

**Stock Code : 3036**

# **WT Microelectronics Co., Ltd.**

## **Handbook of 2022 Annual Shareholders' Meeting**

[Translation]

Method of Convening the Meeting : Hybrid shareholders' meeting

Meeting Time : May 20, 2022

Venue : 11F., No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City  
(WT Microelectronics Meeting Room)

E-Meeting Platform : Taiwan Depository & Clearing Corporation  
(<http://www.stockvote.com.tw/evote/index.html>)

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# WT Microelectronics Co., Ltd.

## 2022 Annual Shareholders' Meeting Agenda

**Time:** Friday, May 20, 2022, 9:00 a.m.

**Method of Convening the Meeting:** Hybrid shareholders' meeting

**Venue:** 11F., No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City (WT Microelectronics Meeting Room)

**E-Meeting Platform:** TDCC (<https://www.stockvote.com.tw/evote/index.html> )

### Meeting Agenda

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

#### II. Chairperson Remarks

#### III. Reports

- (I) The 2021 Business Report.
- (II) The Audit Committee's Review Report on the 2021 Financial Statements.
- (III) The 2021 Employees' profit sharing bonus and directors' compensation.
- (IV) The 2021 Earnings Distribution of cash dividends.
- (V) The Status of execution of eleventh shares repurchase.

#### IV. Proposed Resolutions

- (I) The 2021 Business Report and Financial Statements.
- (II) The 2021 Earnings Distribution.

#### V. Matters for Discussion

- (I) Amendments to the Articles of Incorporation.
- (II) Amendments to the Rules of Procedure for the Shareholders' Meeting.
- (III) Amendments to the Procedures for Acquisition or Disposal of Asset.
- (IV) Issuance of new Restricted Employee Shares.
- (V) Issuance of new common shares for cash capital increase and/or Issuance of new common shares for cash to sponsor issuance of GDRs.

#### VI. Election Matters

- (I) Election of the Tenth Term Directors.

#### VII. Other Matters

- (I) Exemption of the Limitation of Non-Competition on the Directors of the Company.

#### VIII. Extempore Motions

#### IX. End of Meeting

# Reports

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

**Agenda: The 2021 Business Report.**

**Description:** Please refer to Annex 1 (pages 10-13) for the Company's 2021 Business Report.

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

**Agenda: The Audit Committee's Review Report on the 2021 Financial Statements.**

**Description:** Please refer to Annex 2 (page 14-15) for the Audit Committees' Review Report.

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

**Agenda: The 2021 Employees' profit sharing bonus and directors' compensation.**

**Description:**

1. This proposal was handled in accordance with Article 19 of the Articles of Incorporation.
2. The Company's 2021 profits (i.e., pre-tax profit in the current year minus remuneration to employees and directors) was NT\$9,287,286,795; NT\$92,900,000 (no less than 1%) was distributed to employees and NT\$35,000,000 (no more than 3%) was distributed to directors as cash bonus.

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

**Agenda: The 2021 Earnings Distribution of cash dividends.**

**Description:**

1. The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision to the shareholders meeting in accordance with Article 20 of the Articles of Incorporation.
2. NT\$270,000,000 was first distributed to preferred shares shareholders at NT\$2 per share for preferred shares A. NT\$4,431,031,831 was then distributed to ordinary shares shareholder at NT\$5.5 per share for ordinary shares. Cash dividends for preferred shares and ordinary shares were rounded to the nearest whole number. The total amount of cash dividends less than NT\$1 was adjusted from greatest to smallest in accordance with the total amount of cash dividends.
3. The chairperson was authorized by the Board of Directors to decide the ex-dividend date, date of issuance, and other relevant issues. In the event that proposed distribution of earnings is affected by a change in the Company's outstanding common shares, the chairperson is authorized by the Board of Directors to make adjustment to such distribution at his/her discretion.

**Item No. 5:**

**(Proposed by the Board of Directors)**

**Agenda: The Status of execution of eleventh shares repurchase.**

- Description:**
1. This proposal was handled in accordance with Article 28-2 of the Securities and Exchange Act.
  2. The Eleventh Shares Repurchase was approved by Board of Directors on May 17, 2021, please refer to Annex 3 (page 16) for the resolution and status of execution.

# Proposed Resolutions

**Item No. 1:**

**(Proposed by the Board of Directors)**

**Agenda: The 2021 Business Report and Financial Statements.**

**Description:** 1. The 2021 Business Report and financial statements for WT Microelectronics Co., Ltd. were approved by the Board of Directors and audited by CPA Hsu, Chieh-Ju and CPA Wu, Han-Chi from Pricewaterhouse Coopers Taiwan. The aforementioned financial statements and Business Report were reviewed by the Audit Committee of WT Microelectronics Co., Ltd. The review reports are on file.

2. Please refer to Annex 1 (pages 10-13) and Annexes 4 to 5 (page 17-44) for the 2021 Business Report, Independent Auditors' Report, and Financial Statements.

**Resolution:**

**Item No. 2:**

**(Proposed by the Board of Directors)**

**Agenda: The 2021 Earnings Distribution.**

**Description:** Please refer to Annex 6 (page 45) for the Distribution of 2021 Earnings, which was approved by the Board of Directors and reviewed by the Audit Committee.

**Resolution:**

# Matters for Discussion

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

**Agenda: Amendments to the Articles of Incorporation.**

**Description:** In order to make the convention of shareholders' meetings more flexible, the Company amend Articles 9 and 22 of the Articles of Incorporation in accordance with the provisions of Article 172-2, Item 1 of the Company Act and Article 44-9, Item 3 of the Regulations Governing the Administration of Shareholder Services of Public Companies, a provision has been added so that a company's shareholders' meeting can be held via video conference or through other channels as announced by the central competent authority. Please refer to Annex 7 (page 46) for the comparison table of the amended articles.

**Resolution:**

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

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

**Description:** In response to the Company's practices and Official Letter Tai-Zheng-Zhi-Li-Zi No.11100042501 from TWSE dated March 8, 2022, which published amendments to the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by the TWSE. The Company amend the Rules of Procedure for the Shareholders' Meeting, please refer to Annex 8 (page 47-54) for the comparison table of the Rules of Procedure for Shareholders' Meetings before and after amendment.

**Resolution:**

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

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

**Description:** In response to the Company's practices and Official Letter Jin-Guan-Zheng-Fa-Zi No.1110380465 from the Financial Supervisory Commission dated January 28, 2022, which published amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. The Company amend the Procedures for Acquisition or Disposal of Asset, please refer to Annex 9 (page 55-61) for the comparison table of the amended articles.

**Resolution:**

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

**Agenda: Issuance of new Restricted Employee Shares.**

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

2. Total amount of issuance: A total of 3,000,000 common shares will be issued as new restricted employee shares. Each share will have a par value of NT\$10, and the

total amount issued will be NT\$30,000,000. The issuance must be reported to the competent authority within one year after the resolution of the shareholders meeting, and the shares will issued at once or in batches within one year after the competent authority's notice that the report was effective is delivered. The chairperson is authorized by the Board of Directors to set the actual issuance date.

3. Please refer to Annex 10 (page 62-64) for the terms of issuance, employee qualifications, number of shares allotted to employees, necessity of the new restricted employee shares, expendable amount, dilution of the Company's earnings per share, other factors affecting shareholder equity, and restricted rights of new shares before employees meet the vesting conditions.
4. After the issuance of new restricted employee shares, the shares allotted to employees must be immediately handed over to the Company or a designated institution and held in trust.
5. After this case is approved by the Annual Shareholders' Meeting and reported to the competent authority and becomes effective, the chairperson is authorized to set the actual issuance date and specify other matters. The chairperson is also authorized to make changes in response to law amendments, review requirements of the competent authority, or other matters, and is authorized to handle matters not specify herein at his/her discretion.

**Resolution:**

**Item No. 5:**

**(Proposed by the Board of Directors)**

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

- Description:**
1. To meet the capital requirements for long-term strategic development and business growth (including but not limited to replenishing working capital, repaying loans, and long-term strategic development, either one or multiple purposes), and consider the internationalization and diversity of capital raising methods, the Company plans to request approval from the shareholders' meeting to authorize the Board of Directors, within the limit of 80,000,000 common shares, depending on the market conditions and the Company's capital requirements, to choose appropriate timing and capital raising instrument(s), to issue new common shares for cash capital increase and/or issue new common shares for cash to sponsor issuance of GDRs (hereinafter collectively referred to as the "Cash Capital Increase Proposal").
  2. Please refer to Annex 11 (page 65-66) for the Method and Contents for Issuance of new common shares for cash capital increase and/or Issuance of new common shares for cash to sponsor issuance of GDRs.
  3. The new shares issued for cash capital increase will share the same rights and obligations as the original outstanding common shares.
  4. The outstanding common shares as of April 7, 2022 is 805,642,151 shares, and the limit of common shares to be issued in the Cash Capital Increase Proposal is 80,000,000 shares, which is approximately 9.03% of the Company's outstanding shares after capital increase, and is not expected have a material impact on



original shareholders' equity. The Cash Capital Increase Proposal aims to meet capital requirements for long-term strategic development, business growth and to improve business benefits. It will have a positive effect on the Company's future development and should not be any negative effects on the rights and equity of shareholders.

5. The main contents of the Cash Capital Increase Proposal, including but not limited to the underwriting method, issuance price, actual number of issued shares, issuance conditions, plan items, amount of funds raised, estimated progress of fund utilization ,expected benefits and all other matters related to the proposal, is proposed to authorize to the board of directors to conduct, adjust, and implement. The chairperson is authorized to make modifications or corrections at his/her full discretion in response to orders from the competent authority and based on business assessment or laws and regulations and the objective market environment.
6. Chairperson or a person designated by the chairperson will be authorized to sign contracts and documents and handle related affairs to complete the Cash Capital Increase Proposal.
7. For any matters not fully deliberated herein, it is proposed that the board of directors be authorized by the shareholders' meeting to deal with the matters in accordance with laws and regulations.

**Resolution:**

# Election Matters

**Item No. 1:**

**(Proposed by the Board of Directors)**

**Proposal: Election of the Tenth Term Directors, for election.**

**Explanation:** 1. The term of the ninth Term directors conclude as of June 20, 2022. In accordance with the law, an election will be held at this year's Annual Shareholders' Meeting. However, this year's Annual Shareholders' Meeting will be held May 20, 2022, and as a result, all directors' terms will be dismissed after the election of the 10<sup>th</sup> term Directors is completed.

2. According to Article 13 of the Articles of Incorporation and resolution passed by the board of directors, the tenth 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 tenth term directors (including independent directors) was passed by resolution of the directors on April 7, 2022. Information on the director candidates' education, experience and number of shares held are attached as Annex 12 (page 67-71).
3. The new directors shall serve three years beginning with the date of their election, from May 20, 2022 to May 19, 2025.
4. The Rules for Director Elections please refer to Appendix 1 (page 74-75).

**Voting Result:**

# Other Matters

**Item No. 1:**

**(Proposed by the Board of Directors)**

**Agenda: Exemption of the Limitation of Non-Competition on the Directors of the Company.**

- Description:** 1. Article 209 of the Company Act stipulates that directors should brief actions they are going to take within the scope of business operations for themselves or for others in the shareholders' meetings and obtain permission.
2. Please refer to Annex 13 (page 72-73) for positions concurrently held by tenth new term directors and independent directors in other companies. A proposal will be made during the Annual Shareholders' Meeting to exempt directors from the non-compete clause.

**Resolution:**

**Extempore Motions**

**End of Meeting**

## WT Microelectronics Co., Ltd. Business Report

### I. 2021 Business Report

#### (I) Business Performance:

The Group's net consolidated operating revenue in 2021 was NT\$447,896,117,000, an increase of 26.83% compared to NT\$353,152,195,000 in 2020. The net profit after tax in 2021 was NT\$7,855,168,000, an increase of 107.01% or NT\$4,060,592,000 compared to the NT\$3,794,576,000 in 2020. Epidemic accelerated digitalization around the world and the demand growth for energy saving and carbon reduction caused by climate change. As a result, our main growth momentum in 2021 was from an increase in semiconductor content in electronic product, and high growth of the automotive electronics, industry controller, data center, and the 5G communications industry. In addition to the continued development of high growth product applications and increasing customer penetration, we will continue to engage in digital transformation to improve our operational efficiency, optimize operational management systems, enhance our financial management system, and strengthen human resource management, in order to enhance our ability to provide added value to the semiconductor industry supply chain, and thus lay the foundation for corporate sustainability.

Unit: NT\$1,000

Item	2020	2021	Increase (Decrease)	Rate of change %
Operating Revenue	353,152,195	447,896,117	94,743,922	26.83
Operating Profit	5,315,969	10,557,129	5,241,160	98.59
Net profit after tax	3,794,576	7,855,168	4,060,592	107.01

#### (II) Financial revenue and expenditure and profitability analysis:

Item		2020	2021
Financial structure	Debt to asset ratio (%)	64.80	68.93
	Long-term funds to fixed assets ratio (%)	4,824.28	6,250.35
Liquidity	Current Ratio (%)	134.47	134.86
	Quick Ratio (%)	79.84	73.91
Profitability	Return on assets (%)	3.64	5.39
	Return on equity (%)	10.90	15.71
	Net profit margin (%)	1.07	1.75
	Basic EPS (NTD) [Notes]	5.22	9.96

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

#### (III) Research and development status:

The continued development of semiconductor processes has led to rising demand on high performance processors, as well as the application of AI to improve the processing ability of computers. The introduction of broadband semiconductor devices and rapid deployment and development of 5G mobile communications have made alternative fuel vehicle, open radio access network, and edge computing new markets for the phase of growth. Changes

in the macro environment, in response to the demands of work and life, new applications are required to meet these new demand: High performance high efficiency digital power sources, AI camera, AI lock, smart speakers, 800G switch and 800G optical fiber module, applications of SiC and GaN in electric vehicles and base stations, time of flight components, Bluetooth 5.2 related products and ultra broadband, low power consumption, and high speed wireless personal area network. These have all become highlights of the next generation semiconductor industry. The Group is a distributor for key electronic components, such as: high performance x86 processors, neural embedded system image processor, high performance radio frequency components, single point infrared laser sensing component, multiple point far infrared sensing component, MEMS components, high performance microprocessors, high performance power components, high speed network switch, and high precision analog components. To provide sufficient technology to support system design and product development in these new platforms, the Group will continue to invest and accumulate system integration knowledge and technology to enhance the technical quality of overall R&D. Furthermore, the Group will continue to cooperate with world-class chip design manufacturers to provide customers with high-quality technical services and total solutions. Research and development expenditures over the last three years are shown below:

Unit: NT\$1,000

Item	2019	2020	2021
Net operating revenue	335,187,151	353,152,195	447,896,117
R&D expenses	407,103	385,971	608,561
R&D expenses as a percentage of revenue	0.12%	0.11%	0.14%

## II. 2022 Business Plan

In 2022, facing the pandemic, geopolitics intensified, changes in the technology supply chain, and the acceleration of global digitalization, the Company will formulate business strategies based on the overall economic situation and market conditions, continue to improve overall market positioning in the Asia-Pacific semiconductor market, and increase market share and profitability. In addition, the Company will improve risk management and operational efficiency, optimize operational management systems, and strengthen financial and human resources management to provide added value for the semiconductor industry chain and further lay the foundation for corporate sustainability.

