board of Directors' meeting. Paragraph 2 (omitted) Where the <u>Company has established the position of independent director, when its</u> Board of Directors resolves agendas of providing guarantees to others, it shall take into full consideration each independent director's opinions; <u>their opinions specifically expressing assent or dissent and their reasons for dissent are to be included in the records of the Board of Directors' meeting.</u>	
Article 20: Procedures for making and reviewing endorsements/guarantees (Content above omitted) II. When the Company makes an endorsement/guarantee for external parties, the Finance Unit shall submit a proposal elaborating on the name and date of the entity to which the Company makes the endorsement/guarantee, committed guarantees, reasons, amount, contents of collateral obtained, and conditions and date for releasing the obligations of endorsement/guarantee, and <u>submit</u> it in combination with the evaluation results of the necessity, reasonableness and	Article 20: Procedures for making and reviewing endorsements/guarantees (Content above omitted) II. When the Company makes an endorsement/guarantee for external parties, the Finance Unit shall submit a proposal elaborating on the name and date of the entity to which the Company makes the endorsement/guarantee, committed guarantees, reasons, amount, contents of collateral obtained, and conditions and date for releasing the obligations of endorsement/guarantee, and <u>commend</u> it in combination with the evaluation results of the necessity, reasonableness	To revise the wording.

Article After Amendment	Current Article	Description of Amendment
risk of making the endorsement/guarantee, as well as an assessment report on the Company's operating risk, financial status and impacts on shareholder's rights and interests, to the Chairman for ratification. In cases where the entity to which the Company makes the endorsement/guarantee is the one prescribed in the preceding paragraph, an official letter issued by the guarantee shall be enclosed additionally as attachment. III.-VI. (Omitted) VII. When the Company cancels the registration of the endorsement/guarantee, it shall obtain the negotiable instrument or agreement issued from the guarantee, and the Finance Unit shall draw up the proposal elaborating on the actual date of release from the obligations of endorsement/guarantee, reasons, and contents of the negotiable instrument or agreement recalled, and <u>submit</u> them to the Chairman for ratification. (Content below omitted)	and risk of making the endorsement/guarantee, as well as an assessment report on the Company's operating risk, financial status and impacts on shareholder's rights and interests, to the Chairman for ratification. In cases where the entity to which the Company makes the endorsement/guarantee is the one prescribed in the preceding paragraph, an official letter issued by the guarantee shall be enclosed additionally as attachment. III.-VI. (Omitted) VII. When the Company cancels the registration of the endorsement/guarantee, it shall obtain the negotiable instrument or agreement issued from the guarantee, and the Finance Unit shall draw up the proposal elaborating on the actual date of being released from the obligations of endorsement/guarantee, reasons, and contents of the negotiable instrument or agreement recalled, and <u>commend</u> them to the Chairman for ratification. (Content below omitted)	
Article 23: Announcing and reporting procedures (Content above omitted) (III) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>carrying amount of</u>	Article 23: Announcing and reporting procedures (Content above omitted) (III) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment <u>of a long-</u>	To make amendments in accordance with Article 25 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."

Article After Amendment	Current Article	Description of Amendment
investment <u>using the equity method</u> in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement. (Content below omitted)	<u>term nature</u> in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement. (Content below omitted)	
Article 25: Internal control (Content above omitted) Internal auditors shall audit the operational procedures for providing endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit Committee</u> in writing of any material violation found.	Article 25: Internal control (Content above omitted) Internal auditors shall audit the operational procedures for providing endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>all the supervisors</u> in writing of any material violation found.	To revise the wording in accordance with the establishment of the Audit Committee in substitution for supervisors.
Article 26: Supervision and management If, as a result of a change in circumstances, a counterparty for which an endorsement/guarantee is made does not meet the requirements of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" or the amount exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>the Audit Committee</u> , and shall complete the rectification according to the timeframe set out in the plan.	Article 26: Supervision and management If, as a result of a change in circumstances, a counterparty for which an endorsement/guarantee is made does not meet the requirements of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" or the amount exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>all the supervisors</u> , and shall complete the rectification according to the timeframe set out in the plan.	To revise the wording in accordance with the establishment of the Audit Committee in substitution for supervisors.
Article 28: Amendment procedures The Procedures shall <u>first be approved by the Audit Committee</u> , after passage by the Board of Directors, submitted for approval by the shareholders' meeting <u>before take effect</u> ; where any director expresses dissent and it is	Article 28: Amendment procedures The Procedures shall be, after passage by the Board of Directors, <u>submitted to each supervisor and submitted for approval by the shareholders' meeting</u> ; where any director expresses dissent and it is contained in the minutes or a	To make amendments in accordance with Article 8 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public

