

Stock Code : 6488



GlobalWafers Co., Ltd.

2021
Annual General Shareholders' Meeting
Meeting Handbook

Time: June 22, 2021

Place: 2F, No. 1, Industrial East Rd. 2, Science Park,

Hsinchu, Taiwan, R.O.C

Science Park Life Hub/Darwin Hall

Translation - In case of any discrepancy between Chinese and English versions, the Chinese version shall prevail.

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GlobalWafers Co., Ltd.

2021 Annual General Shareholders' Meeting Procedure

1. Call Meeting to Order
2. Chairperson's Address
3. Report Items
4. Approval Items
5. Discussion Items
6. Election
7. Other Proposals
8. Extemporaneous Motion
9. Meeting Adjourned

GlobalWafers Co., Ltd.
2021 Annual General Shareholders' Meeting Agenda

Time: 9:00 AM, Tuesday, June 22, 2020

Place: 2F, No. 1. Industrial East Road 2, Hsinchu Science Park, Hsinchu
(Science Park Life Hub/Darwin Hall)

1. Call Meeting to Order
2. Chairperson's Address
3. Report Items
 - (1) 2020 business report
 - (2) Audit Committee's report on 2020 annual final accounting books and statements
 - (3) Report on 2020 remuneration distribution of employees & directors
 - (4) 2020 earning distribution
4. Approval Items
 - (1) 2020 business report, financial statements and earning distribution
5. Discussion Items
 - (1) Amendment to the "Rules for Election of Directors"
 - (2) Amendment to the "Policies and Procedures for Financial Derivatives Transactions"
 - (3) Amendment to the "Acquisition or Disposal of Assets Procedure"
 - (4) Issuance of new shares through public offering in response to the Company's capital needs
6. Election
 - (1) Election of directors
7. Other Proposals
 - (1) Release the prohibition on new directors from participation in competitive business
8. Extemporaneous Motion
9. Meeting Adjourned

I. Report Items

- Item 1** Fiscal 2020 Business Report submitted for review
Please refer to the Fiscal 2020 Business Report on page 12 of this handbook.
- Item 2** Audit Committee's report on 2020 annual final accounting books and statements submitted for review
Please refer to the Audit Committee's 2020 Review Report on page 19 of this handbook.
- Item 3** Distribution of remuneration to directors and employees in fiscal 2020, submitted for review
- (1) The company 2020 earning (Before deducting remuneration to employees and directors from Profit before Tax) is NTD 15,419,883,399. Pursuant to Article 31 of Articles of Incorporation, if the Company is profitable at the end of each fiscal year, 3~15% of the profit shall be appropriated for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration.
 - (2) The Company is proposed to distribute NTD 463,952,806 to employees (distribution ratio 3.01%) and NTD 44,500,000 to directors (distribution ratio 0.29%). Distribution to both employees and directors is made in cash.
 - (3) Qualification requirements of employees entitled to receive remuneration includes employees of the company and subsidiaries of the company meeting certain specific requirements. Remuneration amount will be decided after consideration with seniority, position, performance, contribution or special dedication, and chairperson is fully authorized.
- Item 4** Report on 2020 earning distribution, submitted for review.
GlobalWafers' Annual Shareholders' Meeting approved the amendments to its Articles of Incorporation on June 23, 2020 to authorize the Board of Directors to approve cash dividends at the close of each half fiscal year. The respective amounts and payment dates of 2020 cash dividends of each half year approved by the Board of Directors are demonstrated in the table below:

2020	Approval Date (month/date/year)	Payment Date (month/date/year)	Cash Dividends Per Share (NT\$)	Total Amount (NT\$)
First Half	12/09/2020	02/19/2021	8.0	3,481,896,000
Second Half	05/04/2021	08/06/2021	10.0	4,352,370,000
Total			18.0	7,834,266,000

II. Approval Items

Item 1

(Proposed by the Board of Directors)

Motion: To approve FY 2020 business report, financial statements and earning distribution

- (1) 2020 Financial Statements were audited by KPMG CPAs, Chen, Chen-Chien, and Cheng, An-Chih. The aforementioned, Independent Auditors' Report and FY 2020 Business Report and Earning Distribution Table have been approved by the board and the audit committee with review report.
- (2) Please refer to the Business Report, Financial Statements and Earning Distribution Table on page 12, page 20 and page 38 of this handbook.
- (3) Approval requested

Resolution:

III. Discussion Items

Item 1

(Proposed by the Board of Directors)

Motion: Amendment to the "Rules for Election of Directors"

- (1) To be consistent with the latest regulation, the Company proposes to amend some articles in "Rules for Election of Directors." Please refer to the comparison chart on page 39 of this handbook.
- (2) Resolution requested

Resolution:

Item 2

(Proposed by the Board of Directors)

Motion: Amendment to the "Policies and Procedures for Financial Derivatives Transactions"

- (1) To be consistent with the latest regulation and to stipulate the company could only engage in hedging-oriented transactions, the Company proposes to amend "Policies and Procedures for Financial Derivatives Transactions " accordingly. Please refer to the comparison chart on page 43 of this handbook.
- (2) Resolution requested

Resolution:

Item 3

(Proposed by the Board of Directors)

Motion: Amendment to the "Acquisition or Disposal of Assets Procedure"

- (1) To cope with the takeover offer for Siltronic and operational needs, the Company proposes to amend some articles in "Acquisition or Disposal of Assets Procedure" accordingly. Please refer to the comparison chart on page 50 of this handbook.
- (2) Resolution requested

Resolution:

Item 4

(Proposed by the Board of Directors)

Motion: Discussion on issuance of new shares through public offering

Description:

(1) In order to fund various initiatives, including 1) M&A, 2) strategic alliance, 3) general working capital, 4) repayment of debt, 5) investment, and/or capital expenditures to improve competitiveness, the Company proposes to authorize the Board to issue new stocks up to 50 million shares under appropriate conditions and in determination of the method of stock issuance in common shares or in GDR for common shares, and adjustment of issuing size within the said quota at once or through installment.

(2) Principles and Conducting of Raising Funds

1. The issuance of new common shares for capital increase in cash

Pursuant to the Article 28-1 of Securities and Exchange Act, Board of Directors is authorized to choose either book building or public application regarding underwriting and proceed as below:

I. Book Building

Unless otherwise the Article 267 of the Company Act to retain 10%-15% new issuance shares for the company employees, and the remaining 85%-90% according to the Securities and Exchange Act Rule 28-1, shall be all provided with public application in the book building method. In case the actual purchases of the reserved stock options for the employees falls short, the chairperson is authorized to negotiate with specific parties to purchase those shares at the issue price in accordance with the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.

The issue price by the Taiwan Securities Association Rules Governing Issue Company raising and issuing securities (hereinafter "Discipline Principles") may not be lower than 90% of the average closing prices of common shares of the Company for either one, three, or five business days before either the date on which the application is filed at Taipei Exchange or the five business days before the ex-rights date. The aforementioned price should be determined in compliance with related requirements of competent authorities. The Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of market status.