### (I) Business strategies:

- Introduce new product lines and expand into new application markets: According to the long-term development strategy plan, the Company will optimize portfolios by introducing new product lines that accord with the market demand and have high margin, strengthening product and market planning ability, improving strategies for high-growth new application markets, and increasing the shipments and portion in automotive electronics, cloud data centers, smart IoT, 5G related applications, industrial control, green energy, and medical devices.
- Improve customer penetration and expansion: Optimize management, quality of services, and product penetration for existing clients; expand quality clients from automotive electronics, cloud data center, smart IoT, and industrial control, improve sales of existing clients and new applications of existing products, and cooperate more

closely with leading players in every segment; provide quality technical support and total solutions, help them to promote their products to the market more efficiently, and maintain a long-term relationship with new clients through good interaction processes.

- **Strengthen value-added services:** Help suppliers to create demand through solid customer relationships and a quick response to the market; increase the added value of products and the Company's overall profits through strong technical support for clients' development of new products.
  
- **Respond to new international situations:** In response to global epidemic and the restructuring of technology supply chains, begin using video conference with vendors and customers to achieve rapid communication and timely response. Furthermore, continue to engage in company digital transformation, optimize and digitalize operation processes to improve operational efficiency, and increase added value in the supply chain.

## **(II) Operations management:**

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

## **(III) Human Resources:**

### **■ Improve organizational management:**

Timely adjust the organizational structure and staffing based on the changes in the market, internal operations, and future development to allow both the Company and employees to quickly respond to challenges in a changing market.

### **■ Improve the quality of employees:**

- **Long-term reserve:** Recruit outstanding young talents in accordance with the Company's long-term development strategies in order to optimize the Company's staffing in terms of level, quantity, and structure, and enhance the Company's future competitiveness.

- New employee training: Strengthen new employee training, which allows employees to become familiar with products and applications and provide value-added services that meet clients' needs; in addition, set up a communication channel between the management and employees to effectively communicate the corporate culture and business philosophy.
- Potential talent development: Discover talents with high potential and customize development plans that provide optimal job training and upgrade individual abilities; enhance the cultivation of managers at all levels.
- **Strengthen performance management:**
  - Strengthen employees' understanding of their individual duties and missions, and deepen this understanding to achieve consistent implementation.
  - Review business results and productivity and set up a more practical and specific targets and KPI based on the current status.

**Chairperson: Cheng, Wen-Tsung**

**Managerial officer: Cheng, Wen-Tsung**

**Chief Accountant: Yang, Hsing-Yu**

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

The Board of Directors has prepared and submitted the 2021 business report and financial statements. PricewaterhouseCoopers Taiwan audited the financial statements and issued an audit report. These have been reviewed by the Audit Committee and determined to be correct and accurate as WT Microelectronics' business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

2022 Annual Shareholders' Meeting of WT Microelectronics Co., Ltd.

Audit Committee convener: Cheng, Tien-Chong

February 24, 2022



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

The Company's 2021 earnings distribution proposal submitted by the Board of Directors has been reviewed by the Audit Committee and determined to be correct. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

2022 Annual Shareholders' Meeting of WT Microelectronics Co., Ltd.

Audit Committee convener: Cheng, Tien-Chong

April 7, 2022

**WT Microelectronics Co., Ltd.**  
**The Board Resolution and Execution Status of Eleventh Shares Repurchase**

Instance	11 <sup>th</sup> Shares Repurchase
Purpose	Safeguarding the Company's Credit and Shareholders' Equity
Repurchase Period	2021.5.17~2021.7.16
Type of Shares Repurchase	Common shares
Price Range of Repurchase	NT\$ 42 ~NT\$ 60, when the company's share price is lower than the lower limit of the set repurchase price range, will continue to be executed.
Projected number of shares repurchase	20,000,000 shares
Actual number of shares repurchase	2,494,000 shares
Total Amount of shares repurchase	NT\$ 135,121,433
Average repurchase price per share	NT\$ 54.18
Actual number of shares repurchase for the total outstanding shares (%)	12.47%
Number of shares cancelled and converted	2,494,000 common shares
Accumulated number of shares held by the company	0 common shares
Accumulated number of shares held by the company for the total outstanding shares (%)	0%
Reasons for not Fully Execute the Projected number of shares repurchase	In order to protect the overall shareholders' equity and take into account the market mechanism, the company adopts a batch repurchase strategy based on changes in stock price and trading volume, and considers the efficiency of capital utilization, so it has not been fully executed.

## **2021 Consolidated Financial Statements and Independent Auditors' Report**

### INDEPENDENT AUDITORS' REPORT

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

#### ***Opinion***

We have audited the accompanying consolidated balance sheets of WT Microelectronics Co., Ltd. and subsidiaries (the "Group") as at December 31, 2021 and 2020, 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, 2021 and 2020, 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. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Group's 2021 consolidated financial statements. 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 2021 consolidated financial statements are stated as follows:

### **Recognition of supplier rebates**

#### Description

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

The Group is primarily engaged in the sale of electronic and communication components. In line with industry practice, the Group has entered into rebate arrangements with its suppliers for various kinds and quantities of inventories. Under the arrangement, the Group calculates the amount of supplier rebates based on sales breakdown, and recognises it as a deduction of accounts payable to suppliers and a deduction of operating costs. The Group pays the net purchase price, after confirming 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 change frequently, 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 more audit effort is required to address this audit matter, the recognition of supplier rebate has been identified as a key audit matter.

#### How our audit addressed the matter

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

- A. Obtained an understanding and assessed the internal controls related to supplier rebates, and tested the effectiveness of relevant internal controls to verify whether major supplier rebates had been reviewed by responsible management, and the inventory cost had been correctly deducted and paid in net amount based on the credit memo approved by suppliers;
- B. Performed analysis on the ratio of supplier rebates of main inventory items to corresponding total sales amount, and compared with historical data in order to assess its reasonableness;
- C. Sampled supplier rebates and tested transaction data to confirm whether the transaction quantities were consistent with sales breakdown. Also, verified arrangements and calculation worksheets, and recalculated supplier rebates to ensure that the rebate recognition is consistent with contract;

- D. Sampled the supplier rebates which were recognised before the balance sheet date but have not yet been confirmed by suppliers, verified its consistency and reasonableness with subsequent credit memos approved by suppliers after the balance sheet date, and confirmed whether there were any material differences; and
- E. Performed confirmation of selected material accounts payable, including supplier rebates which have been confirmed by suppliers, and examined the reconciliation for the differences between the amount stated in the suppliers' confirmation and the Group's records.

### **Impairment assessment of goodwill**

#### Description

Refer to Note 4(19) for accounting policies on goodwill impairment, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to goodwill impairment, and Note 6(11) for details of goodwill impairment.

The Group acquired 100% shares of stock of target companies or electronic components distribution business by cash or through exchange of shares of stock. The purchase price was allocated to the net identifiable assets acquired at fair value in accordance with the accounting policies on business combinations. The goodwill which was generated from purchase price allocation was presented in "Intangible assets - goodwill". As at December 31, 2021, the Group's goodwill amounted to NT\$1,812,885 thousand.

Relative to the aforementioned acquired company and distribution business, some distribution businesses were managed by other operating segments in the same district after the acquisition due to management purpose. After identifying the smallest cash generating unit which can generate independent cash flows, the Group uses the expected future cash flows of each cash generating unit and proper discount rate to determine recoverable amount of goodwill, and 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 considered the impairment assessment of goodwill a key audit matter.

### How our audit addressed the matter

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

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

### **Assessment of inventory valuation losses**

#### Description

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for details of inventory valuation. As at December 31, 2021, the Group's inventories and allowance for inventory valuation losses were NT\$67,586,646 thousand and NT\$1,062,342 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 the balance sheet date. The net realisable values of obsolete inventories are individually identified as obsolete or damaged, if any. Since the amount of inventory is material, inventory types vary, sources of information in calculating the net realisable value of each type of inventories are various, and the

identification of obsolete and damaged inventory and its net realisable value is subject to management's judgement, we considered the assessment of inventory valuation losses a key audit matter.

#### How our audit addressed the matter

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

- A. Obtained an understanding and evaluated the process of inventory and warehouse management, examined the annual plan and participated in stock take to assess the effectiveness of management's identification and controls on obsolete inventory;
- B. Obtained an understanding of the Group's nature of business and industry in order to assess whether the provision policies and procedures were applied consistently and reasonably during the periods, including identified as obsolete with supporting documents, and agreed to information obtained from physical inventory; and
- C. Obtained the net realisable value statement of each inventory, and tested supporting documents in relation to sources of information in calculating the net realisable value.

#### ***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, 2021 and 2020.

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

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

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

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

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

As part of an audit in accordance with generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

*Hsu, Chieh-Ju*

Hsu, Chieh-Ju

*Wu, Han-Chi*

Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2022

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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, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 4,679,576	3	\$ 3,627,112	3
1110	Financial assets at fair value through profit or loss - current	6(2)	22,004	-	13,135	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	-	-	373,071	-
1170	Accounts receivable, net	6(4)	75,462,083	44	60,850,292	46
1200	Other receivables	6(4)(5)	1,531,897	1	1,075,835	1
130X	Inventories	6(6)	66,524,304	38	44,314,392	34
1410	Prepayments		880,827	-	818,434	1
1470	Other current assets	6(1) and 8	35,564	-	19,386	-
11XX	<b>Total current assets</b>		<u>149,136,255</u>	<u>86</u>	<u>111,091,657</u>	<u>85</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	321,726	-	115,046	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	18,989,224	11	14,826,321	11
1550	Investments accounted for using equity method	6(7)	118,457	-	122,906	-
1600	Property, plant and equipment	6(8)	1,004,215	1	1,003,193	1
1755	Right-of-use assets	6(9)	699,563	-	772,852	1
1760	Investment property - net	6(10)	102,500	-	103,314	-
1780	Intangible assets	6(11)	1,972,777	1	1,911,613	1
1840	Deferred income tax assets	6(31)	801,911	1	819,550	1
1900	Other non-current assets		202,659	-	243,146	-
15XX	<b>Total non-current assets</b>		<u>24,213,032</u>	<u>14</u>	<u>19,917,941</u>	<u>15</u>
1XXX	<b>Total assets</b>		<u>\$ 173,349,287</u>	<u>100</u>	<u>\$ 131,009,598</u>	<u>100</u>

(Continued)

**WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ 33,497,708	20	\$ 23,314,455	18
2110	Short-term notes and bills payable	6(13)	2,049,454	1	747,643	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	14,838	-	-	-
2130	Contract liabilities - current	6(24)	373,803	-	506,379	-
2170	Accounts payable		69,808,936	40	54,945,766	42
2200	Other payables	6(14)	2,184,132	1	1,723,279	1
2230	Current income tax liabilities		1,674,704	1	684,636	1
2280	Lease liabilities - current		181,312	-	169,023	-
2320	Long-term liabilities, current portion	6(15)	76,635	-	-	-
2365	Refund liabilities - current	6(24)	658,325	1	459,101	-
2399	Other current liabilities		62,466	-	62,460	-
21XX	<b>Total current liabilities</b>		<u>110,582,313</u>	<u>64</u>	<u>82,612,742</u>	<u>63</u>
<b>Non-current liabilities</b>						
2530	Bonds payable	6(15)	-	-	377,194	-
2540	Long-term loans	6(16)	7,750,400	5	800,000	1
2570	Deferred income tax liabilities	6(31)	741,999	-	604,978	1
2580	Lease liabilities - non-current		258,807	-	330,899	-
2600	Other non-current liabilities		155,460	-	167,404	-
25XX	<b>Total non-current liabilities</b>		<u>8,906,666</u>	<u>5</u>	<u>2,280,475</u>	<u>2</u>
2XXX	<b>Total liabilities</b>		<u>119,488,979</u>	<u>69</u>	<u>84,893,217</u>	<u>65</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Common stock	6(19)	7,977,068	5	7,880,260	6
3120	Preferred share		1,350,000	1	1,350,000	1
3130	Certificates of entitlement to new shares from convertible bonds		51,498	-	2,057	-
Capital surplus						
3200	Capital surplus	6(20)	20,444,778	12	20,094,981	15
Retained earnings						
3310	Legal reserve	6(21)	2,677,275	1	2,280,822	2
3320	Special reserve		-	-	791,142	1
3350	Unappropriated retained earnings		14,531,008	8	8,070,791	6
Other equity interest						
3400	Other equity interest	6(22)	6,736,238	4	5,607,964	4
31XX	<b>Equity attributable to owners of the parent</b>		<u>53,767,865</u>	<u>31</u>	<u>46,078,017</u>	<u>35</u>
36XX	Non-controlling interest	6(23)	92,443	-	38,364	-
3XXX	<b>Total equity</b>		<u>53,860,308</u>	<u>31</u>	<u>46,116,381</u>	<u>35</u>
Commitments and contingent liabilities						
Significant subsequent events						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 173,349,287</u>	<u>100</u>	<u>\$ 131,009,598</u>	<u>100</u>

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

**WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(24)	\$ 447,896,117	100	\$ 353,152,195	100
5000	Operating costs	6(6)	( 430,909,478)	( 96)	( 342,377,773)	( 97)
5900	Net operating margin		16,986,639	4	10,774,422	3
	Operating expenses	6(29)				
6100	Selling expenses		( 4,522,266)	( 1)	( 4,069,653)	( 1)
6200	General and administrative expenses		( 1,296,000)	( 1)	( 978,659)	( 1)
6300	Research and development expenses		( 608,561)	-	( 385,971)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	( 2,683)	-	( 24,170)	-
6000	Total operating expenses		( 6,429,510)	( 2)	( 5,458,453)	( 2)
6900	Operating profit		10,557,129	2	5,315,969	1
	Non-operating income and expenses					
7100	Interest income	6(25)	6,268	-	16,068	-
7010	Other income	6(26)	339,273	-	210,236	-
7020	Other gains and losses	6(27)	( 1,918)	-	278,052	-
7050	Finance costs	6(28)	( 715,049)	-	( 990,675)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	( 5,878)	-	( 30,881)	-
7000	Total non-operating income and expenses		( 377,304)	-	( 517,200)	-
7900	<b>Profit before income tax</b>		10,179,825	2	4,798,769	1
7950	Income tax expense	6(31)	( 2,324,657)	-	( 1,004,193)	-
8200	<b>Profit for the year</b>		\$ 7,855,168	2	\$ 3,794,576	1