Article After Amendment	Current Article	Description of Amendment
contained in the minutes or a written statement, the Company shall submit the dissenting opinion for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. When an agenda is proposed for discussion by the Board of Directors according to the provisions in the preceding paragraph, it shall take into full consideration the opinions of each independent director; <u>independent directors' opinions expressing dissent or reservation, if any, shall be expressly recorded in the minutes of the Board of Directors' meeting.</u> <u>When an agenda is proposed for discussion by the Audit Committee according to the provisions in the first paragraph, it shall be approved by more than half of all Audit Committee members. If approval of more than half of all Audit Committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</u> <u>The "all Audit Committee members" and "all directors" referred to in the preceding paragraph mean the actual number of Audit Committee members and directors who are currently holding the position.</u>	written statement, the Company shall submit the dissenting opinion to <u>each supervisor and</u> for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. <u>Where the Company has established the position of independent director,</u> when an agenda is proposed for discussion by the Board of Directors according to the provisions in the preceding paragraph, it shall take into full consideration the opinions of each independent director; <u>their opinions specifically expressing assent or dissent and their reasons for dissent are to be included in the records of the Board of Directors' meeting.</u>	Companies" and the establishment of the Audit Committee in substitution for supervisors.

WT Microelectronics Co., Ltd.

Comparison Table for Amendments to the Rules for Election of Directors and Supervisors

Name of Regulations or Article After Amendment	Current Name of Regulations or Article	Description of Amendment
Rules for Director Elections	Rules for Director <u>and Supervisor</u> Elections	Revised the name in coordination with the establishment of an audit committee.
Article 1: The election of directors of the Company shall be handled in accordance with these Rules.	Article 1: The election of directors <u>and supervisors</u> of the Company shall be handled in accordance with these Rules.	Established an audit committee to replace supervisors, so provisions related to supervisors were deleted.
Article 2: <u>The election of the Company's directors shall be held according to candidate nomination procedures specified in Article 192-1 of the Company Act.</u> The candidate nomination <u>system</u> and accumulated voting with single name registered on the ballot will be used for the election of directors. The attendance card <u>code</u> of the electors may be used on the ballot instead of the name of the electors. Each share has the number of exercisable votes same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate, or may be split for election of two or more candidates, on the candidate list of directors, unless otherwise stipulated or limited.	Article 2: The candidate nomination <u>method</u> and accumulated voting with single name registered on the ballot will be used for the election of directors <u>and supervisors</u> . The attendance card <u>number</u> of the electors may be used on the ballot instead of the name of the electors. Each share has the number of exercisable votes same as the number of directors <u>and supervisors</u> to be elected, and the total number of votes per share may be consolidated for election of one candidate, or may be split for election of two or more candidates, on the candidate list of directors <u>and supervisors</u> , unless otherwise stipulated or limited.	Specified that the Company's directors shall be elected via the candidate nomination system. Due to the audit committee established to replace supervisors, provisions related to supervisors were deleted and the text was revised.

Name of Regulations or Article After Amendment	Current Name of Regulations or Article	Description of Amendment
Article 3: Independent <u>and</u> non-independent directors shall be selected from the list of candidates in the Regular Shareholders' Meeting and elected at the same time in accordance with the quota stipulated in Articles of Incorporation and related announcements. The voting result is determined by electronic votes or ballots. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected independent <u>or</u> non-independent director. If two or more persons obtain the same number of votes and the number of such persons exceeds the specified seats available, such persons obtaining the same votes shall draw lots to decide who should win the seats available, and the chairperson shall draw lots on behalf of the candidate who is not present.	Article 3: Independent, non-independent directors, <u>and supervisors</u> shall be selected from the list of candidates in the Regular Shareholders' Meeting and elected at the same time in accordance with the quota stipulated in Articles of Incorporation and related announcements. The voting result is determined by electronic votes or ballots. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected independent, non-independent director, <u>or supervisor</u>. If two or more persons obtain the same number of votes and the number of such persons exceeds the specified seats available, such persons obtaining the same votes shall draw lots to decide who should win the seats available, and the chairperson shall draw lots on behalf of the candidate who is not present.	Established an audit committee to replace supervisors, so provisions related to supervisors were deleted.
Article 4: The ballots shall be prepared by the board of directors and marked with the weights and distributed <u>among</u> shareholders present in order to hold the election in accordance with the quota of directors. The election held by electronic votes requires no ballots.	Article 4: The ballots shall be prepared by the board of directors and marked with the weights and distributed <u>to</u> shareholders present in order to hold the election in accordance with the quota of directors <u>or supervisors</u>. The election held by electronic votes requires no ballots.	Established an audit committee to replace supervisors, so provisions related to supervisors were deleted and the text was revised.
Article 5: When the election commences, the chairperson of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for <u>counting</u> and announcing the ballots and performing relevant duties shall be appointed by the chairperson of the meeting.	Article 5: When the election commences, the chairperson of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for <u>recording</u> and announcing the ballots and performing relevant duties shall be appointed by the chairperson of the meeting.	The text was revised.