II. Public Application Offering

Pursuant to the Article 267 of Company Act, 10%-15% of the new share issuance will be reserved for employees' preemptive subscription and 10% will be reserved for public offer. The remaining 85%-90% of the share issuance will be reserved for preemptive purchase of original shareholders based on the shareholder's name and his/her shares registered in the shareholders roster at the dividend record date. For the issuance not subscribed by employees and the original shareholders in proportion or as a whole, the chairperson of the Board is to be authorized to negotiate with specific parties to purchase shares at issuing price. The issue price of new common shares from the cash capital increase may not be lower than 70% of the average closing prices of common shares of the Company for either

the one, three, or five business days before either the date on which the application is filed with the Financial Supervisory Commission or the five business days before the ex-rights date. The average closing price mentioned above shall be after adjustment for any distribution of stock/cash dividends or capital reduction.

2. The issuance of GDR for the new common shares from cash capital increase:

I. Pursuant to the Article 267 of Company Act, 10%-15% of the share issuance will be reserved for employees' preemptive subscription. For those stocks not subscribed by employees in proportion or as a whole, the chairperson of the Board is to be authorized to negotiate with specific parties to purchase the unsubscribed share in common stock or GDR of subscription at the issuing price in accordance with the market development. For the remaining 85%-90% of issuance, based on the Article 28-1 of the Securities and Exchange Act, the board proposes to offer through public application offering for the issuance of GDR according to the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.

II. The issuing price of new common shares for capital increase in cash or the issuing price of GDR for the new common shares from cash capital increase is to be determined based on general practices worldwide and it shall not affect shareholder's interests. However, the final issuing price is to be determined by the lead underwriter and the Chairperson of the Board who is authorized by the Shareholders' Meeting by referring to market conditions at the time of issuance; also, it must be in compliance with related requirements of competent authorities.

a. According to the "Disciplinary Rules", the issuing price of the new common shares from cash capital increase may not be lower than 90% of the closing price of common shares at Taipei Exchange on the price determination day or 90% of average closing price of the common shares of the Company for either one, three, or five business days before the price determination date, after adjustment for any distribution of stock/cash dividends or capital reduction. The aforementioned price may adjust when variation occurred in domestic requirements. Since domestic share price may vary excessively within a short period, the Chairman of the Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of international conventions, capital market, domestic share price and overall book building.

b. For the rights of original shareholders, the issuance of new shares for cash capital increase up to 50 million common shares will have the maximum dilution effect of at 10.30% which is calculated on the foundation of outstanding 435,237,000 shares as of 2021/3/31. The funds raised from the capital increase in cash shall generate sustainable growth in Company's business; reinforce competitiveness, and surely benefit shareholders. GDR issue price is determined according to fair value domestically. Original shareholders may purchase common stock in domestic market

at Taipei Exchange for the price close to GDR price, exempting from currency and fluidity risks. There is no huge impact on original shareholders.

- (3) After the approval by the shareholders' meeting on the domestic capital increase by cash or the issuance of new shares and/or GDR for cash capital increase, the Board is authorized to determine public offering of the issuance of common shares, conditions, volume, pricing, amount, fund usage, project items, project schedule, possible projected production benefits, record date for the capital increase and relevant matters including commands from the authorities or market and objective environmental alteration, and others not included.
- (4) Rights and obligations about the issuance of new shares are the same with those of the issued shares.
- (5) Resolution requested

Resolution:

IV. Election

Item 1

(Proposed by the Board of Directors)

Motion: Election of Directors

- (1) The service of the fourth-term directors was expired in 2021/6/24 and is proposed to be elected in the Shareholder Meeting. The fourth-term directors are discharged right after the fifth-term directors assume their office
“Articles of Incorporation” specifies that, the Company shall have seven directors elected for the fifth-term, among whom include three independent directors. The term of new directors is effective immediately after the election, and shall serve for a term of three years (2021/6/22~2024/6/21)
- (2) The appointment of directors adopts candidate nomination system. Please refer to the Independent Director Candidates on page 64 of this handbook.
- (3) Election requested

Election result:

V. Other Proposals

Item 1

(Proposed by the Board of Directors)

Motion: Release of the newly elected directors from the non-competition restrictions

- I. Pursuant to Article 209 of the Company Act, a director and their legal representatives engaging, either for himself/herself or on behalf of another person, activities that are within the scope of the Company's business, shall explain at the shareholders' meeting the essential details of such activities and obtain the shareholders' approval for engaging in such activities.
- II. To rely on expertise and relevant work experiences of directors, hereby request the shareholders' approval to release these directors and their legal representatives from the non-competition restrictions.
- III. Resolution requested

Resolution:

VI. Extemporaneous Motion

VII. Meeting Adjourned

Attachment 1

GlobalWafers Co., Ltd.

Fiscal 2020 Business Report

The semiconductor market has recovered gradually from last year's weak demands in the memory market, sliding of the average selling price (ASP) and trough resulted from high inventories. Although the global economics recessed in 2020 due to the strong impacts from COVID-19 and geopolitical frictions, as the semiconductors are essential for society's operation, compared to other industries, the semiconductor industry has grown instead. Other than the penetration of 5G accelerating, the pandemic also accelerates the transformation toward digitalization; the trend of remote working/learning stimulates the growth of PC, data center, cloud services and other related devices. The full-year consolidated revenue of GlobalWafers for 2020 is NT\$ 55.359 billion. Although the strong appreciation of the New Taiwan Dollar detracted the full year revenue to be 4.71% lower than the revenue of 2019, in USD term, the full year revenue of 2020 is almost the same as 2019, only 0.26% lower. It demonstrates that GlobalWafers has performed well in such headwinds, thanks to its flexible operating strategy. The full year revenue is the third highest in the history, with the operating revenue of NT\$15.287 billion, net profit after tax of NT\$13.104 billion, and earnings per share after tax of NT\$ 30.11.

While the pandemic impacted the global economy in 2020, the revenue and shipment of GlobalWafers have been growing every quarter, regardless of the headwinds! The revenue, gross profit, profit before tax, net income, and earnings per share of 2020 have been the third highest in history. The net income has even been the highest since the foundation of the Company!

The following is a summary report on the 2020 operation results, the 2021 business plan summary, future company development, external competition, regulatory environment and overall economic environment:

I. Operating Results in 2020

(I) Business Plan Implementation Results

Unit: NT\$ thousands

Year Item	2020 (IFRSs)	2019 (IFRSs)	Percent Change (%)
Revenue	55,358,788	58,094,331	-4.7%
Cost of Goods Sold	34,790,674	35,247,610	-1.3%
Gross Profit	20,568,114	22,846,721	-10.0%
Operating Expense	5,281,265	4,949,500	6.7%

Operating Income	15,286,849	17,897,221	-14.6%
Profit Before Tax	16,614,967	18,553,865	-10.5%
Net Profit	13,103,631	13,635,656	-3.9%

While the macroeconomics is so uncertain, GlobalWafers has outperformed and maintained the high profitability as always through signing long-term contracts with clients, flexible deployment of production locations, and active control over costs.

(II) Budget Implementation: The Company had not announced its financial forecast in 2020.