(Continued)

**WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Income (loss) on remeasurements of defined benefit plans	6(17)			
			\$ 4,735	- (\$ 5,707)	-
8316	Unrealised gain on valuation of equity investment instruments measured at fair value through other comprehensive income	6(22)(23)			
			3,213,493	-	8,014,355
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)			
			( 947)	-	1,142
8310	Other comprehensive income that will not be reclassified to profit or loss				
			<u>3,217,281</u>	-	<u>8,009,790</u>
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	6(22)(23)			
			( 1,078,128)	-	( 1,442,482)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method	6(7)			
			689	-	2,116
8360	Other comprehensive loss that will be reclassified to profit or loss				
			( 1,077,439)	-	( 1,440,366)
8300	<b>Total other comprehensive income for the year</b>				
			<u>\$ 2,139,842</u>	-	<u>\$ 6,569,424</u>
8500	<b>Total comprehensive income for the year</b>				
			<u>\$ 9,995,010</u>	2	<u>\$ 10,364,000</u>
Profit attributable to:					
8610	Owners of the parent				
			\$ 7,923,257	2	\$ 3,794,178
8620	Non-controlling interest				
			( 68,089)	-	398
			<u>\$ 7,855,168</u>	2	<u>\$ 3,794,576</u>
Comprehensive income attributable to:					
8710	Owners of the parent				
			\$ 10,062,378	2	\$ 10,363,641
8720	Non-controlling interest				
			( 67,368)	-	359
			<u>\$ 9,995,010</u>	2	<u>\$ 10,364,000</u>
Earnings per share (in dollars)					
9750	Basic earnings per share	6(32)			
			\$ 9.96		\$ 5.22
9850	Diluted earnings per share				
			\$ 9.75		\$ 5.06

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent										Total	Non-controlling interest	Total equity	
	Capital				Retained Earnings			Treasury shares	Other equity interest	Unappropriated retained earnings				
	Share capital -- common stock	Preferred share	Certificates of bond-to-stock conversion	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings							
2020														
Balance at January 1, 2020	\$ 5,903,358	\$ -	\$ 11,011	\$ 9,531,836	\$ 2,019,788	\$ 343,568	\$ 6,650,975	\$ -	\$ 791,142	\$ -	\$ 33,478,364	\$ 742	\$ 23,474,136	
Consolidated net income	-	-	-	-	-	-	3,794,178	-	-	-	3,794,178	309	3,794,576	
Other comprehensive income (loss)	-	-	-	-	-	-	(4,565)	-	6,574,028	-	6,569,424	(30)	6,569,424	
Total comprehensive income	-	-	-	-	-	-	3,789,613	-	6,574,028	-	10,363,641	359	10,364,000	
Appropriations of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve	-	-	-	-	361,084	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	-	647,574	-	-	-	-	-	-	-	
Cash dividends for common stock	-	-	-	-	-	-	-	-	-	-	(1,645,111)	-	(1,645,111)	
Issuance of preferred shares	1,710,000	-	-	4,914,000	-	-	-	-	-	-	6,624,000	-	6,624,000	
Conversion of convertible bonds	-	1,350,000	-	5,400,000	-	-	-	-	-	-	6,750,000	-	6,750,000	
Changes in non-controlling interest	266,902	-	-	496,149	-	-	-	-	-	-	754,397	-	754,397	
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	37,263	37,263	
Compensation cost of share-based payments	-	-	-	-	-	-	174,922	-	(174,922)	-	-	-	-	
Recognition	-	-	-	1,706	-	-	-	-	-	-	1,706	-	1,706	
Reorganization	-	-	-	(249,010)	-	-	-	-	-	-	(249,010)	-	(249,010)	
Balance at December 31, 2020	\$ 7,880,260	\$ 1,350,000	\$ 2,057	\$ 20,094,981	\$ 2,280,822	\$ 791,142	\$ 8,070,791	\$ -	\$ 5,607,964	\$ -	\$ 46,078,017	\$ 38,364	\$ 46,116,381	
2021														
Balance at January 1, 2021	\$ 7,880,260	\$ 1,350,000	\$ 2,057	\$ 20,094,981	\$ 2,280,822	\$ 791,142	\$ 8,070,791	\$ -	\$ 5,607,964	\$ -	\$ 46,078,017	\$ 38,364	\$ 46,116,381	
Consolidated net income (loss)	-	-	-	-	-	-	7,933,257	-	-	-	7,933,257	(68,089)	7,865,168	
Other comprehensive income	-	-	-	-	-	-	3,788	-	2,135,333	-	2,139,121	721	2,139,842	
Total comprehensive income (loss)	-	-	-	-	-	-	7,927,045	-	2,135,333	-	10,062,378	(67,368)	9,995,010	
Appropriations of 2020 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve	-	-	-	-	396,453	-	-	-	-	-	396,453	-	396,453	
Reversal of special reserve	-	-	-	-	-	(791,142)	-	-	791,142	-	-	-	-	
Cash dividends for common stock	-	-	-	-	-	-	-	-	-	-	(2,533,086)	-	(2,533,086)	
Cash dividends for preferred share	-	-	-	-	-	-	-	-	-	-	(57,541)	-	(57,541)	
Conversion of convertible bonds	64,468	-	49,443	150,166	-	-	-	-	-	-	304,075	-	304,075	
Issuance of employee restricted shares	57,800	-	-	216,366	-	-	-	-	-	-	-	-	-	
Cancellation of employee restricted shares	(520)	-	-	520	-	-	-	-	(274,166)	-	-	-	-	
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(135,121)	(135,121)	-	(135,121)	
Retirement of treasury shares	(24,940)	-	-	(87,064)	-	-	-	-	-	(135,121)	-	-	-	
Changes in equity of associates accounted for using equity method	-	-	-	3,173	-	-	-	-	-	-	3,173	-	3,173	
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(78,550)	-	(78,550)	
Compensation cost of share-based payments	-	-	-	26,636	-	-	-	-	96,884	-	123,520	-	123,520	
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	121,447	121,447	
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance at December 31, 2021	\$ 7,977,068	\$ 1,350,000	\$ 51,498	\$ 20,444,778	\$ 2,672,225	\$ -	\$ 829,777	\$ 10,533,008	\$ 6,736,238	\$ -	\$ 53,767,865	\$ 92,443	\$ 53,860,308	

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 10,179,825	\$ 4,798,769
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(29)	348,451	297,451
Amortisation	6(29)	28,212	13,454
Impairment loss determined in accordance with IFRS 9	12(2)	2,683	24,170
Net loss on financial assets and liabilities at fair value through profit or loss	6(27)	189,235	48,150
Share-based payments	6(18)	123,520	1,706
Share of loss of associates and joint ventures accounted for using equity method	6(7)	5,878	30,881
Loss on disposal of property, plant and equipment, net	6(27)	485	749
Impairment loss	6(27)	-	46,013
Interest expense	6(28)	452,638	570,507
Interest income	6(25)	( 6,268 )	( 16,068 )
Dividend income	6(26)	( 276,153 )	( 115,395 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		( 16,265,797 )	( 18,888,582 )
Other receivables		( 498,588 )	( 454,008 )
Inventories		( 23,574,228 )	( 1,367,170 )
Prepayments		( 71,547 )	( 405,390 )
Other current assets		( 2,074 )	( 16,623 )
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		( 196,431 )	( 83,066 )
Contract liabilities		( 124,964 )	( 316,665 )
Accounts payable		17,383,261	14,122,144
Other payables		412,197	( 11,477 )
Other current liabilities (including refund liabilities)		200,380	( 76,461 )
Net defined benefit liability		( 2,715 )	( 2,503 )
Cash outflow generated from operations		( 11,692,000 )	( 258,068 )
Interest received		6,268	16,068
Dividends received		276,153	115,395
Interest paid		( 437,421 )	( 566,047 )
Income taxes paid		( 1,133,036 )	( 963,509 )
Net cash flows used in operating activities		( 12,980,036 )	( 1,656,161 )

(Continued)



WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease in other receivables - related parties		\$ -	\$ 147,775
Acquisition of financial assets at fair value through profit or loss		( 166,558 )	( 176,921 )
Proceeds from disposal of financial assets at fair value through profit or loss		9,734	56,450
Acquisition of financial assets at fair value through other comprehensive income		( 1,568,225 )	( 98,923 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	940,603	187,887
(Increase) decrease in other financial assets		( 14,673 )	38,875
Acquisition of property, plant and equipment	6(34)	( 170,544 )	( 105,967 )
Proceeds from disposal of property, plant and equipment		99	280
Acquisition of intangible assets	6(11)	( 4,436 )	( 5,008 )
Increase in guarantee deposits		( 15,970 )	( 27,658 )
Decrease in guarantee deposits		7,279	33,819
Net cash payments for business combination	6(33)(34)	( 55,885 )	( 283,468 )
Decrease (increase) in other non-current assets		45,708	( 25,111 )
Net cash flows used in investing activities		( 992,868 )	( 257,970 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term borrowings	6(35)	455,301,446	429,701,535
Decrease in short-term borrowings	6(35)	( 445,067,941 )	( 432,350,079 )
Increase in short-term notes and bills payable	6(35)	1,293,979	277,458
Proceeds from long-term borrowings	6(35)	7,786,800	800,000
Payment of long-term loans	6(35)	( 836,400 )	( 120,424 )
Payment of lease liabilities	6(35)	( 193,030 )	( 167,446 )
(Decrease) increase in other non-current liabilities		( 4,900 )	28,276
Acquisition of treasury shares		( 135,121 )	-
Issuance of preferred shares	6(19)	-	6,750,000
Cash dividends paid	6(21)	( 2,589,627 )	( 1,645,111 )
Cash dividends paid to non-controlling interest	6(23)	( 366 )	( 276 )
Increase in non-controlling interest		45,623	-
Net cash flows from financing activities		15,600,463	3,273,933
Effect of exchange rate changes on cash and cash equivalents		( 575,095 )	( 839,321 )
Net increase in cash and cash equivalents		1,052,464	520,481
Cash and cash equivalents at beginning of year		3,627,112	3,106,631
Cash and cash equivalents at end of year		\$ 4,679,576	\$ 3,627,112

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

## 2021 Standalone Financial Statements and Independent Auditors' Report

### INDEPENDENT AUDITORS' REPORT 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, 2021 and 2020, 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, 2021 and 2020, 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. Our responsibilities under those standards are further described in the Auditors' 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Company's 2021 parent company only financial statements. 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 Company's 2021 parent company only financial statements are stated as follows:

### **Recognition of supplier rebates**

#### Description

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

The Company is primarily engaged in the sale of electronic and communication components. In line with industry practice, the Company has entered into rebate arrangements with its suppliers for various kinds and quantities of inventories. Under the arrangement, the Company calculates the amount of supplier rebates based on sales breakdown, and recognises it as a deduction of accounts payable to suppliers and a deduction of operating costs. The Company pays the net purchase price, after confirming 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 change frequently, 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 more audit effort is required to address this audit matter, the recognition of supplier rebate has been identified as a key audit matter.

#### How our audit addressed the matter

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

- A. Obtained an understanding and assessed the internal controls related to supplier rebates, and tested the effectiveness of relevant internal controls to verify whether major supplier rebates had been reviewed by responsible management, and the inventory cost had been correctly deducted and paid in net amount based on the credit memo approved by suppliers;
- B. Performed analysis on the ratio of supplier rebates of main inventory items to corresponding total sales amount, and compared with historical data in order to assess its reasonableness;
- C. Sampled supplier rebates and tested transaction data to confirm whether the transaction quantities were consistent with sales breakdown. Also, verified arrangements and calculation worksheets, and recalculated supplier rebates to ensure that the rebate recognition is consistent with contract;
- D. Sampled the supplier rebates which were recognised before the balance sheet date but have not yet

been confirmed by suppliers, verified its consistency and reasonableness with subsequent credit memos approved by suppliers after the balance sheet date, and confirmed whether there were any material differences; and

- E. Performed confirmation of selected material accounts payable, including supplier rebates which have been confirmed by suppliers, and examined the reconciliation for the differences between the amount stated in the suppliers' confirmation and the Company's records.

### **Impairment assessment of investments accounted for using equity method and goodwill**

#### Description

Refer to Notes 4(12) and 4(16) for accounting policies on investments accounted for using equity method and goodwill impairment, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to goodwill impairment, and Notes 6(7) and 6(10) for details of investments accounted for using equity method and goodwill impairment.

The Company and its subsidiaries (the "Group") acquired 100% shares of stock of target companies or electronic components distribution business by cash or through exchange of shares of stock. The purchase price was allocated to the net identifiable assets acquired at fair value in accordance with the accounting policies on business combinations. The goodwill which was generated from purchase price allocation was presented in "Investments accounted for using equity method" and "Intangible assets - goodwill". As at December 31, 2021, the goodwill of the Group and the Company amounted to NT\$1,812,885 thousand and NT\$179,304 thousand, respectively.

Relative to the aforementioned acquired company and distribution business, some distribution businesses were managed by other operating segments in the same district after the acquisition due to management purpose. After identifying the smallest cash generating unit which can generate independent cash flows, the Group 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 of investments accounted for using equity method and goodwill impairment assessment, we considered the impairment assessment of goodwill a key audit matter.

#### How our audit addressed the matter

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

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

#### **Assessment of inventory valuation losses**

##### Description

Refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for details of inventory valuation. As at December 31, 2021, the Company's inventories and allowance for inventory valuation losses were NT\$49,646,005 thousand and NT\$716,733 thousand, respectively.

The Company is primarily engaged in the sales of various kinds of electronic components. Due to rapid technology innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. For non-obsolete inventories, the net realisable value is estimated based on the estimated selling price in a certain period around the balance sheet date. The net realisable values of obsolete inventories are individually identified as obsolete or damaged, if any. Since the amount of inventory is material, inventory types vary, sources of information in calculating the net realisable values of each type of inventories are various, and the

identification of obsolete and damaged inventory and its net realisable value is subject to management's judgement, as well as the fact that the aforementioned matter also affects the Company's subsidiaries (recognised as investments accounted for using equity method), we considered the assessment of inventory valuation losses a key audit matter.