Name of Regulations or Article After Amendment	Current Name of Regulations or Article	Description of Amendment
Article 6: For board member elections, the ballot box shall be prepared by the board of directors and examined by the ballot supervisor(s) in public before the voting.	Article 6: For board members <u>and supervisors</u> elections, the ballot box shall be prepared by the board of directors and examined by the ballot supervisor(s) in public before the voting.	Established an audit committee to replace supervisors, so provisions related to supervisors were deleted.
Article 7: If the candidate is a shareholder of the Company, the electors shall fill in the name and the shareholder's number of such candidate in the column of "candidate" of the ballot. If the candidate is not a shareholder of the Company, the electors shall fill in such candidate's name and the number of its identification <u>document</u> in the same column. If the candidate is a government agency or a legal entity, either the full name of the government agency or the legal entity or the full name of the government agency or the legal entity and the name(s) of their representative(s) should be filled in the column of to be elected. If the government-linked shareholder or institutional shareholder has several representatives, the name of each representative shall be filled in.	Article 7: If the candidate is a shareholder of the Company, the electors shall fill in the name and the shareholder's number of such candidate in the column of "candidate" of the ballot. If the candidate is not a shareholder of the Company, the electors shall fill in such candidate's name and the number of its identification <u>certificate</u> in the same column. If the candidate is a government agency or a legal entity, either the full name of the government agency or the legal entity or the full name of the government agency or the legal entity and the name(s) of their representative(s) should be filled in the column of to be elected. If the government-linked shareholder or institutional shareholder has several representatives, the name of each representative shall be filled in.	The text was revised.
Article 8: A ballot shall be void upon any of the following conditions: 1.The ballot was not in the form <u>provided by the board of directors</u>. 2.-7. (Omitted.)	Article 8: A ballot shall be void upon any of the following conditions: 1.The ballot was not in the form <u>provided in accordance with these Rules</u>. 2.-7. (Omitted.)	The text was revised.
Article 9: The ballot box shall be opened and the ballots shall be counted on spot under the supervision of the ballot supervisor immediately after the completion of voting, and the result of counting the ballots shall be <u>proclaimed</u> by the chairperson	Article 9: The ballot box shall be opened and the ballots shall be counted on spot under the supervision of the ballot supervisor immediately after the completion of voting, and the result of counting the ballots shall be <u>announced</u> by the chairperson	The text was revised.

Name of Regulations or Article After Amendment	Current Name of Regulations or Article	Description of Amendment
of the meeting or the person designated by the chairperson.	of the meeting or the person designated by the chairperson.	
Article 11: These Rules shall be effective upon approval of the shareholders' meeting. The same applies to amendments. These Rules were formulated on May 31, 1999. The 1st Amendment was made on May 2, 2001. The 2nd Amendment was made on June 17, 2002. The 3rd Amendment was made on June 10, 2015. <u>The 4th amendment was made on June 21, 2019.</u>	Article 11: These Rules shall be effective upon approval of the shareholders' meeting. The same applies to amendments. These Rules were formulated on May 31, 1999. The 1st Amendment was made on May 2, 2001. The 2nd Amendment was made on June 17, 2002. The 3rd Amendment was made on June 10, 2015.	Changed the date format and added a new amendment.