(III) Profitability analysis

Items		2020	2019
Financial structure	Debt to asset ratio	53.45%	53.33%
	Long-term funds to PPE (%) (PPE-plant, property, equipment)	176.55%	200.81%
Profitability analysis	Return on Assets	13.75%	14.69%
	Return on Equity	29.37%	30.91%
	Percentage in paid-up capital	Operating profit	349.61%
		Profit before ttax	409.31%
	Net profit Margin		23.67%
	After-tax earnings per share (NT\$)		23.47%
		30.11	31.35

(IV) Financial Income and Expenditure

The Company's 2020 operating revenue is NT\$55,358,788 thousand. The operating cost is NT\$34,790,674 thousand, and the operating expense is NT\$5,281,265 thousand. The net non-operating income is NT\$1,328,118 thousand. The net profit before tax is NT\$16,614,967 thousand, and the net profit after tax is NT\$13,103,631 thousand; the financial revenue and expenditure are normal.

(V) Research and Development Status

1. R&D expenditure in 2020

Unit: NT\$ thousands

Item/Year	2020	2019
R&D expenses	1,624,308	1,710,801
Net operating revenues	55,358,788	58,094,331
R&D expenses as a percentage of net revenue	2.93%	2.94%

2. R&D results in 2020

Name of technology or product

- (1) 6" silicon carbide 170um ultra-thin wafer regeneration processing technology
- (2) 4" Semi insulating SiC Crystal and the wafer
- (3) Optimization technology for the structure of back barrier layer and manufacturing process of GaN epitaxy
- (4) Image determination technology for quality measuring of smart chips
- (5) Silicon substrate for next generation IC process
- (6) AI application on the silicon wafer with no height difference topography
- (7) AI application to adjust the oxygen content in crystal ingots
- (8) Introduction of new polishing technology
- (9) Introduction of new grinding technology
- (10) Technology controlling tiny fallout applied to 300mm high-end wafers
- (11) 200mm ultra-low resistance and heavy red phosphorus-doped wafer and epitaxy technology
- (12) Advanced AI technology applied to the improvement of manual efficiency and productivity in mass productions
- (13) New assessing technology to lower the limits of heavy metal pollution detection

3. Future R&D plan:

- (1) 300mm ultra low resistivity <1.8mΩ-cm wafer with antimony doped
- (2) SiC wafer for next generation high power automotive electronic device application
- (3) Epi-substrate for GaN_HEMT application

- (4) High strength and ultra thin silicon substrate with nano structure
- (5) SOI substrate for next generation RF device application
- (6) Development of 300mm diamond wire cutting manufacturing process
- (7) "ECAS®" wafer for next generation 3D memory device
- (8) 12" MCZ wafer with lower carbon and lower oxygen for power devices, memory devices, and mobile CIS"
- (9) 6" Semi insulating SiC Crystal and the wafer
- (10) 8" GaN/Silicone normally open power application epi-wafer
- (11) 4"/6" GaN/S.I.-SiC RF application epi-wafer

II. Summary of the Business Plan for 2021

(I) Operating Philosophy

- (1) Flexible scheduling of product production to achieve the competitiveness of the most economies of scale, master the downstream terminal customer market and strengthen the research and development links with customers, and expand product market share and profitability.
- (2) Use existing customer networks to expand the customer base of new products, increase the capacity utilization rate of production lines, and enhance the profitability of products.
- (3) Actively develop GaN/Si/SiC products to expand the blue sea market, and enhance the patent position.
- (4) Expand the collaboration among government, industry, and academy, deploy our advanced manufacturing process for niche applications and accelerate the development of new technologies.

(II) Estimated sales volume and the basis:

Based on the analysis of World Semiconductor Trade Statistics (WSTS) the global market of discrete components by product field decreased 0.3% to USD 23.8 billion in 2020, and grow 10% in 2021. For photoelectric, it decreased 2.8% to USD 40.4 billion in 2020 but recover 8.8% in 2021. In addition, the component markets in most fields demonstrated upward trends in 2020, including the growth in sensors, which grew 10.7%, and the trend of growth will be kept in 2021 for 16.8% growth. In the regard of digital IC, the full year growth in 2020 is 8.4% or USD 361.2 billion (analog: 3.2%, memory: 10.4%, logic: 11.1%, micro-controllers: 4.9%), and the growth will reach 10.9% in 2021.

For 2021, the impacts from COVID-19 on the global semiconductors are still uncertain as the pandemic is still developing. The abovementioned are the best forecasts may be provided under the current circumstance.

(III) Important production and marketing policies:

- (1) Combine the technology, resources and various possibilities within the Group to optimize the bottleneck spots of each plant and maximize product capacity, deepen the multinational technology integration platform, and comprehensively improve quality and customer satisfaction to meet market demand.
- (2) Stabilize the supply of key raw materials and parts to ensure good production quality and on-time delivery so that the production line runs smoothly. .
- (3) Develop high-efficiency niche products with core technology capabilities to enhance added value.
- (4) Actively sign long-term cooperation plans with key partners to consolidate the foundation of cooperation.
- (5) Enhance the future sales key points of 12” and special materials
- (6) Grasp the emerging vertical applications in the end markets, and integrate the product design and production models flexibly. Fully apply the existing technologies to expand the leading advantages.

(IV) Development Strategies of the Company in the Future

- (1) The Group's high-end leading technology is utilized to develop chips matching next-generation product utilization. Development shall move towards large size advanced manufacturing process, heavily-doped crystal growth and power semiconductor epitaxy technology, as well as becoming the world's largest silicon wafer supplier.
- (2) Accelerate the development of next-generation application products, including GaN and SiC, and actively expand the new blue sea.
- (3) Expand the collaboration among government, industry, and academy, to keep high product innovation capability, accelerate the development capability in terms of products and technologies, to reach the international level.
- (4) Have a firm grasp of market trends and industry pulse and adjust business strategies in a timely manner, continue developing potential products in various application areas, and carrying out patent protection measures to strengthen our own competitiveness.
- (5) Strengthen R&D links with downstream customers, develop high-efficiency niche products

with core technology capabilities, and actively reduce manufacturing costs to increase profit margins.


- (6) Based on the current stable outstanding management performance, securely expand the Company's operation scale via strategic alliance or acquisitions.

(V) Effect of External Competition, Regulatory Environment and Overall Economic Environment

- (1) With the development and application of the semiconductor industry, its related products have penetrated people's daily life. The use of semiconductor products can be seen in food, clothing, housing, transportation, education and music. Therefore, the semiconductor industry boom has a considerable degree of links with the overall economy. Due to the Company's wide customer base, the end products spread across various industries and application areas, such as automotive products, power products, memory, etc., which can reduce the risk from the booming cycle of a single industry. So when the overall economy is not good, the Company can diversify risks and stabilize operations in this way.
- (2) The semiconductor wafer industry has undergone decades of development and has established a considerable degree of entry barriers in terms of technology and patents. However, in the face of new competitors with significant funds, we will closely observe the industry's development. In order to prevent the new manufacturers from actively joining and leading to the decline in product prices to affect sales and profit, we will continue to combine the technological advantages of the Company around the world to develop niche products with core technology capabilities. And we will also increase the added value of the product and minimize the cost to increase profit margins.
- (3) The drastic changes in the international circumstance, development of COVID-19, and regional trade conflicts have shocked the macroeconomics. However, GlobalWafers has production facilities around the world and thus is able to deploy the production flexibly to respond to the impacts from related regulations, lower duties, to the operational costs. Clients all over the world also effectively diversify the impacts from the pandemic to the revenue and lower the economic risks from a single area.