#### How our audit addressed the matter

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

- A. Obtained an understanding and evaluated the process of inventory and warehouse management, examined the annual plan and participated in stock take to assess the effectiveness of management's identification and controls on obsolete inventory;
- B. Obtained an understanding of the Group's nature of business and industry in order to assess whether the provision policies and procedures were applied consistently and reasonably during the periods, including identified as obsolete with supporting documents, and agreed to information obtained from physical inventory; and
- C. Obtained the net realisable value statement of each inventory, and tested supporting documents in relation to sources of information in calculating the net realisable value.

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

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

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

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

### ***Auditors' responsibilities for the audit of the parent company only financial statements***

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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Hsu, Chieh-Ju

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Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2022

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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, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,068,479	1	\$ 774,053	1
1110	Financial assets at fair value through profit or loss - current	6(2)	12,198	-	13,135	-
1170	Accounts receivable, net	6(4)	21,704,743	15	20,176,767	18
1180	Accounts receivable, net - related parties	7	25,294,400	18	23,130,544	21
1200	Other receivables	6(4)(5)	761,994	1	499,569	1
130X	Inventories	6(6)	48,929,272	35	30,262,037	27
1410	Prepayments		453,598	-	412,341	-
11XX	<b>Total current assets</b>		<u>98,224,684</u>	<u>70</u>	<u>75,268,446</u>	<u>68</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	232,735	-	86,217	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	18,443,514	13	14,245,527	13
1550	Investments accounted for using equity method	6(7)	21,865,803	16	19,675,231	18
1600	Property, plant and equipment	6(8)	431,785	-	442,017	-
1755	Right-of-use assets	6(9)	218,469	-	236,123	-
1780	Intangible assets	6(10)	274,384	-	202,243	-
1840	Deferred income tax assets	6(29)	528,606	1	473,931	1
1900	Other non-current assets		99,405	-	79,688	-
15XX	<b>Total non-current assets</b>		<u>42,094,701</u>	<u>30</u>	<u>35,440,977</u>	<u>32</u>
1XXX	<b>Total assets</b>		<u>\$ 140,319,385</u>	<u>100</u>	<u>\$ 110,709,423</u>	<u>100</u>

(Continued)

WT MICROELECTRONICS CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(11)	\$ 21,359,623	15	\$ 15,938,058	15
2110	Short-term notes and bills payable	6(12)	1,699,606	1	649,675	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	14,838	-	-	-
2130	Contract liabilities - current	6(22) and 7	53,197	-	146,174	-
2170	Accounts payable		50,869,734	36	43,446,260	39
2180	Accounts payable - related parties	7	1,019,699	1	826,651	1
2200	Other payables	6(13)	1,452,532	1	1,160,320	1
2220	Other payables - related parties	7	9,425	-	3,966	-
2230	Current income tax liabilities		908,213	1	297,672	-
2280	Lease liabilities - current		122,733	-	101,122	-
2320	Long-term liabilities, current portion	6(14)	76,635	-	-	-
2365	Refund liabilities - current	6(22)	424,448	1	203,287	-
2399	Other current liabilities		16,544	-	15,158	-
21XX	<b>Total current liabilities</b>		<u>78,027,227</u>	<u>56</u>	<u>62,788,343</u>	<u>57</u>
<b>Non-current liabilities</b>						
2530	Bonds payable	6(14)	-	-	377,194	-
2540	Long-term loans	6(15)	7,750,400	6	800,000	1
2570	Deferred income tax liabilities	6(29)	631,773	-	482,043	-
2580	Lease liabilities - non-current		100,701	-	139,564	-
2600	Other non-current liabilities	6(16)	41,419	-	44,262	-
25XX	<b>Total non-current liabilities</b>		<u>8,524,293</u>	<u>6</u>	<u>1,843,063</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>86,551,520</u>	<u>62</u>	<u>64,631,406</u>	<u>58</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(18)	7,977,068	6	7,880,260	7
3120	Preferred share		1,350,000	1	1,350,000	1
3130	Certificates of entitlement to new shares from convertible bonds		51,498	-	2,057	-
Capital surplus						
3200	Capital surplus	6(19)	20,444,778	14	20,094,981	18
Retained earnings						
3310	Legal reserve	6(20)	2,677,275	2	2,280,822	2
3320	Special reserve		-	-	791,142	1
3350	Unappropriated retained earnings		14,531,008	10	8,070,791	7
Other equity interest						
3400	Other equity interest	6(21)	6,736,238	5	5,607,964	6
3XXX	<b>Total equity</b>		<u>53,767,865</u>	<u>38</u>	<u>46,078,017</u>	<u>42</u>
Commitments and contingent liabilities						
Significant subsequent events						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 140,319,385</u>	<u>100</u>	<u>\$ 110,709,423</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**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(22) and 7	\$ 353,800,743	100	\$ 288,646,964	100
5000	Operating costs	6(6) and 7	( 345,292,343)	( 98)	( 283,523,398)	( 98)
5900	Net operating margin		8,508,400	2	5,123,566	2
	Operating expenses	6(27) and 7				
6100	Selling expenses		( 2,019,643)	( 1)	( 1,989,616)	( 1)
6200	General and administrative expenses		( 654,655)	-	( 524,655)	-
6300	Research and development expenses		( 312,742)	-	( 274,328)	-
6450	Impairment gain (loss) determined in accordance with IFRS 9	12(2)	1,216	-	( 49,439)	-
6000	Total operating expenses		( 2,985,824)	( 1)	( 2,838,038)	( 1)
6900	Operating profit		5,522,576	1	2,285,528	1
	Non-operating income and expenses					
7100	Interest income	6(23)	650	-	3,117	-
7010	Other income	6(24)	280,935	-	128,701	-
7020	Other gains and losses	6(25)	( 64,847)	-	244,114	-
7050	Finance costs	6(26)	( 394,718)	-	( 619,453)	-
7070	Share of profit of associates and joint ventures accounted for using equity method		3,814,791	1	2,175,222	1
7000	Total non-operating income and expenses		3,636,811	1	1,931,701	1
7900	<b>Profit before income tax</b>		9,159,387	2	4,217,229	2
7950	Income tax expense	6(29)	( 1,236,130)	-	( 423,051)	-
8200	<b>Profit for the year</b>		\$ 7,923,257	2	\$ 3,794,178	2
	<b>Other comprehensive income (loss)</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Gain (loss) on remeasurement of defined benefit plan	6(16)	\$ 1,024	-	( \$ 21,654)	-
8316	Unrealised gain on valuation of equity instruments measured at fair value through other comprehensive income	6(21)	2,813,621	1	7,511,803	3
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method	6(30)	402,827	-	515,295	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	( 205)	-	4,331	-
8310	Other comprehensive income that will not be reclassified to profit or loss		3,217,267	1	8,009,775	3
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	6(21)	( 884,082)	-	( 1,351,264)	( 1)
8380	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method	6(30)	( 194,064)	-	( 89,048)	-
8360	Other comprehensive loss that will be reclassified to profit or loss		( 1,078,146)	-	( 1,440,312)	( 1)
8300	<b>Total other comprehensive income for the year</b>		\$ 2,139,121	1	\$ 6,569,463	2
8500	<b>Total comprehensive income for the year</b>		\$ 10,062,378	3	\$ 10,363,641	4
	Earnings per share (in dollars)	6(31)				
9750	Basic earnings per share		\$ 9.96		\$ 5.22	
9850	Diluted earnings per share		\$ 9.75		\$ 5.06	

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

**WT MICROELECTRONICS CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
 (Expressed in thousands of New Taiwan dollars)

Notes	Capital		Retained Earnings			Other Equity Interest		Treasury shares	Total equity	
	Share capital common stock	Preferred share	Certificates of bond-to-stock conversion	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			Financial statements translation differences of foreign operations
<b>2020</b>										
Balance at January 1, 2020	\$ 5,593,358	-	\$ 11,021	\$ 9,531,826	\$ 2,101,788	\$ 145,568	\$ 6,659,975	\$ 1,159,794	\$ 363,652	\$ -
Profit for the year	-	-	-	-	-	-	3,794,178	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	-	(4,585)	(1,440,312)	8,014,340	-
Total comprehensive income (loss)	-	-	-	-	-	-	3,789,613	(1,440,312)	8,014,340	-
Appropriations of 2019 earnings:										
Legal reserve	-	-	-	-	361,034	-	(261,034)	-	-	-
Special reserve	-	-	-	-	-	647,574	(647,574)	-	-	-
Cash dividends for common stock	-	-	-	-	-	-	(1,645,111)	-	-	(1,645,111)
Issuance of shares	1,710,000	-	-	4,914,000	-	-	-	-	-	-
Issuance of preferred shares	-	1,350,000	-	5,400,000	-	-	-	-	-	-
Conversion of convertible bonds	-	-	(8,954)	496,449	-	-	-	-	-	-
Compensation cost of share-based payments	-	-	-	1,706	-	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	174,922	(174,922)	-	-
Reorganization	-	-	-	(249,010)	-	-	-	-	-	(249,010)
Balance at December 31, 2020	\$ 7,380,360	\$ 1,350,000	\$ 2,057	\$ 20,094,983	\$ 2,280,822	\$ 791,142	\$ 8,070,791	\$ 2,600,106	\$ 8,398,070	\$ 46,078,017
<b>2021</b>										
Balance at January 1, 2021	\$ 7,380,260	\$ 1,350,000	\$ 2,057	\$ 20,094,981	\$ 2,280,822	\$ 791,142	\$ 8,070,791	\$ 2,600,106	\$ 8,398,070	\$ 46,078,017
Profit for the year	-	-	-	-	-	-	7,923,257	(1,078,146)	3,213,479	-
Other comprehensive income (loss)	-	-	-	-	-	-	3,788	(1,078,146)	3,213,479	-
Total comprehensive income (loss)	-	-	-	-	-	-	7,927,045	(1,078,146)	3,213,479	-
Appropriations of 2020 earnings:										
Legal reserve	-	-	-	-	396,453	-	(396,453)	-	-	-
Reversal of special reserve	-	-	-	-	-	(791,142)	791,142	-	-	-
Cash dividends for common stock	-	-	-	-	-	-	(2,532,086)	-	-	(2,532,086)
Cash dividends for preferred share	-	-	-	-	-	-	(57,541)	-	-	(57,541)
Conversion of convertible bonds	64,468	-	49,441	190,166	-	-	-	-	(374,166)	-
Issuance of employee restricted shares	57,900	-	-	216,966	-	-	-	-	-	-
Cancellation of employee restricted shares	(520)	-	-	520	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Retirement of treasury shares	(24,940)	-	(87,064)	-	-	-	23,117	(155,121)	-	(155,121)
Changes in ownership interests in subsidiaries	-	-	(3,175)	-	-	-	(78,550)	155,121	-	(75,577)
Compensation cost of share-based payments	-	-	-	26,636	-	-	-	-	96,884	-
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	829,777	(429,777)	-	-
Balance at December 31, 2021	\$ 7,977,068	\$ 1,350,000	\$ 51,498	\$ 20,344,778	\$ 2,677,275	\$ -	\$ 14,531,008	\$ 3,678,252	\$ 10,591,772	\$ 53,767,865

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

WT MICROELECTRONICS CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 9,159,387	\$ 4,217,229
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(27)	192,788	179,099
Amortisation	6(27)	17,665	11,179
Impairment (gain) loss determined in accordance with IFRS 9	12(2)	( 1,216 )	49,439
Impairment loss	6(25)	-	46,013
Net loss on financial assets and liabilities at fair value through profit or loss	6(25)	189,024	50,622
Share-based payments	6(17)	123,520	1,706
Share of profit of subsidiaries accounted for using equity method		( 3,814,791 )	( 2,175,222 )
Interest expense	6(26)	229,724	349,540
Interest income	6(23)	( 650 )	( 3,117 )
Dividend income	6(24)	( 273,249 )	( 107,720 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		( 1,319,540 )	( 5,147,180 )
Accounts receivable - related parties		( 2,163,856 )	( 7,969,139 )
Other receivables		( 262,425 )	82,333
Inventories		( 18,667,235 )	3,141,465
Prepayments		( 41,257 )	( 200,493 )
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		( 194,149 )	( 83,330 )
Contract liabilities		( 92,977 )	53,668
Accounts payable		7,423,474	5,284,121
Accounts payable - related parties		193,048	( 31,910 )
Other payables		317,046	8,138
Other current liabilities		1,387	9,071
Net defined benefit liability		( 1,819 )	( 1,701 )
Cash outflow generated from operations		( 8,986,101 )	( 2,236,189 )
Interest received		650	3,117
Dividends received		1,737,033	1,175,510
Interest paid		( 229,369 )	( 343,835 )
Income taxes paid		( 530,739 )	( 388,148 )
Net cash flows used in operating activities		( 8,008,526 )	( 1,789,545 )

(Continued)

WT MICROELECTRONICS CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		( \$ 130,000 )	( \$ 132,000 )
Proceeds from disposal of financial assets at fair value through profit or loss		4,382	39,515
Acquisition of financial assets at fair value through other comprehensive income		( 1,384,366 )	( 80,730 )
Acquisition of investments accounted for using equity method		-	( 397,230 )
Proceeds from capital reduction of subsidiaries		-	10,356
Acquisition of property, plant and equipment	6(33)	( 71,097 )	( 25,916 )
Acquisition of intangible assets	6(10)	( 4,436 )	( 5,008 )
Net cash payments for business combination	6(32)	( 85,370 )	( 29,485 )
Increase in guarantee deposits		( 14,383 )	( 5,916 )
Decrease in guarantee deposits		3,681	4,205
Decrease in other non-current assets		4,925	2,525
Net cash flows used in investing activities		( 1,676,664 )	( 619,684 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(34)	351,464,815	340,112,923
Decrease in short-term borrowings	6(34)	( 346,043,250 )	( 342,523,202 )
Increase in short-term notes and bills payable	6(34)	1,042,872	245,228
Proceeds from long-term borrowings	6(34)	7,786,800	800,000
Payment of long-term loans	6(34)	( 836,400 )	( 120,080 )
Payment of lease liabilities	6(34)	( 130,192 )	( 107,309 )
Cash dividends paid	6(20)	( 2,589,627 )	( 1,645,111 )
Acquisition of treasury shares	6(18)	( 135,121 )	-
Issuance of preferred shares	6(18)	-	6,750,000
Net cash flows from financing activities		10,559,897	3,512,449
Effect of exchange rate changes on cash and cash equivalents		( 580,281 )	( 820,150 )
Net increase in cash and cash equivalents		294,426	283,070
Cash and cash equivalents at beginning of year		774,053	490,983
Cash and cash equivalents at end of year		\$ 1,068,479	\$ 774,053