WT Microelectronics Co., Ltd.
List of Director Candidates (Including Independent Directors)

Basic information about director candidates				
Candidate name (full name)	Cheng, Wen-Tsung	Hsu, Wen-Hung	Sung Kao, Hsin-Ming	Representative of Wen You Investment Co., Ltd.: Cheng, Ken-Yi
Education	Tunghai University	National Chengchi University	EMBA, International Business, National Taiwan University	Department of Accounting, Feng Chia University
Experience	■ Chairman, WT Microelectronics Co., Ltd.	■ Senior Vice President, WT Microelectronics Co., Ltd.	■ Section Head, Electronics Research Institute, Institute for Industrial Research	■ Consultant, Research and Development Department of Barits Securities Corp. ■ Vice President, Hung Yang Venture Capital Co., Ltd. ■ Assistant Manager, Underwriting Department, Taiwan International Securities Co., Ltd.
Current Position	■ Chairman, WT Microelectronics Co., Ltd. ■ Chairman, Nuvision Technology, Inc. ■ Chairman, Techmosa International Incorporation ■ Chairman, Morrihan International Corp. ■ Chairman, Maxtek Technology Co.,	■ Senior Vice President, WT Microelectronics Co., Ltd. ■ Representative of Legal Person Director, Nuvision Technology Inc. ■ Representative of Legal Person Director, Morrihan International Corp. ■ Representative of Legal Person	■ Chairman, Markettech International Corp. ■ Chairman, Macrotec Technology Corp. ■ Chairman, Ji-Xuan Investment Corp. ■ Chairman, Mic Techno Co., Ltd. ■ Supervisor, ProbeLeader Co., Ltd.	■ Director, WT Microelectronics Co., Ltd. ■ Director, Grand Fortune Securities Co., Ltd. ■ Independent Director, Holy Stone Enterprise Co., Ltd. ■ Director, Solytech Enterprise Corporation ■ Director, Shieh Yih Machinery Industry Co., Ltd.

	Ltd. ■Chairman, Hongtech Electronics Co., Ltd. ■Chairman, Hotech Electronics Corp. ■Chairman, AboveE Technology Inc. ■Chairman, Milestone Investment Co., Ltd. ■Chairman, SinYie Investment Co., Ltd. ■Director, WT Microelectronics (Hong Kong) Limited ■Director, Wen You Investment Co., Ltd. ■Director, Tang Ye Investment Co., Ltd. ■Director, WT Technology(H.K.) Limited ■Director, WT Technology Pte. Ltd. ■Director, WT Microelectronics Singapore Pte. Ltd. ■Director, Wintech Microelectronics Ltd. ■Director, WT Microelectronics (Malaysia) Sdn. Bhd. ■Director, WT Solomon QCE Limited ■Representative Director, Wonchang Semiconductor Co., Ltd. ■Representative Director, WT	Director, Hotech Electronics Corp. ■Representative of Legal Person Director, AboveE Technology Inc ■Representative of Legal Person Director, Maxtek Technology Co., Ltd. ■Representative of Legal Person Director, Hongtech Electronics Co., Ltd. ■Representative of Legal Person Director, Milestone Investment Co., Ltd. ■Representative of Legal Person Director, SinYie Investment Co., Ltd. ■Representative of Legal Person Director, JCD Optical (Cayman) Co., Ltd ■Director, WT Microelectronics (Hong Kong) Limited ■Director, WT Microelectronics (Thailand) Limited. ■Director, WT Technology Pte. Ltd. ■Director, WT Microelectronics Singapore Pte. Ltd. ■Director, WT Microelectronics (Malaysia) Sdn. Bhd. ■Director, WT Technology(H.K.)		■Supervisor, Leader Electronics Inc. ■Independent Director, Prolific Technology Inc. ■Independent Director, HiTrend Technology (Shanghai) Co., Ltd.
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	Technology Korea Co., Ltd. ■Director, BSI Semiconductor Pte. Ltd. ■Director, Morrihan Singapore Pte. Ltd. ■Director, MSD Holdings Pte. Ltd. ■Director, Anius Enterprise Co., Ltd. ■Director, Mega Source Co., Ltd. ■Director, Lacewood International Corp. ■Director, Maxtek International (HK) Limited	Limited ■Director, WT Solomon QCE Limited ■Director, Wonchang Semiconductor Co., Ltd. ■Director, WT Technology Korea Co., Ltd. ■Director, BSI Semiconductor Pte. Ltd. ■Director, MSD Holdings Pte. Ltd. ■Director, Maxtek International (HK) Limited ■Chairman, Wen You Investment Co., Ltd. ■Chairman, Tang Ye Investment Co., Ltd. ■Director, Shao Yang Investment Limited		
Number of shares held	28,177,112	8,356,543	4,474,434	1,359,204

WT Microelectronics Co., Ltd.
List of Director Candidates (Including Independent Directors)