Looking ahead to 2021, the global economy will recover from the heavy hits brought by the pandemic, and the semiconductor industry is expected to grow faster. As the automotive market recovery is driven by the higher electrification and auto-driving penetration and acceleration of 5G, AI, and machine learning is also seen as the key drivers for the semiconductor industry in 2021. Major makers have contributed significant research resources and increased the capital expenses, which in turn will drive the next evolution for semiconductor technologies and the expansion of innovative technologies for the growth of the industry. Although the pandemic development and vaccine rollout still overshadow

the future with uncertainties, GlobalWafers will take advantage of the Group’s abundant domestic and overseas R&D energies to work on the next-generation technologies; with over 1,400 patents, we actively expand the niche products’ landscape, and work on the third-generation semiconductors other than the existing complete product spectrum, as the opportunity of development, so that we will create more values for the employees, clients, and shareholders.

Chairperson	Hsiu-Lan Hsu	
President	Mark England	
Chief Account	Yu-Ting Lo	

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Consolidated and Standalone Financial Statements and Earnings Distribution Proposal. GlobalWafers Co., Ltd. Consolidated and Standalone Financial Statements have been audited and certified by Chen, Chen-Chien, CPA, and Cheng, An-Chih, CPA, of KPMG and audit review reports relating to the Financial Statements have been issued. The aforementioned reports have been reviewed and considered to be complied with relevant rules by the undersigned, the audit committee of GlobalWafers Co., Ltd. according to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

GlobalWafers Co., Ltd.

Audit Committee Convener:



Chi-Hsiung Cheng

May 4, 2021

Attachment 3

Independent Auditors' Report and Financial Statements

Independent Auditors' Report

To the Board of Directors of GlobalWafers Co., Ltd.:

Opinion

We have audited the consolidated financial statements of GlobalWafers Co., Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and 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, 2020 and 2019, 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 with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC"), and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4(15) "Revenue recognition" for accounting policy and note 6(19) "Revenue from contracts with customers" of the consolidated financial statements for further information.

Description of key audit matter:

The Group's revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and process of implementation of internal controls and testing operating effectiveness; testing selected sales samples and agreeing to customer orders, delivery note and related documentation supporting sales recognition; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the revenue was recorded in proper period.

2. Goodwill impairment assessment

Please refer to the note 4(12) "Intangible assets" for accounting policy, note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" for goodwill impairment assessment, and note 6(9) "Intangible assets" for further details.

Description of key audit matter:

The Group is in a capital intensive industry, with goodwill arising from business combinations. Moreover, the Group operates in an industry in which the operations are easily influenced by various external factors, such as market conditions and governmental policies. Therefore, the assessment of impairment of goodwill is critical. The assessment procedures, including identification of cash-generating units, valuation models, selection of key assumptions and calculations of recoverable cash inflows, depend on the management's subjective judgments, which contained uncertainty in accounting estimations. Consequently, this is one of the key areas in our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing triggering events identified by management for impairment indicators existing in a cash-generating unit, assessing whether the assumptions used for evaluating the recoverable amount are reasonable; evaluating the achievement of prior year financial forecasts; inspecting the calculations of recoverable amounts; assessing the assumptions used for calculating recoverable amounts and cash flow projections; performing sensitivity analysis based on key factors; assessing whether the accounting policies for goodwill impairment test and other relevant information have been appropriately disclosed.

Other Matter

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unqualified opinion.

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 with the IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 auditing standards generally accepted 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.

5. 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.
6. 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.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chien Chen and An-Chih Cheng.

KPMG

Taipei, Taiwan (Republic of China)

March 16, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
GlobalWafers Co., Ltd. and subsidiaries
Consolidated Balance Sheets
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 22,439,481	24	32,821,512	34	2100	Short-term borrowings (notes 6(11) and 8)	\$ 9,871,000	10	9,886,000	10
1110	Financial assets at fair value through profit or loss — current (note 6(2))	5,656,668	6	1,883,576	2	2120	Financial liabilities at fair value through profit or loss — current (note 6(2))	45,953	-	216,632	-
1170	Notes and accounts receivable, net (note 6(4))	7,962,618	8	8,089,619	8	2130	Contract liabilities — current (note 6(19))	3,639,970	4	4,035,411	4
1180	Accounts receivable due from related parties, net (note 7)	74,812	-	50,348	-	2170	Notes and accounts payable	3,640,950	4	3,606,374	4
130X	Inventories (note 6(5))	7,207,731	8	6,848,823	7	2180	Accounts payable to related parties (note 7)	254,514	-	231,107	-
1476	Other financial assets — current (note 9)	5,588,381	6	896,531	1	2201	Payroll and bonus payable	2,408,567	3	2,473,035	3
1479	Other current assets (note 6(10))	<u>656,678</u>	<u>1</u>	<u>902,336</u>	<u>1</u>	2216	Dividends payable	3,481,896	4	-	-
	Total current assets	<u>49,586,369</u>	<u>53</u>	<u>51,492,745</u>	<u>53</u>	2230	Current tax liabilities	2,035,186	2	2,672,322	3
Non-current assets:						2399	Other current liabilities (note 6(13))	<u>3,953,350</u>	<u>4</u>	<u>3,789,770</u>	<u>4</u>
1513	Financial assets at fair value through profit or loss — non-current (note 6(2))	117,204	-	95,163	-		Total current liabilities	<u>29,331,386</u>	<u>31</u>	<u>26,910,651</u>	<u>28</u>
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	101,475	-	-	-		Non-Current liabilities:				
1550	Investments accounted for using equity method (note 6(6))	1,202,176	1	571,929	1	2527	Contract liabilities — non-current (notes 6(19))	13,088,058	14	16,164,687	16
1600	Property, plant and equipment (notes 6(7), 7 and 8)	37,111,052	39	34,697,367	36	2570	Deferred tax liabilities (note 6(15))	4,942,689	5	4,745,579	5
1755	Right-of-use assets (note 6(8))	657,121	1	771,057	1	2670	Other non-current liabilities (note 6(13))	852,997	1	741,196	1
1780	Intangible assets (note 6(9))	2,797,463	3	3,227,583	3	2640	Net defined benefit liabilities (note 6(14))	<u>2,481,587</u>	<u>3</u>	<u>2,950,390</u>	<u>3</u>
1840	Deferred tax assets (note 6(15))	2,230,787	2	1,855,040	2		Total non-current liabilities	<u>21,365,331</u>	<u>23</u>	<u>24,601,852</u>	<u>25</u>
1980	Other financial assets — non-current (notes 8 and 9)	260,393	-	3,098,123	3		Total liabilities	<u>50,696,717</u>	<u>54</u>	<u>51,512,503</u>	<u>53</u>
1990	Other non-current assets (note 6(10))	<u>787,577</u>	<u>1</u>	<u>776,746</u>	<u>1</u>		Equity (note 6(16)):				
	Total non-current assets	<u>45,265,248</u>	<u>47</u>	<u>45,093,008</u>	<u>47</u>		Equity attributable to shareholders of GlobalWafers Co., Ltd.:				
						3110	Ordinary share	<u>4,372,500</u>	<u>5</u>	<u>4,372,500</u>	<u>5</u>
						3200	Capital surplus	<u>23,470,919</u>	<u>25</u>	<u>24,776,630</u>	<u>26</u>
							Retained earnings:				
						3310	Legal reserve	4,060,325	4	2,686,883	3
						3320	Special reserve	2,291,256	2	1,133,596	1
						3350	Unappropriated retained earnings	<u>12,270,817</u>	<u>13</u>	<u>14,965,441</u>	<u>15</u>
								<u>18,622,398</u>	<u>19</u>	<u>18,785,920</u>	<u>19</u>
						3400	Other equity interest	<u>(1,734,138)</u>	<u>(2)</u>	<u>(2,291,256)</u>	<u>(2)</u>
						3500	Treasury shares	<u>(576,779)</u>	<u>(1)</u>	<u>(576,779)</u>	<u>(1)</u>
							Total equity attributable to shareholders of GlobalWafers Co., Ltd.	<u>44,154,900</u>	<u>46</u>	<u>45,067,015</u>	<u>47</u>
						36XX	Non-controlling interests	-	-	6,235	-
							Total equity	<u>44,154,900</u>	<u>46</u>	<u>45,073,250</u>	<u>47</u>
	Total assets	<u>\$ 94,851,617</u>	<u>100</u>	<u>96,585,753</u>	<u>100</u>		Total liabilities and equity	<u>\$ 94,851,617</u>	<u>100</u>	<u>96,585,753</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