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

**WT Microelectronics Co., Ltd.**  
**2021 Earnings Distribution Statement**

		<b>Unit: NTD</b>
<b>2021 after-tax net profit</b>	<b>\$</b>	<b>7,923,257,013</b>
Plus: Remeasurements of defined benefit plan		3,788,302
Plus: Disposal of equity instruments measured at fair value through other comprehensive income		829,777,079
Less: Changes in ownership interests in subsidiaries		(78,549,670)
Less: Retirement of treasury shares		(23,117,107)
Current after-tax net profit plus other profit items included in undistributed earnings in the current year		8,655,155,617
Less: 10% statutory reserve		(865,515,562)
Plus: Undistributed earnings from the previous year		5,875,852,292
Accumulated distributable earnings at the end of 2021		13,665,492,347
Items for distribution: (Note 1)		
Preferred share dividends (Note 2)		(270,000,000)
Cash dividends on ordinary shares		
(Note 3) (NT\$5.5 per share)		(4,431,031,831)
<b>Undistributed earnings at the end of the period</b>	<b>\$</b>	<b>8,964,460,516</b>
<p>Note 1: Earnings in 2021 are distributed first.</p> <p>Note 2: 135,000,000 class A preferred shares were issued at the price of NT\$50 on October 15, 2020; calculated at a dividend yield of 4% for preferred shares.</p> <p>Note 3: Distribution of dividends is based on 805,642,151 shares issued upon resolution of the Board of Directors on April 7, 2022.</p>		

**Chairperson: Cheng, Wen-Tsung**

**Managerial officer: Cheng, Wen-Tsung**

**Chief Accountant: Yang, Hsing-Yu**

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

Article After Amendment	Current Article	Description
<p>Article 9:  There are 2 types of shareholders' meetings: annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened within 6 months of the close of each fiscal year by the Board of Directors in accordance with the applicable laws; the extraordinary shareholders' meetings may be held in accordance with applicable laws whenever necessary. The shareholders' meeting of preferred shares may be convened in accordance with relevant laws whenever necessary. <u>The Company's shareholders' meetings shall be held via video conference or through other channels as announced by the central competent authority.</u></p>	<p>Article 9:  There are 2 types of shareholders' meetings: annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened within 6 months of the close of each fiscal year by the Board of Directors in accordance with the applicable laws; the extraordinary shareholders' meetings may be held in accordance with applicable laws whenever necessary. The shareholders' meeting of preferred shares may be convened in accordance with relevant laws whenever necessary.</p>	<p>In order to make the convention of shareholder's meetings more flexible, a provision has been added so that shareholder's meetings may be conducted via video conference.</p>
<p>Article 22:  (Content above omitted)  The 28th amendment was made on July 12, 2021.  <u>The 29th amendment was made on May 20, 2022.</u></p>	<p>Article 22:  (Content above omitted)  The 28th amendment was made on July 12, 2021.</p>	<p>To add the date of amendment.</p>



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

Article After Amendment	Current Article	Description
<p>Article 2:  <u>Any change in the manner of convening a shareholders' meeting shall be resolved by the Board of Directors, and any such change shall be made no later than mailing of the shareholders meeting notice. The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (hereinafter referred to as "shareholders") will be accepted, the place to register for attendance, and other matters for attention.</u>  <u>The foregoing time during which attendance registrations for shareholders will be accepted shall be at least 30 minutes prior to the commencement of the meeting. The place of attendance registration shall be clearly marked, and adequate and appropriate personnel shall be assigned to handle the registrations. Shareholders participating in a video shareholders' meeting should register on dedicated platform at least 30 minutes prior to the commencement of the meeting. Shareholders who have completed the registration are considered to be present in person at the shareholders' meeting.</u>  <u>In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report, and other pertinent materials to the dedicated platform at least 30 minutes prior to the commencement of the meeting and continue to disclose them until the end of the meeting.</u></p>	<p>Article 2:  <u>Shareholders mentioned in these Rules refer to shareholders themselves and proxies attending the meeting on behalf of shareholders.</u></p>	<p>The Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings was referenced to add a new unit of approval and a new point of time for decision regarding change in the method of convening a shareholders' meeting. Another amendment pertains to matters that shall be set forth in the shareholders meeting notice and the time and procedure for shareholders to register the meeting.</p>

Article After Amendment	Current Article	Description
<p>Article 4: The total attendance and vote shall be calculated based on shares in accordance with the attendance cards <u>and the video conference platform</u>, plus ballots or electronic votes. (Content below omitted)</p>	<p>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. (Content below omitted)</p>	<p>The Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings is referenced to specify that in the event of a virtual shareholders' meeting, the number of shares of shareholders who have completed registration virtually shall be included in the calculation of the total number of shares present.</p>
<p>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. <u>When holding a virtual shareholders' meeting, the Company is not subject to the foregoing restrictions on the venue.</u></p>	<p>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.</p>	<p>The Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings is referenced to specify that when holding a virtual shareholders' meeting, the Company is not subject to the foregoing restrictions on the venue.</p>
<p>Article 7: The chairman shall call the meeting to order at the appointed meeting time and announce related information including the number of shares without voting rights and the number of shares in attendance at the same time. However, when the attending shareholders do not represent a majority of the total number of</p>	<p>Article 7: The chairman shall call the meeting to order at the appointed meeting time and announce related information including the number of shares without voting rights and the number of shares in attendance at the same time. However, when the attending shareholders do not represent a majority of the total number of</p>	<p>The Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings is referenced, with appropriate revisions, to specify a virtual</p>

Article After Amendment	Current Article	Description
<p>issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. <u>If attending shareholders represent less than one-third of the total number of issued shares</u> after two postponements, the chairman shall declare the meeting adjourned. <u>In the event of a virtual shareholders' meeting, the Company shall announce the adjournment of the meeting on the video conference platform.</u> However, if attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be made in accordance with Paragraph 1 of Article 175 of the Company Act. The Company shall notify each of the shareholders of such tentative resolution and reconvene a shareholders' meeting within one month; <u>In the event of a virtual shareholders' meeting, shareholders who wish to attend by video shall re-register with the Company.</u></p> <p>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.</p>	<p>issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. <u>If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares,</u> the chairman shall declare the meeting adjourned. However, if the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</p> <p>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.</p>	<p>shareholders' meeting, the Company shall announce the adjourned meeting on the video conference platform of the shareholders' meeting to inform the shareholders immediately if the chairman announces that the meeting is adjourned. If the Company makes a tentative resolution and convenes a separate shareholders' meeting, shareholders who wish to attend by video shall re-register with the Company.</p>
<p>Article 9: <u>Before speaking, shareholders attending the meeting must 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.</u> (Content below omitted)</p>	<p>Article 9: <u>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.</u> (Content below omitted)</p>	<p>The text was revised.</p>
<p>Article 10: A shareholder may not speak more than twice on the same resolution without the chairman's consent, with</p>	<p>Article 10: A shareholder may not speak more than twice on the same resolution without the chairman's consent,</p>	<p>The Sample Template for XXX Co., Ltd. Rules of</p>

Article After Amendment	Current Article	Description
<p>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. 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. Shareholders not obeying the chairman regarding the situations mentioned in preceding three paragraphs shall be handled in accordance with Paragraph 4 of Article 18. <u>In the event of a virtual shareholders' meeting, shareholders participating by video may ask questions by text on the video conference platform after the chairman announces the commencement of the meeting and before the meeting is adjourned. The maximum number of questions for each motion is two, and each question is limited to 200 words. The Paragraph 1 to 4 and Paragraph 1 to 2 of Article 9 shall not apply.</u></p>	<p>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. 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. Shareholders not obeying the chairman regarding the situations mentioned in preceding three paragraphs shall be handled in accordance with Paragraph 4 of Article 18.</p>	<p>Procedure for Shareholders' Meetings is referenced to specify the method, procedure, and restrictions for shareholders participating in shareholders' meetings by video to ask questions.</p>
<p>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. <u>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.</u> <u>The vote counting process of the</u></p>	<p>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. <u>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.</u> <u>In case of objection, a ballot shall be</u></p>	<p>The content of the original Article 15 is moved to the second and third paragraphs of this Article. The Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings is referenced to specify that in the</p>

Article After Amendment	Current Article	Description
<p><u>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.</u></p> <p>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. <u>In the event that the Company convenes a virtual shareholders' meeting, shareholders participating by video shall vote on each motion and election motion through the video conference platform after the chairman announces the commencement of the meeting, and shall complete the voting before the chairman announces the close of the voting. After this period, the shareholders shall be deemed to have abstained from voting.</u></p> <p><u>In the event of a virtual shareholders' meeting, the votes shall be count at once after the chairman announces the end of the voting, announce the voting and election results, and disclose them on the video conference platform of the shareholders' meeting.</u></p>	<p><u>cast for a vote by each motion or by each proposal (including election) to be determined by the chairman.</u></p> <p><u>Votes shall be counted separately.</u></p> <p>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.</p>	<p>event of a virtual shareholders' meeting, to allow sufficient time for shareholders participating by video to vote, voting on each original motion shall be allowed from the commencement of the meeting to the close of voting announced by the chairman. To accommodate the voting time of shareholders participating by video, votes shall be count at once. In addition, the provisions are deleted in accordance with the current operation of the shareholders' meeting.</p>
<p>Article 15: <u>In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or reconvened at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other</u></p>	<p>Article 15: <u>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.</u></p> <p><u>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.</u></p>	<p>The original content is moved to the second and third paragraphs of Article 13. The Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings is referenced to specify that in the event that the</p>

Article After Amendment	Current Article	Description
<p><u>force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or reconvened on another date within five days, in which case Article 182 of the Company Act shall not apply. In the event of a postponed or reconvened meeting as described above, shareholders who have not registered to participate in the original shareholders' meeting by video may not participate in the postponed or reconvened meeting. In the event of a postponed or reconvened meeting in accordance with the provisions of the first paragraph, if shareholders who have registered to attend the original shareholders' meeting by video and have completed registration for the meeting do not attend the postponed or reconvened meeting, the number of their shares present and the voting and election rights they exercised at the original shareholders' meeting shall be included in the total number of shares, voting rights and election rights of the shareholders present at the postponed or reconvened meeting.</u></p> <p><u>When a postponed or reconvened shareholders' meeting is held in accordance with the provisions of the first paragraph, it is not required to re-discuss and resolve on motions for which voting and counting of votes have been completed and the voting results or the names of the directors elected have been announced.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting and the reconvened video conference cannot be conducted as described in the first paragraph, if the total number of shares present reaches the statutory quota for the shareholders' meeting after the number of shares present at</u></p>		<p>Company convenes a virtual shareholders' meeting, when declaring the meeting open, the chairman shall also declare if there is an impediment to participation on the video conference platform or by video for a period of 30 minutes or more due to a natural disaster, incident or other force majeure, the meeting shall be postponed for not more than, or reconvened within, five days. In the event of a postponed or reconvened meeting, the Company shall follow the provisions of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p>

Article After Amendment	Current Article	Description
<p><u>the shareholders' meeting by video is deducted, the shareholders' meeting shall be continued without any postponement or reconvention as provided in the first paragraph. In the event that a meeting shall be continued as described in the preceding paragraph, the number of shares represented by shareholders participating in the shareholders' meeting by video shall be included in the total number of shares of shareholders present. However, the shareholders shall be deemed to have abstained from voting in all motions of the shareholders' meeting.</u></p>		
<p>Article 17:  <u>The Company shall continuously and uninterruptedly record and videotape the entire process of shareholders' check-in, meeting, and vote counting from the time the Company receives shareholders' registration.</u>  <u>The preceding audio-visual data shall be kept for at least one year.</u>  The litigations brought by shareholders in accordance with Article 189 of Company Act shall be recorded until closed.  <u>In the event of a virtual shareholders' meeting, the Company shall keep records of the shareholders' registration, enrollment, check-in, questions and voting and the Company's vote counting results, and shall continuously and uninterruptedly record and videotape the entire video conference.</u>  <u>The Company shall keep the aforementioned information and audio and video recordings safe throughout the life of the Company, and shall give the audio and video recordings to the person entrusted with the video conference for retention.</u>  <u>No virtual shareholders' meeting is open to anyone who is not a shareholder for participation or</u></p>	<p>Article 17:  <u>The recording mentioned in the preceding paragraph shall be kept for at least one year.</u> The litigations brought by shareholders in accordance with Article 189 of Company Act shall be recorded until closed.</p>	<p>The Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings is referenced to specify that the Company shall keep records of the shareholders' registration, enrollment, check-in, questions and voting and the Company's vote counting results, and shall continuously and uninterruptedly record and videotape the entire video conference, which shall be kept safe throughout the life of the Company and given to the person entrusted with the video conference for</p>

Article After Amendment	Current Article	Description
<u>observation. Shareholders participating by video shall not distribute or forward the URL of the live link, or record or videotape the Company's live shareholders' meeting by machine or screen recording software to protect the rights of the participants.</u>		retention. In addition, shareholders who participate by video are prohibited from recording or videotaping the live meeting.
Article 19: (Content above omitted) <u>The shareholders' meeting may be postponed for not more than, or reconvened within, five days by resolution in accordance with Article 182 of the Company Act.</u>	Article 19: (Content above omitted)	The Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings was referenced to make the amendment.
Article 20: (Content above omitted) The 5th amendment was made on July 12, 2021. <u>The 6th amendment was made on May 20, 2022.</u>	Article 20: (Content above omitted) The 5th amendment was made on July 12, 2021.	To add the date of amendment.