Basic information about independent director candidates			
Candidate name (full name)	Cheng, Tien-Chong	Kung, Ju-Chin	Lin, Che-Wei
Education	MBA, Santa Clara University, USA	MBA, University of California Master of Laws, National Chengchi University	University of Missouri Columbia, master of science in electrical engineering
Experience	■CEO, FIH Mobile Limited, subsidiary of Foxconn Technology Group ■Vice President, Foxconn Technology Group ■President, Texas Instruments Asia-Pacific ■President, HP China	■CPA of USA and China ■CPA of Taiwan ■CPA of China ■Assistant Manager, PricewaterhouseCoopers	■Vice President, VIA Technologies, Inc. ■Vice President, ASUSTek Computer Inc.
Current Position	■Director, Aurotek Corporation ■Director, Jorjin Technologies Inc. ■Independent Director, Hangzhou Hikvision Digital Technology Co., Ltd.	■CFO, Cite Media Holding Group ■CEO, Cite Cultural & Arts Foundation ■Supervisor, CoAsia Microelectronics Corp. ■Managing Director, Magazine Business Association of Taipei ■Associate Professor, China Industrial & Commercial Research Institute	■Representative of Legal Person Director and President, ASMedia Technology Inc.
Number of shares held	0	0	0

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

Directors (Including independent directors)	Concurrent positions held and in which companies
Cheng, Wen-Tsung	Chairman, Nuvision Technology, Inc.
Hsu, Wen-Hung	Representative of Legal Person Director, Nuvision Technology Inc. Representative of Legal Person Director, JCD Optical (Cayman) Co., Ltd. Chairman, Wen You Investment Co., Ltd. Chairman, Tang Ye Investment Co., Ltd. Director, Shao Yang Investment Limited
Cheng, Ken-Yi	Director, Grand Fortune Securities Co., Ltd. Independent Director, Holy Stone Enterprise Co., Ltd. Director, Solytech Enterprise Corporation Director, Shieh Yih Machinery Industry Co., Ltd. Independent Director, Prolific Technology Inc. Independent Director, HiTrend Technology (Shanghai) Co., Ltd.
Sung Kao, Hsin-Ming	Chairman and CEO, Markettech International Corp. Chairman, Macrotec Technology Corp. Chairman, JI-XUAN Investment Corp. Chairman, Mic Techno Co., Ltd. Representative of Legal Person Director, eZoom Information, Inc Representative of Legal Person Director, ADAT Technology Co., Ltd. Representative of Legal Person Director, Forward Science Corp. Representative of Legal Person Director, Intellicares co., Ltd. Director, Brillian Network & Automation Integrated System Co., Ltd. Representative of Legal Person Director, Top Union Electronics Corp. Representative of Legal Person Director and Chairman, Marketch Integrated Pte Ltd. Representative of Legal Person Director, Marketch International Sdn. Bhd. Representative of Legal Person Director, Market Go Profits Ltd. Representative of Legal Person Director, Headquarter International Ltd. Representative of Legal Person Director, Tiger United Finance Ltd. Representative of Legal Person Director, Mic-Tech Global Corp. Representative of Legal Person Director, Mic-Tech Ventures Asia Pacific Inc. Representative of Legal Person Director, Russky H.K. Limited President, Mic-Tech Viet Nam Co., Ltd. President, Marketch Co., Ltd. Representative of Legal Person Director, Marketch Engineering Pte. Ltd. Representative of Legal Person Director, Marketch Integrated Construction Co., Ltd. Representative of Legal Person Director, Marketch Integrated Manufacturing Co., Ltd. Representative of Legal Person Director, Frontken Mic Co., Limited Representative of Legal Person Director, Leader Fortune Enterprise Co., Ltd.

Directors (Including independent directors)	Concurrent positions held and in which companies
	Representative of Legal Person Director, Pt Marketech International Indonesia Representative of Legal Person Director, Marketech Netherlands B.V. Representative of Legal Person Director, MICT International Limited Representative of Legal Person Director, Fortune Blessing Co., Limited Representative of Legal Person Director, Chairman, and President, Mic-Tech (Shanghai) Corp., Ltd. Representative of Legal Person Director and Chairman, MIC-Tech China Trading (Shanghai) Co., Ltd. Representative of Legal Person Director, ChenGao M&E Engineering (Shanghai) Co., Ltd. Representative of Legal Person Director, Chairman, and President, Shanghai Puritic Co., Ltd. Representative of Legal Person Director and Chairman, MIC-TECH Electronics Engineering Corp. Representative of Legal Person Director, Chairman, and President, Fuzhoujiwei System Integrated Co., Ltd. Representative of Legal Person Director, Chairman, and President, MIC-Tech (WuXi) Co., Ltd. Representative of Legal Person Director, SKMIC (WuXi) Corp. Representative of Legal Person Director and Chairman, Nanjing Fortune International Corporation Representative of Legal Person Director, Frontken MIC (Wuxi) Co., Ltd. Representative of Legal Person Director and Chairman, Nantong Jianrui Optoelectronics Technology Co., Ltd.
Cheng, Tien-Chong	Director, Aurotek Corporation Director, Jorjin Technologies Inc. Independent Director, Hangzhou Hikvision Digital Technology Co., Ltd.
Lin, Che-Wei	Representative of Legal Person Director and President, Asmedia Technology Inc. Director, Applied Optoelectronics, Inc. Director, iCatch Technology, Inc. Director, Sunplus Group