GlobalWafers Co., Ltd. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(19) and 7)	\$ 55,358,788	100	58,094,331	100
5000	Operating costs (notes 6(5), (17), (20) and 7)	34,790,674	63	35,247,610	61
	Gross profit from operations	20,568,114	37	22,846,721	39
	Operating expenses (notes 6(17), (20) and 7):				
6100	Selling expenses	1,233,877	2	1,193,223	2
6200	Administrative expenses	2,431,832	4	2,040,734	3
6300	Research and development expenses	1,624,308	3	1,710,801	3
6450	Expected credit losses (gains) (note 6(4))	(8,752)	-	4,742	-
	Total operating expenses	5,281,265	9	4,949,500	8
	Net operating income	15,286,849	28	17,897,221	31
	Non-operating income and expenses:				
7100	Interest income(note 6(21))	243,546	-	723,336	1
7020	Other gains and losses (notes 6(21) and 7)	1,158,228	2	5,022	-
7050	Finance costs(notes 6(13), (21) and 7)	(73,656)	-	(71,714)	-
		1,328,118	2	656,644	1
	Income before income tax	16,614,967	30	18,553,865	32
7950	Income tax expense (note 6(15))	3,511,336	6	4,918,209	9
	Net income	13,103,631	24	13,635,656	23
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans	(248,547)	-	179,553	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6,118	-	27,542	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(15))	(38,521)	-	120,951	-
		(203,908)	-	86,144	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	(75,886)	-	(1,503,580)	(2)
8370	Share of other comprehensive income of associates accounted for using equity method	611,708	1	275,843	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(15))	(15,178)	-	(300,404)	(1)
		551,000	1	(927,333)	(1)
8300	Other comprehensive income (after tax)	347,092	1	(841,189)	(1)
	Total comprehensive income	<u>\$ 13,450,723</u>	<u>25</u>	<u>12,794,467</u>	<u>22</u>
	Net income attributable to:				
	Shareholders of GlobalWafers Co., Ltd	\$ 13,103,614	24	13,644,095	23
	Non-controlling interests	17	-	(8,439)	-
		<u>\$ 13,103,631</u>	<u>24</u>	<u>13,635,656</u>	<u>23</u>
	Total comprehensive income attributable to:				
	Shareholders of GlobalWafers Co., Ltd	\$ 13,450,706	25	12,804,463	22
	Non-controlling interests	17	-	(9,996)	-
		<u>\$ 13,450,723</u>	<u>25</u>	<u>12,794,467</u>	<u>22</u>
	Earnings per share (NT dollars) (note 6(18))				
	Basic earnings per share	<u>\$ 30.11</u>		<u>31.35</u>	
	Diluted earnings per share	<u>\$ 30.03</u>		<u>31.21</u>	

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
GlobalWafers Co., Ltd. and subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to shareholders of GlobalWafers Co., Ltd.

	Retained earnings						Other equity interest			Treasury shares	Total	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) from equity instrument measured at fair value through other comprehensive income	Total other equity interest				
Balance at January 1, 2019	<u>\$ 4,372,500</u>	<u>24,772,608</u>	<u>1,341,111</u>	<u>1,133,596</u>	<u>13,457,718</u>	<u>15,932,425</u>	<u>(1,328,874)</u>	<u>(32,425)</u>	<u>(1,361,299)</u>	<u>(576,779)</u>	<u>43,139,455</u>	<u>16,658</u>	<u>43,156,113</u>
Net income for the year	-	-	-	-	13,644,095	13,644,095	-	-	-	-	13,644,095	(8,439)	13,635,656
Other comprehensive income for the year	-	-	-	-	58,602	58,602	(1,201,619)	303,385	(898,234)	-	(839,632)	(1,557)	(841,189)
Comprehensive income for the year	-	-	-	-	13,702,697	13,702,697	(1,201,619)	303,385	(898,234)	-	12,804,463	(9,996)	12,794,467
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,345,772	-	(1,345,772)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(10,880,925)	(10,880,925)	-	-	-	-	(10,880,925)	-	(10,880,925)
Difference between consideration and the carrying amount of subsidiaries acquired or disposed	-	(41)	-	-	-	-	-	-	-	-	(41)	(427)	(468)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	31,723	31,723	-	(31,723)	(31,723)	-	-	-	-
Difference between consideration and the carrying amount of associates acquired or disposed	-	4,063	-	-	-	-	-	-	-	-	4,063	-	4,063
Balance at December 31, 2019	<u>4,372,500</u>	<u>24,776,630</u>	<u>2,686,883</u>	<u>1,133,596</u>	<u>14,965,441</u>	<u>18,785,920</u>	<u>(2,530,493)</u>	<u>239,237</u>	<u>(2,291,256)</u>	<u>(576,779)</u>	<u>45,067,015</u>	<u>6,235</u>	<u>45,073,250</u>
Net income for the year	-	-	-	-	13,103,614	13,103,614	-	-	-	-	13,103,614	17	13,103,631
Other comprehensive income for the year	-	-	-	-	(210,026)	(210,026)	(60,708)	617,826	557,118	-	347,092	-	347,092
Comprehensive income for the year	-	-	-	-	12,893,588	12,893,588	(60,708)	617,826	557,118	-	13,450,706	17	13,450,723
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,373,442	-	(1,373,442)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	1,157,660	(1,157,660)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(13,057,110)	(13,057,110)	-	-	-	-	(13,057,110)	-	(13,057,110)
Cash dividends from capital surplus	-	(1,305,711)	-	-	-	-	-	-	-	-	(1,305,711)	-	(1,305,711)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6,252)	(6,252)
Balance at December 31, 2020	<u>\$ 4,372,500</u>	<u>23,470,919</u>	<u>4,060,325</u>	<u>2,291,256</u>	<u>12,270,817</u>	<u>18,622,398</u>	<u>(2,591,201)</u>	<u>857,063</u>	<u>(1,734,138)</u>	<u>(576,779)</u>	<u>44,154,900</u>	<u>-</u>	<u>44,154,900</u>