**WT Microelectronics Co., Ltd.**  
**Comparison Table of the Procedures for Acquisition or Disposal of  
Assets Before and After Amendment**

Articles After Amendment	Current Articles	Description
<p>Article 5: Expert Opinions (Omitted). When issuing an appraisal report or opinion, the aforementioned personnel shall <u>meet the self-regulatory rules of association and</u> comply with the following:</p> <p>I. (Omitted). II. When <u>executing</u> a case, they shall 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. III. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the data sources used, the parameters, and the information as the basis for issuance of the appraisal report or opinion. IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion that they have evaluated and found that the information used is <u>appropriate</u>, reasonable and that they have complied with applicable laws and regulations.</p>	<p>Article 5: Expert Opinions (Omitted). When issuing an appraisal report or opinion, the aforementioned personnel shall comply with the following:</p> <p>I. (Omitted). II. When <u>examining</u> a case, they shall 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. III. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and</u> reasonableness of the data sources used, the parameters, and the information as the basis for issuance of the appraisal report or opinion. IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion that they have evaluated and found that the information used is reasonable <u>and accurate</u> and that they have complied with applicable laws and regulations.</p>	<p>Amended in accordance with Article 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>
<p>Article 6: Limit of Authority Delegated I. Total amounts of real property and right-of-use assets thereof or securities acquired by the Company and its subsidiary not for business use and limits on individual</p>	<p>Article 6: Limit of Authority Delegated I. Total amounts of real property and right-of-use assets thereof or securities acquired by the Company and its subsidiary not for business use and limits on individual</p>	<p>Establish the Limit of authority of real property and right-of-use assets thereof acquired not for business use and</p>

Articles After Amendment	Current Articles	Description
<p>securities are as follows:</p> <p>(I)The total amount of real property and right-of-use assets thereof acquired for <u>non-</u> business use <u>by the Company</u> shall be <u>less than or equal to 30% of the Company's net value. The total amount of real property and right-of-use assets thereof acquired for non-business use by each of its subsidiaries shall be less than or equal to 30% of the Company's net value.</u></p> <p>(II) The maximum amount of investment in securities <u>by the Company</u> may not exceed 300% of the Company's net value. <u>The maximum amount of investment in securities by each of its subsidiaries may not exceed 100% of the Company's net value.</u></p> <p>(III) The maximum amount of investment in individual securities <u>by the Company</u> may not exceed 300% of the Company's net value. <u>The maximum amount of investment in individual securities by each of its subsidiaries may not exceed 100% of the Company's net value.</u></p> <p>(Content below omitted)</p>	<p>securities are as follows:</p> <p>(I)The total amount of real property and right-of-use assets thereof acquired <u>not</u> for business use shall be restricted to 30% of the Company's net value.</p> <p>(II) The maximum amount of investment in securities may not exceed 300% of the Company's net value.</p> <p>(III) The maximum amount of investment in individual securities may not exceed 300% of the Company's net value.</p> <p>(Content below omitted)</p>	<p>investment in securities by each of its subsidiaries</p>
<p>Article 7: Level authorization</p> <p>I. Level of authority for the acquisition or disposal of real property and right-of-use assets or securities</p> <p>(I)<u>The Company's or each of its subsidiaries' acquisition or disposal of real property and right-of-use assets with a transaction amount of less than or equal to NT\$10 million shall meet approval authority of the Company ; where the transaction amount is greater than NT\$10 million and less than or equal to NT\$50 million, the approval of the CEO shall</u></p>	<p>Article 7: Level authorization</p> <p>I. Level of authority for the acquisition or disposal of real property and right-of-use assets or securities</p> <p>(I)<u>The Chairman is authorized to approve the acquisition or disposal of real property and right-of-use assets in an amount less than NT\$300 million. Where the transaction amount reaches NT\$300 million, the approval of the Board of Directors shall be required.</u></p>	<p>To include the Company's Level of Authority in the Procedures</p>

Articles After Amendment	Current Articles	Description
<p><u>be required; where the transaction amount is greater than NT\$50 million and less than NT\$300 million, the approval of the Chairman shall be required; where the transaction amount reaches NT\$300 million, the approval of the Board of Directors shall be required.</u></p> <p>(II)-(III) (Omitted).</p> <p>II. <u>The Company's or each of its subsidiaries' acquisition or disposal of equipment or right-of-use assets thereof with a transaction amount of less than or equal to NT\$10 million shall meet approval authority of the Company; where the transaction amount is greater than NT\$10 million and less than or equal to NT\$50 million shall be submitted to the CEO for approval; where the transaction amount is greater than NT\$50 million and less than NT\$300 million, the approval of the Chairman shall be required; where the transaction amount is greater than or equal to NT\$300 million, the approval of the Board shall be required.</u></p> <p>III. <u>Acquisition or disposal of intangible assets, right-of-use assets thereof, or memberships</u>            (I) <u>The Company's or each of its subsidiaries' acquisition or disposal of memberships with a transaction amount of less than or equal to NT\$2 million shall be submitted to the CEO for approval; where the transaction amount is greater than NT\$2 million and less than or equal to NT\$20 million, the approval of the Chairman shall be required; where the transaction amount is greater than NT\$20 million, the approval of the Board shall be required.</u></p> <p>(II) <u>The Company's or each of its subsidiaries' acquisition or</u></p>	<p>(II)-(III) (Omitted).</p> <p>II. The Company's acquisition or disposal of equipment or right-of-use assets thereof with a transaction amount of less than or equal to NT\$50 million shall be submitted to the CEO for approval; where the transaction amount is greater than NT\$50 million and less than NT\$300 million, the approval of the Chairman shall be required; where the transaction amount is greater than or equal to NT\$300 million, the approval of the Board shall be required.</p> <p>III. Acquisition or disposal of intangible assets, right-of-use assets thereof, or memberships            (I) Acquisition or disposal of memberships with a transaction amount of less than or equal to NT\$2 million shall be submitted to the CEO for approval; where the transaction amount is greater than NT\$2 million and less than or equal to NT\$10 million, the approval of the Chairman shall be required; where the transaction amount is greater than NT\$10 million, the approval of the Board shall be required.</p> <p>(II) The acquisition or disposal of intangible assets or right-of-</p>	

Articles After Amendment	Current Articles	Description
<p>disposal of intangible assets or right-of-use assets thereof with a transaction amount of less than or equal to <u>NT\$5 million shall meet the approval authority of the Company ; where the transaction amount is greater than NT\$5 million and less than or equal to NT\$50 million</u> shall be submitted to the CEO for approval; where the transaction amount is greater than NT\$50 million and less than NT\$300 million, the approval of the Chairman shall be required; where the transaction amount is greater than or equal to NT\$300 million, the approval of the Board shall be required.</p>	<p>use assets thereof with a transaction amount of less than or equal to NT\$50 million shall be submitted to the CEO for approval; where the transaction amount is greater than NT\$50 million and less than NT\$300 million, the approval of the Chairman shall be required; where the transaction amount is greater than or equal to NT\$300 million, the approval of the Board shall be required.</p>	
<p>Article 9: Real Property, Equipment, and Right-of-Use Assets Thereof (Omitted).            III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(Content below omitted)</p>	<p>Article 9: Real Property, Equipment, and Right-of-Use Assets Thereof (Omitted).            III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the R.O.C. Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(Content below omitted)</p>	<p>Amended in accordance with Article 9 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>
<p>Article 10: Securities            If the transaction amount of a company's acquisition or disposal of securities <u>reaches</u> 20% of the</p>	<p>Article 10: Securities            If the transaction amount of a company's acquisition or disposal of securities <u>is</u> 20% of the company's</p>	<p>Amended for the reason as stated in Article 9.</p>

Articles After Amendment	Current Articles	Description
<p>company's paid-in capital or NT\$300 million or more, 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. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC):</p> <p>(Content below omitted)</p>	<p>paid-in capital or NT\$300 million or more, 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. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC):</p> <p>(Content below omitted)</p>	
<p>Article 11: Intangible Assets, Right-of-Use Assets Thereof, or Memberships</p> <p>If the transaction amount of <u>the company's or each of its subsidiaries'</u> acquisition or disposal of intangible assets or its right-of-use assets or memberships reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for the transaction with a domestic government agency, the company <u>or its subsidiaries</u> shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.</p>	<p>Article 11: Intangible Assets, Right-of-Use Assets Thereof, or Memberships</p> <p>If the transaction amount of <u>a</u> company's acquisition or disposal of intangible assets or its right-of-use assets or memberships reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for the transaction with a domestic government agency, 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, <u>and the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	<p>Amended for the reason as stated in Article 9.</p>
<p>Article 15: Information to be Submitted to the Audit Committee and the Board</p> <p>(Content above omitted)</p> <p><u>When the company or each of its subsidiaries that are not domestic public companies intend to engage in a transaction of Paragraph 1, where the transaction amount reaches 10% or more of the company's total assets, the company or its subsidiaries may not proceed to enter into a transaction contract or make a payment until all matters of</u></p>	<p>Article 15: Information to be Submitted to the Audit Committee and the Board</p> <p>(Content above omitted)</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 30, Paragraph 2 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 of directors and recognized by</p>	<p>Amended in accordance with Article 15 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies,". Paragraph 2 of existing Article is replaced by Paragraph 6 of revision Article.</p>

Articles After Amendment	Current Articles	Description
<p><u>paragraph 1 have been approved by shareholders' meeting. However, this provision shall not apply to transactions between the company and subsidiaries, or between the subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in the <u>paragraph 1 and preceding paragraph</u> shall be made in accordance with Article 30, Paragraph 2 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 <u>shareholders meeting</u>, board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p>	<p>the supervisors need not be counted toward the transaction amount.</p>	<p>according to Paragraph 5, items that have been approved by the shareholders meeting need not be counted toward the transaction amount.</p>
<p>Article 30: Public Announcement and Regulatory Filing Standards (Content above omitted)</p> <p>IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount <u>meets any of the following criteria:</u></p> <p>(I)<u>The company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</u></p> <p>(II) <u>The company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</u></p> <p>V. (Omitted).</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <p>(I) Trading of domestic</p>	<p>Article 30: Public Announcement and Regulatory Filing Standards (Content above omitted)</p> <p>IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount <u>reaches NT\$500 million or more.</u></p> <p>V. (Omitted).</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <p>(I) Trading of domestic</p>	<p>Amended in accordance with the amendments to Article 31 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Articles After Amendment	Current Articles	Description
<p><u>government bonds or trading of foreign government bonds with credit rating higher than Taiwan's sovereign rating.</u></p> <p>(Content below omitted)</p>	<p>government bonds.</p> <p>(Content below omitted)</p>	
<p>Article 32: Management of Subsidiaries</p> <p>I. The Company shall ensure that subsidiaries establish the "Procedures for Acquisition or Disposal of Assets" in accordance with related regulations in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". <u>The Procedures of the Company apply to all subsidiaries, so subsidiaries shall be exempt from establishing individual procedures for the acquisition or disposal of assets.</u></p> <p>II. –III. (Omitted).</p> <p>With regard to the threshold for announcement or reporting by subsidiaries prescribed in Article 30, Paragraph 1 herein regarding 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. <u>With regard to the paid-in capital in Article 9 to Article 11, Article 14 and Article 15, the calculation basis shall be the paid-in capital of the subsidiary.</u></p> <p><u>In the case of a subsidiary whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20 percent of paid-in capital under these Procedures, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Procedures regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</u></p>	<p>Article 32: Management of Subsidiaries</p> <p>I. The Company shall ensure that subsidiaries establish the "Procedures for Acquisition or Disposal of Assets" in accordance with related regulations in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p> <p>II. –III. (Omitted).</p> <p>With regard to the threshold for announcement or reporting by subsidiaries prescribed in Article 30, Paragraph 1 herein regarding 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.</p>	<p>To apply the Procedures to all subsidiaries and amended in accordance with the amendments to Article 35 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

## **WT Microelectronics Co., Ltd.**

### **Matters Related to the Issuance of New Restricted Employee Shares**

#### **I. Total amount of issuance:**

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

#### **II. Terms of issuance:**

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

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

(III) Vesting conditions:

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

(1) 1st anniversary of the grant date: 25% of the vesting shares.

(2) 2nd anniversary of the grant date: 25% of the vesting shares.

(3) 3rd anniversary of the grant date: 25% of the vesting shares.

(4) 4th anniversary of the grant date: 25% of the vesting shares.

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

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

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

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

(1) Voluntary resignation:

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

(2) Retirement:

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

(3) Layoff:

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

(4) Dismissal:

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

(5) Leave without pay:

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



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

(6) Transfer to the Company's affiliates:

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

(7) Death due to non-occupational causes:

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

(8) Disability or death due to occupational accident:

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

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

### **III. Qualification requirements for employees:**

- (I) Employees in specific positions of the Company and its domestic and foreign affiliates who are employed on the date that the restricted employee shares are granted and meet certain performance requirements shall be eligible to be granted the restricted employee shares. Affiliates are determined in accordance with the standards set forth in Article 369-2 of the Company Act.
- (II) The restricted employee shares will only be available to employees who are:
  - 1. highly related to the future strategy and development of the Company.
  - 2. critical to the Company's business operation.
  - 3. newly hired key employees.
- (III) The number of shares granted shall be determined by seniority, position, performance, overall contribution, special contribution and other management factors. The number of shares granted shall be reviewed by the Chairman and approved by the Board. However, for employees who are managerial officers or the Board members, the grant of such shares is subject to approval from the Compensation Committee.
- (IV) Individuals with 10% and above of the Company's common shares are not eligible.
- (V) The sum of the cumulative number of shares granted to each employee by restricted employee shares and by employee stock warrant in accordance with Article 56-1-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall not exceed 0.3% of the total outstanding shares of the Company. The aforesaid total amount of shares plus the employee stock warrant the Company grants to each employee shall not exceed 1% of the total outstanding shares of the Company. However, with approval of the central competent authority of the industry, the total number of employee stock options and restricted employee shares obtained by a single employee may be exempted from the

abovementioned limit.

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

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

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

Based on the limit of 3,000,000 new restricted employee shares, and the average closing price of NT\$83.67 for the 30 trading day prior to April 6, 2022, the estimated total expensed amount is approximately NT\$242,000,000. If issuing new restricted employee shares at June, 2022, the amortized expense is estimated to be in the amount of NT\$64,000,000, NT\$96,000,000, NT\$50,000,000, NT\$25,000,000 and NT\$7,000,000 from 2022 to 2026. Based on the outstanding shares and the new restricted employee shares within the limit of 3,000,000 common shares, the dilution of the Company's EPS from 2022 to 2026 is estimated to be approximately in the amount of NT\$0.08, NT\$0.12, NT\$0.06, NT\$0.03 and NT\$0.01, respectively. There is a limited dilution of the Company's future EPS, and there is no material impact on existing shareholders' equity.

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

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

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

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

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

(I) Book building

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

(II) Public subscription

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

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

- (I) With regard to the issuance of common stock for cash capital increase and GDs, in addition to making 10% to 15% of the new shares available for subscription by employees of the Company and its subsidiaries according to Article 267 of the Company Act and Article 7-3 of the Company's Articles of Incorporation, the remaining shares, in accordance with Article 28-1 of the Securities and Exchange Act, will be submitted to the shareholder meeting for a resolution to have existing shareholders waive preemptive rights and to make all shares not reserved for employee subscription available for public offering in DRs. For forfeited subscription quota or shortfall, the chairperson is authorized to engage a designated party to subscribe at issue price, or list as the original securities participating in the issuance of DRs depending on market demand.
- (II) According to the Self-imposed Rules, the issue price will not be lower than 80% of the simple arithmetic mean of the closing price of ordinary shares on the pricing date or in the 1, 3, or 5 business days prior to the pricing date, less stock dividend (or capital reduction) and cash dividend. If the aforementioned actual issue price is lower than 90%, the holder of the GDs shall not request for redemption within three months after the issuance, and the underwriter shall guide the company to specify it in the Indicative Offering Plan and Depository Agreement. If there are changes to domestic laws and regulations, the pricing method may be adjusted in accordance with the laws and regulations. The chairperson is authorized to negotiate the actual issue price with underwriters within the price range specified above according to international practices and with consideration to the international capital market, domestic stock prices, and book building.
- (III) The issue price of ordinary shares issued for capital increase by cash was decided in accordance with related laws and regulations, as well as the fair market price of the Company's ordinary shares in the domestic stock exchange. Hence, the basis of pricing should be reasonable. Original shareholders may still purchase the Company's ordinary shares in the domestic stock exchange at price near the issue price of DRs, and do not need to bear foreign exchange risk and liquidity risk. Hence, it should not have a material impact on the rights and interests of the Company's original shareholders.