WT Microelectronics Co., Ltd.
Rules for Election of Directors and Supervisors

- Article 1: The election of directors and supervisors of the Company shall be handled in accordance with these Rules.
- Article 2: The candidate nomination method and accumulated voting with single name registered on the ballot will be used for the election of directors and supervisors. The attendance card number of the electors may be used on the ballot instead of the name of the electors. Each share has the number of exercisable votes same as the number of directors and supervisors to be elected, and the total number of votes per share may be consolidated for election of one candidate, or may be split for election of two or more candidates, on the candidate list of directors and supervisors, unless otherwise stipulated or limited.
- Article 3: Independent and non-independent directors and supervisors shall be selected from the list of candidates in the General Shareholders' Meeting and elected at the same time in accordance with the quota stipulated in Articles of Incorporation and related announcements. The voting result is determined by electronic votes or ballots. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected independent or non-independent director or supervisor. If two or more persons obtain the same number of votes and the number of such persons exceeds the specified seats available, such persons obtaining the same votes shall draw lots to decide who should win the seats available, and the chairperson shall draw lots on behalf of the candidate who is not present.
- Article 4: The ballots shall be prepared by the board of directors and marked with the weights and distributed to shareholders present in order to hold the election in accordance with the quota of directors or supervisors. The election held by electronic votes requires no ballots.
- Article 5: When the election commences, the chairperson of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for recording and announcing the ballots and performing relevant duties shall be appointed by the chairperson of the meeting.
- Article 6: For board members and supervisors elections, the ballot box shall be prepared by the board of directors and examined by the ballot supervisor(s) in public before the voting.
- Article 7: If the candidate is a shareholder of the Company, the electors shall fill in the name and the shareholder's number of such candidate in the column of "candidate" of the ballot. If the candidate is not a shareholder of the Company, the electors shall fill in such candidate's name and the number of its identification certificate in the same column. If the candidate is a government agency or a legal entity, either the full name of the government agency or the legal entity or the full name of the government agency or the legal entity and the name(s) of their representative(s) should be filled in the column of to be elected. If the government-linked shareholder or institutional shareholder has several representatives, the name of each representative shall be filled in.
- Article 8: A ballot shall be void upon any of the following conditions:
1. The ballot was not in the form provided in accordance with these Rules.
 2. The ballot was blank when cast in the ballot box.
 3. The handwriting on the ballot was blurred or illegible or has been altered.
 4. If the candidate is a shareholder of the Company, the name(s) of the candidate(s) and shareholder's number are not consistent with the shareholder register; if the candidate is not a shareholder of the Company, the name(s) and numbers of identification certificates are verified to be inconsistent.

5. There are other written characters or symbols in addition to the name(s) of the candidate(s), or shareholders number (the number of identification certificate) and the designated number of voting rights on the ballot.
6. The name of a candidate filled in on the ballot is same as another shareholder's name but the respective shareholder's numbers or numbers of identification certificates are not indicated to identify each of them.
7. There are two or more than two candidates on the candidate list filled in on the same ballot.

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

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

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

These Rules were formulated on May 31, 1999.