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
GlobalWafers Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Income before income tax	\$ 16,614,967	18,553,865
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	5,165,290	4,380,511
Amortization expenses	356,495	364,830
Expected credit losses (gains)	(8,752)	4,742
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(457,641)	286,218
Interest expense	73,656	71,714
Interest income	(243,546)	(723,336)
Dividend income	(2,210)	(4,137)
Shares of profit of associates accounted for using equity method	(36,809)	(20,331)
Loss on disposal of property, plant and equipment	5,559	7,992
Loss on disposal of intangible assets	-	1,141
Provisions for inventory valuation	144,385	123,286
Total adjustments	4,996,427	4,492,630
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	110,868	1,081,878
Inventories	(490,308)	74,794
Other operating assets	221,566	(792,437)
Other financial assets	(40,290)	100,841
Total changes in operating assets	(198,164)	465,076
Contract liabilities	(3,472,070)	(1,978,993)
Notes and accounts payable (including related parties)	57,983	(1,032,964)
Net defined benefit liabilities	(495,042)	(3,253)
Other operating liabilities	85,024	(477,072)
Total changes in operating liabilities	(3,824,105)	(3,492,282)
Total changes in operating assets and liabilities	(4,022,269)	(3,027,206)
Total adjustments	974,158	1,465,424
Cash inflow generated from operations	17,589,125	20,019,289
Interest received	242,694	747,584
Dividends received	2,210	4,137
Interest paid	(70,946)	(67,369)
Income taxes paid	(3,199,524)	(3,314,743)
Net cash flows from operating activities	14,563,559	17,388,898

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

GlobalWafers Co., Ltd. and subsidiaries

Consolidated Statements of Cash Flows(Continued)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(95,357)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	79,178
Acquisition of financial assets at fair value through profit or loss	(5,611,917)	(1,907,850)
Proceeds from disposal of financial assets at fair value through profit or loss	2,103,746	95,901
Acquisition of investments accounted for using equity method	-	(109,760)
Cash dividends from associates accounted for using equity method	18,270	16,510
Acquisition of property, plant and equipment	(8,167,167)	(7,602,947)
Proceeds from disposal of property, plant and equipment	97,282	75,718
Increase in refundable deposits	(1,288)	-
Acquisition of intangible assets	(3,631)	-
Increase in other financial assets	(1,811,690)	(3,081,247)
Net cash flows used in investing activities	(13,471,752)	(12,434,497)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(15,000)	4,844,000
Repayments of long-term borrowings	-	(430,000)
Decrease in guarantee deposits received	(156,249)	(145,941)
Payment of lease liabilities	(159,280)	(171,013)
Cash dividends paid	(10,880,925)	(10,880,925)
Change in non-controlling interests	(6,252)	(468)
Net cash flows used in financing activities	(11,217,706)	(6,784,347)
Effect of exchange rate changes on cash and cash equivalents	(256,132)	(562,865)
Net decrease in cash and cash equivalents	(10,382,031)	(2,392,811)
Cash and cash equivalents at beginning of period	32,821,512	35,214,323
Cash and cash equivalents at end of period	\$ 22,439,481	32,821,512

Independent Auditors' Report

To the Board of Directors of GlobalWafers Co., Ltd.:

Opinion

We have audited the parent-company-only financial statements of GlobalWafers Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and 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, 2020 and 2019, 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 the auditing standards generally accepted 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4(14) "Revenue recognition" for accounting policy and note 6(18) "Revenue from contracts with customers" of the parent-company-only financial statements for further information.

Description of key audit matter:

The Company's revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and process of implementation of internal controls and testing operating effectiveness; testing selected sales samples and agreeing to customer orders, delivery note and related documentation supporting sales recognition; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the revenue was recorded in proper period.

2. Evaluation of investments accounted for using equity method

Please refer to the note 4(9) "Investment in subsidiaries" for accounting policy, note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" for evaluation of investments accounted for using equity method, and note 6(6) "Investments accounted for using equity method" for further details.

Description of key audit matter:

The Company's investments accounted for using equity method are mainly the investments of subsidiaries, arising from business combinations. Moreover, the Company operates in an industry in which the operations are easily influenced by various external factors, such as market conditions. The assessment of subsidiaries' revenue recognition and impairment of goodwill arising from business combinations is crucial. Consequently, this is one of the key areas in our audit.

How the matter was addressed in our audit:

We mainly performed audit procedures as explained in the key audit matter 1. "Revenue recognition" over revenues of subsidiaries accounted for using equity method; in relation to impairment assessment of intangible assets (including goodwill), we performed certain key audit procedures that included assessing triggering events identified by management for impairment indicators existing in a cash generating unit, assessing whether the assumptions used for evaluating the recoverable amount are reasonable; evaluating the achievement of prior year financial forecasts; reviewing the calculations of recoverable amounts of cash generating units; evaluating the assumptions used for calculating recoverable amounts and cash flow projections and performing sensitivity analysis based on key factors.

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

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the 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 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 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.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chien Chen and An-Chih Cheng.

KPMG

Taipei, Taiwan (Republic of China)