**WT Microelectronics Co., Ltd.**  
**List of Directors and Independent Directors Candidates**

<b>Basic Information About Director Candidates</b>				
<b>Candidate Name (full name)</b>	<b>Education and Experience</b>	<b>Current Position</b>	<b>Number of Shares Held</b>	
			<b>Common Shares</b>	<b>Preferred Shares</b>
Mr. Wen-Tsung Cheng	Tunghai University Chairman, WT Microelectronics Co., Ltd.	Chairman, WT Microelectronics Co., Ltd. Chairman, Nuvision Technology, Inc. Chairman, Techmosa International Incorporation Chairman, MORRIHAN INTERNATIONAL CORP. Chairman, Maxtek Technology Co., Ltd. Chairman, Hongtech Electronics Co.,Ltd. Chairman, Shao Yang Investment Limited 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, WT Solomon QCE Limited Director, Wonchang Semiconductor Co., Ltd. Director, WT Technology Korea Co., Ltd. Director, Analog World Co., Ltd. Director, BSI Semiconductor Pte. Ltd. Director, Morrihan Singapore Pte. Ltd. Director, MSD Holdings Pte. Ltd. Director, Lacewood International Corp. Director, Brillnics Inc. Director, Brillnics (HK) Limited Director, Brillnics Singapore Pte. Ltd.	28,177,112	0

Basic Information About Director Candidates				
Candidate Name (full name)	Education and Experience	Current Position	Number of Shares Held	
			Common Shares	Preferred Shares
		Director, Brillnics Japan Inc. Chairman, Brillnics (Taiwan) Inc. Director, WT Semiconductor Holdings Pte.Ltd.		
Representative of Wen You Investment Co., Ltd. - Ms. Wen-Hung Hsu	National Chengchi University Senior Vice President, WT Microelectronics Co., Ltd.	Senior Vice President, WT Microelectronics Co., Ltd. Director, WT Microelectronics (Hong Kong) Limited Director, WT Technology Pte. Ltd. Director, WT Microelectronics Singapore Pte. Ltd. Director, WT Microelectronics (Malaysia) Sdn. Bhd. Director, WT Technology (H. K.) 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, Analog World Co., Ltd. Chairman, Wen You Investment Co., Ltd. Chairman, Tang Ye Investment Co., Ltd. Supervisor, Shao Yang Investment Limited Director, Brillnics Inc. Representative of Legal Person Director, Brillnics (Taiwan) Inc. Director, WT Semiconductor Holdings Pte.Ltd.	1,359,204	0
Representative of Asmedia Technology Inc. - Mr. Che-Wei Lin	Master of science in electrical engineering, University of Missouri Columbia, Vice President,	Representative of Legal Person Director and President, Asmedia Technology Inc. Director, iCatch Technology, Inc. Director, Applied Optoelectronics, Inc.	171,000,000	8,000,000

Basic Information About Director Candidates				
Candidate Name (full name)	Education and Experience	Current Position	Number of Shares Held	
			Common Shares	Preferred Shares
	VIA Technologies, Inc. Vice President, ASUSTek Computer Inc.			
Ms. Hsin-Ming Sung Kao	EMBA, International Business, National Taiwan University Section Head, Electronics Research Institute, Institute for Industrial Research	Chairman and CEO, Marketech International Corp. Chairman, JI-XUAN Investment Corp. Chairman, Smart Health Corporation Supervisor, ProbeLeader Co., Ltd. Director, Macrotec Technology Corp. Director, eZoom Information, Inc. Director, ADAT Technology CO., LTD. Director, Vertex System Corporation Director, Forward Science Corporation Director, Brillan Network & Automation Integrated System Co., Ltd. Chairman, Everlasting Digital ESG Co., Ltd.	4,474,434	0

<b>Basic Information About Independent Director Candidates</b>				
<b>Candidate Name (full name)</b>	<b>Education and Experience</b>	<b>Current Position</b>	<b>Number of Shares Held</b>	
			<b>Common Shares</b>	<b>Common Shares</b>
Mr. Kung-Wha Ding	Master Degree in Public Finance, National Chengchi University Deputy Commissioner, Commissioner of the Securities and Futures Commission, Ministry of Finance Chairperson of the Securities and Futures Institute Chairperson of Taiwan Depository & Clearing Corporation Chairperson of Taipei Exchange Chairperson of the Financial Supervisory Commission	Independent Director, Energenisis Biomedical Co., Ltd. Director, Hotung Investment Holdings Ltd. Full-time Chair Professor, Chihlee University of Technology Part-time Chair Professor, National Taipei University Part-time Associate Professor, National Chengchi University, National Chiao Tung University, and National Taiwan Normal University Director, Hotung Investment Holdings Limited	0	0
Mr. Tien-Chong Cheng	MBA, Santa Clara University CEO, FIH Mobile Limited, subsidiary of Foxconn Technology Group Vice President, Foxconn Technology Group President, Texas Instruments Asia President, HP China	Director, Aurotek Corporation Director, Jorjin Technologies Inc. Independent Director, Howteh Technology Co., Ltd.	0	0



<b>Basic Information About Independent Director Candidates</b>				
<b>Candidate Name (full name)</b>	<b>Education and Experience</b>	<b>Current Position</b>	<b>Number of Shares Held</b>	
			<b>Common Shares</b>	<b>Common Shares</b>
Ms. Ju-Chin Kung	MBA, University of California Master of Laws, National Chengchi University CPA of USA CPA of Taiwan CPA of China Assistant Manager, PricewaterhouseCoopers President and CFO, Cite Media and Holding Group Direct and CEO, Cite Cultural & Arts Foundation Managing Director, Magazine Business Association of Taipei	Group CFO and CIO, TNL MEDIA GROUP Associate Professor, China Industrial & Commercial Research Institute	0	0

**WT Microelectronics Co., Ltd.**  
**List of New Directors and Independent Directors Concurrently**  
**Holding Positions in Other Companies**

Directors (Including independent directors)	Concurrent positions held and in which companies
Mr. Wen-Tsung Cheng	Chairman, Nuvision Technology, Inc. Director, Brillnics Inc. Director, Brillnics (HK) Limited Director, Brillnics Singapore Pte. Ltd. Director, Brillnics Japan Inc. Chairman, Brillnics (Taiwan) Inc. Director, Wen You Investment Co., Ltd. Director, Tang Ye Investment Co., Ltd. Chairman, Shao Yang Investment Co., Ltd.
Representative of Wen You Investment Co., Ltd. - Ms. Wen-Hung Hsu	Director, Brillnics Inc. Representative of Legal Person Director, Brillnics (Taiwan) Inc. Chairman, Wen You Investment Co., Ltd. Chairman, Tang Ye Investment Co., Ltd.
Representative of Asmedia Technology Inc. - Mr. Che-Wei Lin	Representative of Legal Person Director and President, Asmedia Technology Inc. Director, iCatch Technology, Inc. Director, Applied Optoelectronics, Inc.
Ms. Hsin-Ming Sung Kao	Chairman and CEO, Marketech International Corp. Chairman, JI-XUAN Investment Corp. Chairman, Smart Health Corporation Chairman, Everlasting Digital ESG Co., Ltd. Director, Macrotec Technology Corp. Director, eZoom Information, Inc. Director, ADAT Technology CO., LTD. Director, Vertex System Corporation Director, Forward Science Corporation Director, Brillan Network & Automation Integrated System Co., Ltd. Chairman, MARKETECH INTEGRATED PTE LTD. Director, MARKETECH INTERNATIONAL SDN. BHD. Director, MARKET GO PROFITS LTD. Director, HEADQUARTER INTERNATIONAL LTD. Director, TIGER UNITED FINANCE LTD. Director, MIC-TECH GLOBAL CORP. Director, MIC-TECH VENTURES ASIA PACIFIC INC. Director, RUSSKY H.K. LIMITED President, MIC-TECH VIET NAM CO., LTD. President, MARKETECH CO., LTD. Director, MARKETECH ENGINEERING PTE. LTD. Director, MARKETECH INTEGRATED CONSTRUCTION CO., LTD. Director, MARKETECH INTEGRATED MANUFACTURING

	<p>CO., LTD.  Director, FRONTKEN MIC CO., LIMITED  Director, LEADER FORTUNE ENTERPRISE CO., LTD.  Director, PT MARKETECH INTERNATIONAL INDONESIA  Director, MARKETECH NETHERLANDS B.V.  Director, Spiro Technology Systems Inc.  Director, MICT International Limited  Director, Fortune Blessing Co., Limited  Chairman and president, MIC-TECH (Shanghai) Corp., Ltd.  Chairman, MIC-Tech China Trading (Shanghai) Co., Ltd  Chairman and president, Shanghai Maohua Electronics Engineering Co.,Ltd.  Chairman, MIC-TECH (Shanghai) Corp., Ltd.  Chairman and president, Fuzhou Jiwei System Integrated Co., Ltd.  Chairman and president, MIC-TECH (Wuxi) Co., Ltd.  Chairman, Nanjing Fortune International Corporation  Representative of Legal Person Director and Chiarman, Intergrated Manufacturing &amp;Services Co., Ltd</p>
Mr. Kung-Wha Ding	<p>Independent Director, Energenesis Biomedical Co., Ltd.  Director, Hotung International Co., Ltd.  Director, Hotung Investment Holdings Limited</p>
Mr. Tien-Chong Cheng	<p>Director, Aurotek Corporation  Director, Jorjin Technologies Inc.  Independent Director, Howteh Technology Co., Ltd.</p>

**WT Microelectronics Co., Ltd.**  
**Rules for Directors Election**

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

Article 2: The election of the Company's directors shall be held according to candidate nomination procedures specified in Article 192-1 of the Company Act.

The candidate nomination system and accumulated voting with single name registered on the ballot will be used for the election of directors. The attendance card code 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 3: Independent and 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 or non-independent director. If two or more persons obtain the same number of votes and the number of such persons exceeds the specified seats available, such persons obtaining the same votes shall draw lots to decide who should win the seats available, and the chairperson shall draw lots on behalf of the candidate who is not present.

Article 4: The ballots shall be prepared by the person having the convening right and marked with the weights and distributed among 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 5: When the election commences, the chairperson of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for counting and announcing the ballots and performing relevant duties shall be appointed by the chairperson of the meeting.

Article 6: For board member elections, the ballot box shall be prepared by the person having the convening right and examined by the ballot supervisor(s) in public before the voting.

Article 7: A ballot shall be void upon any of the following conditions:

1. The ballot was not in the form provided by the person having the convening right.
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. The candidate is verified to be inconsistent with the list of director candidates.
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. There are two or more than two candidates on the candidate list filled in on the same ballot.

Article 8: 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, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be proclaimed by the chairperson of the meeting or the person designated by the chairperson.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the supervisor(s) and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9: 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 10: 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.

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

The 5th amendment was made on July 12, 2021.

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

Article 1: Unless otherwise specified by law or the Articles of Incorporation, the Company shall process its shareholders' meetings according to the terms of these Rules.

Article 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 the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. Where there is an election of directors or supervisors, the number of representatives assigned by a corporate shareholder shall be limited to the number of directors to be elected in the current shareholders' meeting.

When a juristic person is authorized to attend the shareholders' meeting, only one representative shall be appointed by the juristic person.

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 appointed meeting time and announce related information including the number of shares without voting rights and the number of shares in attendance at the same time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned. However, if the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

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.

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.

Shareholders not obeying the chairman regarding the situations mentioned in preceding three 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.

The 5th amendment was made on July 12, 2021.

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

### Chapter 1 General Provisions

- Article 1 The Company, organized under the Company Act, shall be named 文擘科技股份有限公司 in Chinese and WT MICROELECTRONICS CO., LTD. in English.
- Article 2 The Company's scope of business includes:
1. Processing, manufacturing, research and development, trade, and import and export of various electronic components and finished products.
  2. Manufacturing, trade, and import and export of various telephone equipment and components.
  3. General import/export trade (except futures).
  4. Agency of quotations and tenders for domestic and foreign vendors.
  5. I301010 Software Design Services.
  6. F218010 Retail Sale of Computer Software.
  7. F118010 Wholesale of Computer Software.
  8. G801010 Warehousing and Storage.
  9. F113070 Wholesale of Telecom Instruments.
  10. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company is headquartered in New Taipei City and when necessary may establish domestic or foreign branches upon approval of the Board of Directors.
- Article 4 Public announcements of the Company shall be made in accordance with Article 28 of Company Act.

### Chapter 2 Shares

- Article 5 The Company's authorized capital shall be NT\$20 billion, divided into 2 billion shares, with a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in installments, and part of the shares may be preferred shares. Among the above total capital, NT\$3 billion, divided into 300 million shares, with a par value of NT\$10 per share, shall be reserved for issuing stock options, preferred shares with warrants, or corporate bonds with warrants.
- Article 5-1 The rights, obligations and other important issuance terms of Class A Preferred Shares are as follows:
- I. The dividend rate of Class A Preferred Shares is capped at 8% per annum on the issue price. Dividends are paid annually in cash in one lump sum. The Chairman is authorized by the Board of Directors or a Board Resolution to set the ex-dividend date and the amount of dividends to be paid for the previous fiscal year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated proportionally based on the actual number of days the Class A Preferred Shares remained outstanding in that year.