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

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

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

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

- Article 1: Meetings of shareholders shall be acted upon in accordance with these Rules. Matters not provided in these Rules shall be handled in accordance with Company Act and relevant laws and regulations.
- Article 2: Shareholders mentioned in these Rules refer to shareholders themselves and proxies attending the meeting on behalf of shareholders.
- Article 3: Shareholders or proxies present may turn in their attendance cards to sign in, who will be recognized as present. The Company is not responsible for the recognition of attendance.
- Article 4: The total attendance and vote shall be calculated based on shares in accordance with the attendance cards turned in at the meeting plus ballots or electronic votes.
If shareholders propose to count the attendance, the chairperson may not proceed. In the resolution, if the attendance has reached the statutory quota, the proposal is considered approved.
When a corporate is authorized to attend the shareholders' meeting, only one representative shall be appointed by the corporate.
When corporate shareholders appoint two or more representatives to attend the shareholders' meeting, only one representative has the right to speak for the same proposal.
- Article 5: The venue of shareholders' meeting shall be at the Company or a convenient and suitable location. The shareholders' meeting shall be held during 9 a.m. and 3 p.m.
- Article 6: If a shareholders' meeting is convened by the board, the chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, the chairman shall designate one director to act on his behalf. If the chairman has not appointed a proxy, the meeting chair shall be elected from among the directors present.
If the meeting is convened by any other person besides the board of directors who is entitled to convene the meeting, such person shall be the chairman to preside at the meeting. If there are more than two persons convening the meeting, then shall be the one elected by the other.
- Article 7: The chairman shall call the meeting to order at the time scheduled for the meeting, provided, however, that if during postpone the shareholders' meeting to a later time, provided, however, that the maximum number of times a shareholder meeting may be postponed shall be two and total time of postponement shall not exceed one hour. If after two postponements no quorum can yet be constituted, the chairman may announce the dissolution. When the shareholders present at the meeting represent more than one third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act. Shareholders shall be informed of such tentative resolutions and the shareholders' meeting will be convened within one months.
If before the end of the meeting and at enough shares become present to constitute a quorum, the chairman may then re-submit the tentative resolutions to the meeting for approval, in accordance with Article 174 of the Company Act.
- Article 8: The agenda for the shareholders' meetings shall be set by the Board of Directors if the

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

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

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

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

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

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

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

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

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

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

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

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

Article 12: Discussions or votes shall be carried out only for proposals. When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution. For such motions which are announced by the chairman to be determined by votes, ballots may be casted for several motions at the same time but shall be voted separately.

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

The resolution by electronic votes shall be deemed adopted and shall have the same

effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.

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

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

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

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

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

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

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

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

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

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

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

Article 19: During the process of the meeting, the chairman may announce a recess at an appropriate time. In case of irresistible circumstances, the chairman may suspend the shareholders' meeting and announce the time of continuance of the meeting.

If the shareholders' meeting cannot be held at the venue before the scheduled procedures (including Questions and Motions) of the meeting agenda are ended, the shareholders' meeting may be proceeded at another venue.

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

These Rules were formulated on May 31, 1999.

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

The 2ed 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.

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

Chapter 1 General Provisions

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

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

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

Article 3: The Company is headquartered in New Taipei City and when necessary may establish branches at home and abroad according to resolutions by the board of directors.

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

Chapter 2 Shares

Article 5: The authorized capital of the Company is NT\$10 billion, consisting of 1 billion shares, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required.

The total capital mentioned in the preceding paragraph shall reserve NT\$820 million, consisting of 82 million shares, with a par value of NT\$10 per share, for stock options, preferred stock with warrants, or corporate bonds with warrants.

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

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

Article 7-1: Unless otherwise stipulated, shareholder services of the Company shall be handled in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies published by the competent authority.

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

Article 8: Changes to the share register shall be suspended since 60 days before an AGM, 30 days before an EGM, or 5 days before the ex-dividend date or the date set for the distribution of bonuses or other benefits.

Chapter 3 Shareholders' Meeting

Article 9: There are two types of shareholders' meetings: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is held once a year within six months of the close of the fiscal year by the board of directors in accordance with the law. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.

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

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

Article 11-1: (Deleted).

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

Chapter 4 Directors and Supervisors

Article 13: The Company shall have five to nine directors, including at least 2 independent directors that represent no less than 1/5 of total directors. The number of directors shall be decided by the board of directors to meet this requirement, and there shall be two supervisors.

Pursuant to Article 192-1 and Article 216-1 of the Company Act, the election of directors and supervisors shall be based on a candidate nomination system. Directors and supervisors of the Company shall be selected from the list of candidates in the shareholders' meeting. The term of office shall be three years, and they may continue in office if re-elected. The election of directors and independent directors shall be held at the same time and voted separately.

The aggregate shareholding percentages of all directors and supervisors in their entirety shall each comply with the regulations prescribed by the competent authority.

Article 14: The board of directors shall consist of the directors of the Company; the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairman shall represent the Company. The chairman and directors shall perform their duties in accordance with the resolutions and instructions made by the board of directors.