- II. The Company has sole discretion on the distribution of Class A Preferred Share dividends. If there is no earning or insufficient earning for distributing dividends of Class A Preferred Shares in the fiscal year, or the Company has other necessary considerations, the Board may decide not to distribute Class A Preferred Share dividends by Board Resolution, and it will not be deemed as an event of default. Class A Preferred Shares are non-cumulative shares. If the Company decide not to distribute preferred share dividends or to distribute insufficient dividend, the undistributed dividends or shortfalls in dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings.
- III. Except for the dividend prescribed in Subparagraph 1 of this Paragraph, Class A Preferred Shareholders are not entitled to participate in the distribution of cash or share dividends with regard of the common shares derived from earnings or capital reserves.
- IV. Class A Preferred Shares cannot be converted into common shares.
- V. Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of outstanding Class C preferred shares are entitled to receive residual assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the common shares. Class A preferred shares and other classes of preferred shares of the Company shall rank pari passu without any preference among themselves and their repayment shall be capped at their respective issue amount.
- VI. The holders of Class A Preferred Shares are not entitled to any voting rights or election during general shareholders' meetings. Holders of outstanding Class A Preferred Shares have mandatory voting rights with respect to agendas that would affect preferred shares in preferred shareholders' meetings and in general shareholders' meetings.
- VII. Class A Preferred Shares are perpetual preferred shares. Holders of Class A Preferred Shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class A Preferred Shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations of the remaining and outstanding Class A Preferred Shares as described in the preceding paragraphs will remain unchanged. Holders of the outstanding Class A Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividends for the redemption year.
- VIII. If any Class A preferred shares remain outstanding, except to make up for losses, share premiums of Class A Preferred Shares should not be capitalized into share capital.

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

Article 5-2

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

- I. The dividend rate of Class B Preferred Shares is capped at 8% per annum on the

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

- II. The Company has sole discretion on the distribution of Class B Preferred Share dividends. If there is no earning or insufficient earning for distributing dividends of Class B Preferred Shares in the fiscal year, or the Company has other necessary considerations, the Board may decide not to distribute Class B Preferred Share dividends by Board Resolution, and it will not be deemed as an event of default. Class B Preferred Shares are non-cumulative shares. If the Company decide not to distribute preferred share dividends or to distribute insufficient dividend, the undistributed dividends or shortfalls in dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings.
- III. Except for the dividend prescribed in Subparagraph 1 of this Paragraph, Class B Preferred Shareholders are not entitled to participate in the distribution of cash or share dividends with regard of the common shares derived from earnings or capital reserves.
- IV. Class B Preferred Shares may not be converted within 3 year after the date of issuance. The Board is authorized to set the convertible period in the actual issuance terms. Holders of Class B Preferred Shares may, pursuant to the issuance terms, request the Company to convert its shareholding (in whole or in part) into common shares pursuant to the conversion ratio set out in the issuance terms (ratio is 1:1). Upon conversion, the converted shares shall have the same rights and obligations as common shares. Class B Preferred shares that are converted into common shares before the ex-dividend date shall participate in the distribution of profit and capital reserve to holders of common shares, and may not participate in the distribution of Class B Preferred Share dividends that year. Class B Preferred Shares that are converted into common shares after the ex-dividend date shall participate in the distribution of Class B Preferred Share dividends that year, and may not participate in the distribution of profit and capital reserve to holders of common shares. In principle, holders of the converted shares should not participate in both the distribution of preferred share dividends and common share dividends during the same year for the same converted shares.
- V. Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of outstanding Class B preferred shares are entitled to receive residual assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the common shares. Class B preferred shares and other classes of preferred shares of the Company shall rank pari passu without any preference among themselves and their repayment shall be capped at their respective issue amount.

- VI. Class B Preferred Share Shareholders are entitled to the same voting rights and the right to be elected as common share shareholders during general shareholders' meetings.
- VII. Class B Preferred Shares are perpetual preferred shares. Holders of Class B Preferred Shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class B Preferred Shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations of the remaining and outstanding Class B Preferred Shares as described in the preceding paragraphs will remain unchanged. Holders of the outstanding Class B Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividends for the redemption year.
- VIII. If any Class B preferred shares remain outstanding, except to make up for losses, share premiums of Class C Preferred Shares should not be capitalized into share capital.

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

Article 5-3

The rights and obligations and other important terms of issuance associated with Class C preferred shares are as follows:

- I. The dividend rate of Class C Preferred Shares is 4% per annum on the issue price. Dividends are paid annually in cash in one lump sum. The Chairman is authorized by the Board of Directors or a Board Resolution to set the ex-dividend date and the amount of dividends to be paid for the previous fiscal year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated proportionally based on the actual number of days the Class C Preferred Shares remained outstanding in that year.
- II. If there are no earnings during the year, or if earnings together with share premium of Class C Preferred Shares are insufficient for the distribution of Class C Preferred Share dividends, the undistributed dividends or shortfall shall be cumulated and be deferred to pay in priority in subsequent years where there are earnings.
- III. Except for the dividend prescribed in Subparagraph 1 of this Paragraph, Class C Preferred Shareholders are not entitled to participate in the distribution of cash or share dividends with regard of the common shares derived from earnings or capital reserves.
- IV. Class C Preferred Shares may not be converted within 3 year after the date of issuance. The Board is authorized to set the convertible period in the actual issuance terms. Holders of Class C Preferred Shares may, pursuant to the issuance terms, request the Company to convert its shareholding (in whole or in part) into common shares pursuant to the conversion ratio set out in the issuance terms (ratio is 1:1). Upon conversion, the converted shares shall have the same rights and obligations as common shares. Class C Preferred shares that are converted into common shares before the ex-dividend date shall participate in the distribution of profit and capital reserve to holders of common shares, and may not participate in the distribution of Class C Preferred Share

dividends that year. Class C Preferred Shares that are converted into common shares after the ex-dividend date shall participate in the distribution of Class C Preferred Share dividends that year, and may not participate in the distribution of profit and capital reserve to holders of common shares. In principle, holders of the converted shares should not participate in both the distribution of preferred share dividends and common share dividends during the same year for the same converted shares.

- V. Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of outstanding Class C preferred shares are entitled to receive residual assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the common shares. Class C preferred shares and other classes of preferred shares of the Company shall rank *pari passu* without any preference among themselves and their repayment shall be capped at their respective issue amount.
- VI. Class C Preferred Share Shareholders are entitled to the same voting rights and the right to be elected as common share shareholders during general shareholders' meetings.
- VII. Class C Preferred Shares are perpetual preferred shares. Holders of Class C Preferred Shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class C Preferred Shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations of the remaining and outstanding Class C Preferred Shares as described in the preceding paragraphs will remain unchanged. Holders of the outstanding Class C Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividends for the redemption year.
- VIII. If any Class C preferred shares remain outstanding, except to make up for losses, share premiums of Class C Preferred Shares should not be capitalized into share capital.

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

- Article 6 In the event that the Company invests in other companies as a limited liability shareholder, the total amount of such reinvestment is not subject to the restriction of not more than 40% of paid-up capital of the Company as provided in Article 13 of Company Act.
- Article 7 The share certificates of the Company shall be in name-bearing form, and shall be issued only after they have been signed and sealed by the Directors representing the Company, and duly certified by the competent authority. Shares issued by the Company are not required to be printed. The Company, however, should contact the securities depository and custodian institution for registration of the share certificates.
- Article 7-1 Unless otherwise specified, share affairs of the Company shall be handled in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.
- Article 7-2 When the Company transfers the shares to employees based on a price lower than the average actual repurchase price, or issues the employee stock warrants based on the

price lower than the closing price of the Company's common shares on the date of issuance, the resolution shall be adopted by two-thirds of the votes of the shareholders present, who represent more than one-half of the total outstanding shares.

Article 7-3 Employees that are eligible to subscribe for new shares or restricted stock awards issued by the Company may include employees of subsidiaries that meet certain qualifications.

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

### **Chapter 3 Shareholders' Meeting**

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

The shareholders' meeting of preferred shares may be convened in accordance with relevant laws whenever necessary.

Article 10 A shareholder who may not attend the meeting due to certain reasons may appoint a proxy in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.

Article 11 Each share of the Company is entitled to one vote, unless otherwise specified or restricted by the law or Articles of Incorporation.

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

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

### **Chapter 4 Directors and Audit Committee**

Article 13 The Company shall have 7 to 11 Directors, at least 3 of which, and no less than 1/5 of total number of seats, are independent directors. The number of directors shall be decided by the Board of Directors. The term of office of directors shall be 3 years, and all directors may be re-elected.

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

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

applicable laws.

- Article 13-1 In compliance with Articles 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, the Securities and Exchange Act and other relevant regulations.
- Article 14 The Directors shall elect from among themselves a Chairman of the Board of Directors, by a majority in a meeting attended by two-thirds or more of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Company. The Chairman and Directors shall perform their duties in accordance with the resolutions and instructions made by the Board of Directors.
- Article 14-1 Unless otherwise provided by the Company Act, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted by the majority of the Directors present at the meeting.
- Article 14-2 Unless otherwise provided in the Company Act, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors.
- Meetings of the Board of Directors shall be convened upon written notice mailed to all the other Directors, at least 7 days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the agenda. Notices of meetings may be sent in writing, via e-mail or by fax.
- A Director may authorize another Director to attend the meeting on his/her behalf by presenting a written authorization indicating the scope of authorization.
- Each Director may be authorized to attend a meeting by only one another Director.
- Article 15 In the event that the Chairperson is absent or unable to exercise his/her authority, the Board of Directors shall designate one Director acting for him/her in accordance with Article 208 of Company Act.
- Article 16 The remuneration for Directors shall be proposed by Remuneration Committee based on the degree of their involvement in the Company's operation and value of contribution, the Company's business performance and the standards of the industry, and submitted to the Board of Directors for resolution.
- Article 16-1 The Company may take out liability insurance for Directors in order to reduce the risk of accusation by shareholders or other interested parties due to the performance of duties in accordance with applicable laws and regulations.

## **Chapter 5 Managerial officers**

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

## **Chapter 6 Accounting**

- Article 18 The Company's board of directors is responsible for preparing the following statements and reports after the end of each fiscal year, which shall be raised at the regular shareholders' meeting for acknowledgment in accordance with the law.
- I. Business Report.
  - II. Financial Statements.
  - III. Proposal to distribute earnings or to make up for losses.



- Article 19 If the Company has profits (which mean profits before tax without deducting the remuneration of employees and Directors) in the fiscal year, the Company shall distribute no less than 1% of such profits to employees and no more than 3% to Directors as their remuneration; provided, however, that when the Company has accumulated losses, the profits shall be preserved to make up for losses.  
The employee remuneration mentioned in the preceding paragraph shall be distributed in stock or cash, which may include eligible employees of affiliated companies. The remuneration of Directors may only be distributed in cash.  
The matters mentioned in preceding two paragraphs shall be approved by the Board of Directors and report to the annual shareholders' meeting.
- Article 20 If the Company has earnings, the Company shall first pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings (distributable earnings in the current year) plus undistributed earnings at the beginning of the period is the accumulated retained earnings, which shall first be distributed as dividends to holders of Preferred Share, and distribution of such earnings shall be submitted by the Board of Directors to the shareholders' meeting for approval.  
Pursuant to Article 240 of the Company Act, the Company authorizes the Board of Directors to distribute a portion or all of dividends, bonuses or legal reserve and capital surplus in accordance with Article 241 of the Company Act in cash by resolution adopted by a majority in a meeting attended by two-thirds or more of the Directors, and the distribution shall then be reported to the shareholders' meeting, instead of being submitted to the shareholders' meeting for approval.

## **Chapter 7 Supplementary Provisions**

- Article 20-1 The Company's dividend policy is based on the following principles:  
The Company's dividend policy is determined by the Board of Directors based on the business plan, investments, capital budgets, and changes in the environment. Since the Company is currently in a growth stage, the earnings shall be held in respond to funds required for operational growth and investments. Currently, the Company adopts the minimum cash dividends plus additional dividends. The principles of distribution of earnings are as follows:  
The distribution of earnings shall be no less than 40% of unappropriated retained earnings of the fiscal year. The distribution of cash dividends and stock dividends shall be made, taking into account of the future profits and capital demands, and the ratio for cash dividends shall be no less than 10% of total distribution. If total distribution amount exceeds 30% of paid-in capital before distribution, cash dividends shall be no less than 20% of total distribution for the fiscal year.
- Article 20-2 (Deleted).

- Article 21 According to Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Company may provide endorsements and guarantees and act as a guarantor. Any matters not provided herein shall be governed in accordance with other applicable laws or regulations.
- Article 22 The Articles of Incorporation were drawn up December 20, 1993.  
The 1st amendment was made on May 23, 1994.  
The 2nd amendment was made on August 5, 1994.  
The 3rd amendment was made on November 11, 1994.  
The 4th amendment was made on January 13, 1997.  
The 5th amendment was made on Monday, March 17, 1997.  
The 6th amendment was made on June 8, 1998.  
The 7th amendment was made on March 30, 1999.  
The 8th amendment was made on May 31, 1999.  
The 9th amendment was made on September 15, 1999.  
The 10th amendment was made on April 6, 2000.  
The 11th amendment was made on May 2, 2001.  
The 12th amendment was made on November 6, 2001.  
The 13th amendment was made on June 17, 2002.  
The 14th amendment was made on June 15, 2004.  
The 15th amendment was made on May 25, 2005.  
The 16th amendment was made on May 25, 2005.  
The 17th amendment was made on June 14, 2006.  
The 18th amendment was made on June 15, 2007.  
The 19th amendment was made on June 16, 2009.  
The 20th amendment was made on June 15, 2010.  
The 21th amendment was made on June 15, 2011.  
The 22th amendment was made on June 13, 2012.  
The 23th amendment was made on June 10, 2015.  
The 24th amendment was made on June 3, 2016.  
The 25th amendment was made on June 28, 2018.  
The 26th amendment was made on June 21, 2019.  
The 27th amendment was made on March 27, 2020.  
The 28th amendment was made on July 12, 2021.

**WT Microelectronics Co., Ltd.**

**Chairperson Cheng, Wen-Tsung**

## WT Microelectronics Co., Ltd. Shareholdings of all Directors

- I. According to Article 26 of Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares held by all directors of the Company shall be 30,101,828.
- II. As of the date of transfer termination (March 22, 2022), the respective and current shareholding of directors recorded in the shareholder register is as follows:

Title	Name	Number of shares held	Percentage of Shareholding to Total Shares Issued (%) (Note)
Chairperson	Cheng, Wen-Tsung	28,177,112	2.99
Director	Hsu, Wen-Hung	8,435,194	0.90
Director	Sung Kao, Hsin-Ming	4,474,434	0.48
Director	Wen You Investment Co., Ltd. Representative: Cheng, Ken-Yi	1,359,204	0.14
Independent Director	Cheng, Tien-Chong	0	0
Independent Director	Kung, Ju-Chin	0	0
Independent Director	Ding, Kung-Wha	0	0
<b>Total</b>		42,445,944	4.51

Note: When calculating the percentage of outstanding ordinary and preferred shares, the total number of shares issued is 940,682,151.

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