Article 14-1: Unless otherwise provided for by applicable law or regulation, a resolution of the

board of directors shall be adopted by the consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting.

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

Board of directors' meetings shall be announced to all directors and supervisors with the reasons for the meetings stated seven days in advance. A board of directors' meeting may be called at any time in the event of an emergency. Meetings may be announced in writing or by means of fax or electronic transmission.

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

A director may only be made proxy as referred to in the preceding paragraph for a maximum of one other director.

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

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

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

The same applies to supervisors of the Company.

Chapter 5 Managers

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

Chapter 6 Finance

Article 18: Pursuant to Article 228 of the Company Act, the Company's board of directors is responsible for preparing the following statements and reports after the end of every fiscal year. The statements and reports shall be submitted to supervisors for audit 30 days before the regular shareholders' meeting, and shall be submitted by the board of directors to the regular shareholders' meeting for acknowledgment.

I. Business Report.

II. Financial Statements.

III. Proposal Concerning Appropriation of Net Profits or Recovering of Losses

Article 19: If the Company makes profits (which mean profits before tax without deducting the remuneration of employees and directors and supervisors), more than 1% of such profits shall be distributed to employees and up to 3% to directors and supervisors as their remuneration. If the Company has accumulated losses, the reserve shall be appropriated to offset such losses.

The employee bonuses mentioned in the preceding paragraph shall be distributed by stock or cash to eligible employees, which may include employees of subordinate companies with certain qualifications. The remuneration of directors and supervisors may only be in cash.

The board of directors shall resolve on the matters mentioned in two preceding

paragraphs and report in the Regular Shareholders' Meeting.

Article 20: If the Company has earnings, such earnings shall be appropriated to offset accumulated losses; then, 10% of such remaining earnings shall be appropriated as the legal reserve, unless the legal reserve has reached the total paid-in capital. If necessary, the special reserve shall be recognized or reversed in accordance with the Order or regulations of competent authorities. If there are still remaining earnings these may be added to initial cumulative undistributed earnings, and if distributable, they shall be held or distributed in accordance with the Company's dividend policy. The amount of distributable earnings and the method of distribution shall be proposed by the board of directors and resolved in the shareholders' meeting.

Chapter 7 Supplementary Provisions

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

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

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

Article 20-2: (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 sufficiently provided for in these Articles of Incorporation shall be handled in accordance with other applicable laws or regulations.

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

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

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

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

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

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

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

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

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

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

The 10th amendment was made on September 15, 1999.

The 11th amendment was made on April 6, 2000.

The 12th amendment was made on May 2, 2001.

The 13th amendment was made on November 6, 2001.

The 14th amendment was made on June 17, 2002.

The 15th amendment was made on June 15, 2004.

The 16th amendment was made on May 25, 2005.

The 17th amendment was made on June 14, 2006.

The 18th amendment was made on June 15, 2007.
The 19th amendment was made on June 16, 2009.
The 20th amendment was made on June 15, 2010.
The 21st amendment was made on June 15, 2011.
The 22^{ed} amendment was made on June 13, 2012.
The 23rd amendment was made on June 10, 2015.
The 24th amendment was made on June 3, 2016.
The 25th amendment was made on June 28, 2018.

WT Microelectronics Co., Ltd.

Chairman CHENG, WEN-TSUNG

WT Microelectronics Co., Ltd.
Current Shareholding of Directors and Supervisors

1. According to Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares held by all directors of the Company shall be 18,819,896 and that held by all supervisors of the Company shall be 1,881,989.
2. As of the date of transfer termination (April 23, 2019), the respective and current shareholding of directors and supervisors recorded in the shareholder register is as follows:

Title	Name	Number of Shares Held	Percentage of Shareholding to Total Shares Issued (%) (Note1)
Chairman	CHENG, WEN-TSUNG	28,177,112	4.79
Director	HSU, WEN-HUNG	8,356,543	1.42
Director	KAO, HSIN-MING	4,474,434	0.76
Director	CHENG, KEN-YI	0	0
Independent Director	CHENG, TIEN-CHONG	0	0
Independent Director	KUNG, JU-CHIN	0	0
Total		41,008,089	6.97
Supervisor	HU, HSIU-HSING	0	0
Supervisor	TANG YE INVESTMENT CO., LTD. Representative: WU, CHIH-HSIUNG	3,361,677	0.57
Total		3,361,677	0.57

Note1: The total number of shares issued is 588,121,760.

Note2: A seat of the company's board of directors is temporarily vacancy.

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