March 16, 2021

Notes to Readers

The accompanying parent-company-only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)
GlobalWafers Co., Ltd.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 3,304,352	5	2,067,325	3	2100	Short-term borrowings (note 6(10))	\$ 9,871,000	12	9,886,000	13
1110	Financial assets at fair value through profit or loss — current (note 6(2))	2,957,622	4	784	-	2120	Financial liabilities at fair value through profit or loss — current (note 6(2))	45,482	-	216,514	-
1170	Notes and accounts receivable, net (note 6(4))	2,340,924	3	1,413,525	2	2130	Contract liabilities — current (note 6(18))	865,863	1	1,718,098	2
1180	Accounts receivable due from related parties, net (note 7)	2,491,420	3	1,768,115	2	2170	Notes and accounts payable	1,027,046	1	314,527	-
130X	Inventories (note 6(5))	1,899,662	2	1,031,928	1	2180	Accounts payable to related parties (note 7)	7,088,874	9	8,782,585	12
1476	Other financial assets — current (note 9)	5,484,056	7	792	-	2201	Payroll and bonus payable	1,330,764	2	1,203,955	2
1479	Other current assets	<u>102,801</u>	-	<u>40,426</u>	-	2216	Dividends payable	3,481,896	4	-	-
	Total current assets	<u>18,580,837</u>	<u>24</u>	<u>6,322,895</u>	<u>8</u>	2399	Other current liabilities (note 6(12))	<u>2,202,469</u>	<u>3</u>	<u>814,491</u>	<u>1</u>
Non-current assets:							Total current liabilities	<u>25,913,394</u>	<u>32</u>	<u>22,936,170</u>	<u>30</u>
1513	Financial assets at fair value through profit or loss — non-current (note 6(2))	117,204	-	95,163	-		Non-Current liabilities:				
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	101,475	-	-	-	2527	Contract liabilities — non-current (note 6(18))	153,535	-	318,103	1
1550	Investments accounted for using equity method (note 6(6))	58,003,301	70	64,024,632	85	2622	Long-term accounts payable to related parties (note 7)	8,232,051	10	4,140,000	5
1600	Property, plant and equipment (notes 6(7) and 7)	4,370,269	5	1,100,268	2	2600	Deferred tax liabilities and others (notes 6(12), (13) and (14))	<u>4,202,030</u>	<u>5</u>	<u>3,040,972</u>	<u>4</u>
1755	Right-of-use assets (note 6(8))	459,356	1	65,910	-		Total non-current liabilities	<u>12,587,616</u>	<u>15</u>	<u>7,499,075</u>	<u>10</u>
1780	Intangible assets (note 6(9))	360,228	-	678,057	1		Total liabilities	<u>38,501,010</u>	<u>47</u>	<u>30,435,245</u>	<u>40</u>
1980	Other financial assets — non-current (notes 8 and 9)	224,798	-	3,008,938	4		Equity (note 6(15)):				
1900	Other non-current assets (note 6(14))	<u>438,442</u>	-	<u>206,397</u>	-	3110	Ordinary share	<u>4,372,500</u>	<u>5</u>	<u>4,372,500</u>	<u>6</u>
	Total non-current assets	<u>64,075,073</u>	<u>76</u>	<u>69,179,365</u>	<u>92</u>	3200	Capital surplus	<u>23,470,919</u>	<u>28</u>	<u>24,776,630</u>	<u>33</u>
							Retained earnings:				
						3310	Legal reserve	4,060,325	5	2,686,883	3
						3320	Special reserve	2,291,256	3	1,133,596	2
						3350	Unappropriated retained earnings	<u>12,270,817</u>	<u>15</u>	<u>14,965,441</u>	<u>20</u>
								<u>18,622,398</u>	<u>23</u>	<u>18,785,920</u>	<u>25</u>
						3400	Other equity interest	<u>(1,734,138)</u>	<u>(2)</u>	<u>(2,291,256)</u>	<u>(3)</u>
						3500	Treasury shares	<u>(576,779)</u>	<u>(1)</u>	<u>(576,779)</u>	<u>(1)</u>
							Total equity	<u>44,154,900</u>	<u>53</u>	<u>45,067,015</u>	<u>60</u>
							Total liabilities and equity	<u>\$ 82,655,910</u>	<u>100</u>	<u>75,502,260</u>	<u>100</u>
	Total assets	<u>\$ 82,655,910</u>	<u>100</u>	<u>75,502,260</u>	<u>100</u>						

See accompanying notes to parent-company-only financial statements.

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)
GlobalWafers Co., Ltd.

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(18) and 7)	\$ 22,506,100	100	12,456,803	100
5000	Operating costs (notes 6(5), (19) and 7)	<u>13,339,502</u>	<u>59</u>	<u>7,616,254</u>	<u>61</u>
	Gross profit from operations	<u>9,166,598</u>	<u>41</u>	<u>4,840,549</u>	<u>39</u>
	Operating expenses (notes 6(19) and 7):				
6100	Selling expenses	369,441	2	149,108	1
6200	Administrative expenses	1,183,086	5	473,170	4
6300	Research and development expenses	918,303	4	622,864	5
6450	Expected credit loss (gain) (note 6(4))	<u>(1,262)</u>	<u>-</u>	<u>851</u>	<u>-</u>
	Total operating expenses	<u>2,469,568</u>	<u>11</u>	<u>1,245,993</u>	<u>10</u>
	Net operating income	<u>6,697,030</u>	<u>30</u>	<u>3,594,556</u>	<u>29</u>
	Non-operating income and expenses:				
7100	Interest income (note 6(20))	90,551	-	37,222	-
7020	Other gains and losses (notes 6(20) and 7)	(394,846)	(2)	(51,637)	(1)
7050	Finance costs (notes 6(12), (20) and 7)	(263,675)	(1)	(153,373)	(1)
	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method (note 6(6))	<u>8,782,371</u>	<u>39</u>	<u>12,039,142</u>	<u>97</u>
		<u>8,214,401</u>	<u>36</u>	<u>11,871,354</u>	<u>95</u>
	Income before income tax	<u>14,911,431</u>	<u>66</u>	<u>15,465,910</u>	<u>124</u>
7950	Income tax expense (note 6(14))	<u>1,807,817</u>	<u>8</u>	<u>1,821,815</u>	<u>15</u>
	Net income	<u>13,103,614</u>	<u>58</u>	<u>13,644,095</u>	<u>109</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans	(32,349)	-	(4,156)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6,118	-	27,542	-
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method — components of other comprehensive income that will not be reclassified to profit or loss	(216,198)	(1)	80,810	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(14))	<u>(38,521)</u>	<u>-</u>	<u>18,052</u>	<u>-</u>
		<u>(203,908)</u>	<u>(1)</u>	<u>86,144</u>	<u>1</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	(75,886)	-	(1,502,023)	(12)
8380	Share of other comprehensive income of associates accounted for using equity method	611,708	3	275,843	2
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(14))	<u>(15,178)</u>	<u>-</u>	<u>(300,404)</u>	<u>(2)</u>
	Total items that may be reclassified subsequently to profit or loss	<u>551,000</u>	<u>3</u>	<u>(925,776)</u>	<u>(8)</u>
8300	Other comprehensive income (after tax)	<u>347,092</u>	<u>2</u>	<u>(839,632)</u>	<u>(7)</u>
	Total comprehensive income	<u>\$ 13,450,706</u>	<u>60</u>	<u>12,804,463</u>	<u>102</u>
	Earnings per share (NT dollars) (note 6(17))				
	Basic earnings per share	<u>\$ 30.11</u>		<u>31.35</u>	
	Diluted earnings per share	<u>\$ 30.03</u>		<u>31.21</u>	

See accompanying notes to parent-company-only financial statements.

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)
GlobalWafers Co., Ltd.

Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity interest		Total	Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Gains (losses) from equity instrument measured at fair value through other comprehensive income			
Balance at January 1, 2019	\$ 4,372,500	24,772,608	1,341,111	1,133,596	13,457,718	15,932,425	(1,328,874)	(32,425)	(1,361,299)	(576,779)	43,139,455
Net income for the year	-	-	-	-	13,644,095	13,644,095	-	-	-	-	13,644,095
Other comprehensive income for the year	-	-	-	-	58,602	58,602	(1,201,619)	303,385	(898,234)	-	(839,632)
Comprehensive income for the year	-	-	-	-	13,702,697	13,702,697	(1,201,619)	303,385	(898,234)	-	12,804,463
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	1,345,772	-	(1,345,772)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(10,880,925)	(10,880,925)	-	-	-	-	(10,880,925)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	31,723	31,723	-	(31,723)	(31,723)	-	-
Difference between consideration and the carrying amount of associates acquired or disposed	-	4,063	-	-	-	-	-	-	-	-	4,063
Difference between consideration and the carrying amount of subsidiaries acquired or disposed	-	(41)	-	-	-	-	-	-	-	-	(41)
Balance at December 31, 2019	4,372,500	24,776,630	2,686,883	1,133,596	14,965,441	18,785,920	(2,530,493)	239,237	(2,291,256)	(576,779)	45,067,015
Net income for the year	-	-	-	-	13,103,614	13,103,614	-	-	-	-	13,103,614
Other comprehensive income for the year	-	-	-	-	(210,026)	(210,026)	(60,708)	617,826	557,118	-	347,092
Comprehensive income for the year	-	-	-	-	12,893,588	12,893,588	(60,708)	617,826	557,118	-	13,450,706
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	1,373,442	-	(1,373,442)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	1,157,660	(1,157,660)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(13,057,110)	(13,057,110)	-	-	-	-	(13,057,110)
Cash dividends from capital surplus	-	(1,305,711)	-	-	-	-	-	-	-	-	(1,305,711)
Balance at December 31, 2020	<u>\$ 4,372,500</u>	<u>23,470,919</u>	<u>4,060,325</u>	<u>2,291,256</u>	<u>12,270,817</u>	<u>18,622,398</u>	<u>(2,591,201)</u>	<u>857,063</u>	<u>(1,734,138)</u>	<u>(576,779)</u>	<u>44,154,900</u>

See accompanying notes to parent-company-only financial statements.

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)
GlobalWafers Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Income before income tax	\$ 14,911,431	15,465,910
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	875,757	197,206
Amortization expenses	317,949	317,931
Expected credit loss (gain)	(1,262)	851
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(320,759)	287,032
Interest expense	263,675	153,373
Interest income	(90,551)	(37,222)
Dividend income	(2,210)	(4,137)
Shares of profit of associates accounted for using equity method	(8,627,290)	(11,838,621)
Loss on disposal of property, plant and equipment	5,591	349
Provision for (reversal of) inventory valuation	(8,096)	13,727
Total adjustments	(7,587,196)	(10,909,511)
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(372,967)	775,505
Inventories	251,938	299,764
Other operating assets	36,301	122,170
Total changes in operating assets	(84,728)	1,197,439
Contract liabilities	(1,543,550)	(1,352,578)
Notes and accounts payable (including related parties)	387,370	(768,082)
Net defined benefit liabilities	14,708	(6,146)
Other operating liabilities	661,358	320,897
Total changes in operating liabilities	(480,114)	(1,805,909)
Total changes in operating assets and liabilities	(564,842)	(608,470)
Total adjustments	(8,152,038)	(11,517,981)
Cash inflow generated from operations	6,759,393	3,947,929
Interest received	125,826	37,733
Dividends received	2,210	4,137
Interest paid	(288,123)	(149,314)
Income taxes paid	(1,828,302)	(1,315,543)
Net cash flows from operating activities	4,771,004	2,524,942

(Continued)

See accompanying notes to parent-company-only financial statements.

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)

GlobalWafers Co., Ltd.

Statements of Cash Flows(Continued)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	(95,357)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	79,178
Acquisition of financial assets at fair value through profit or loss	(2,829,152)	(31,194)
Proceeds from disposal of financial assets at fair value through profit or loss	-	95,901
Acquisition of investments accounted for using equity method	(12,060,400)	(109,913)
Proceeds from disposal of investments accounted for using equity method	1,660,860	-
Cash dividends from subsidiaries accounted for using equity method	7,362,720	5,145,843
Cash dividends from associates accounted for using equity method	18,270	16,510
Acquisition of property, plant and equipment	(469,388)	(205,543)
Proceeds from disposal of property, plant and equipment	2,882	459
Decrease in refundable deposits	1,188	11
Acquisition of intangible assets	(120)	-
Net cash inflows from business combination	5,067,011	-
Increase in other financial assets	(2,655,566)	(2,998,204)
Net cash flows from (used in) investing activities	(3,997,052)	1,993,048
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(15,000)	4,844,000
Repayments of long-term borrowings	-	(430,000)
Increase in payables to related parties	11,399,508	667,000
Payment of lease liabilities	(40,508)	(7,424)
Cash dividends paid	(10,880,925)	(10,880,925)
Net cash flows from (used in) financing activities	463,075	(5,807,349)
Net increase (decrease) in cash and cash equivalents	1,237,027	(1,289,359)
Cash and cash equivalents at beginning of period	2,067,325	3,356,684
Cash and cash equivalents at end of period	\$ 3,304,352	2,067,325

Attachment 4

GlobalWafers Co., Ltd.

Earnings Distribution Table Year 2020

(Unit: NTD)

Beginning unappropriated retained earnings		2,859,125,694
Plus (Less) :		
Current change on defined benefits remeasurements.	(210,026,634)	
2020 net income	13,103,614,179	12,893,587,545
Beginning unappropriated retained earnings		15,752,713,239
Plus (Less) :		
Provision as legal reserve :		
20201H accumulated provision	(627,779,486)	
2020 provision for discrepancy	(661,579,269)	(1,289,358,755)
Reversal (Provision) of equity deduction special reserve :		
20201H accumulated provision	(765,585,666)	
2020 reversal for discrepancy	1,322,703,615	557,117,949
Item of distribution :		
Share dividends-cash		
2020 interim earnings that were distributed	(3,481,896,000)	
(NTD 8.0 per share)		
2020 earnings to be distributed	(4,352,370,000)	(7,834,266,000)
(NTD 10.0 per share)		
Ending unappropriated earnings		7,186,206,433
<p>Note:</p> <p>In the second quarter of 2020, due to the interim dividend distribution: the provision of legal reserve is NTD 627,779,486; the provision of special reserve is NTD 765,585,666; the cash dividends resolved to be distributed is NTD 3,481,896,000.</p>		

Chairperson:



President:



Chief Account:



Attachment 5

GlobalWafers Co., Ltd.

Rules for Election of Directors Comparison Chart

Article	Before	After	Remark
1	Unless otherwise provided in the Company Law or the Articles of Incorporation of this Company, the independent and non-independent directors of this Company shall be elected in accordance with the rules specified herein.	Unless otherwise provided in the Company Law, or the Securities and Exchange Act, or related laws , or the Articles of Incorporation of this Company, the independent and non-independent directors of this Company shall be elected in accordance with the rules specified herein.	Rephrase.
2	Election of directors of this Company shall be held at the shareholders' meeting. The board of directors shall prepare ballots and note the number of voting rights .	Election of directors of this Company shall be held at the shareholders' meeting. The board of directors shall prepare ballots which to be numbered based on the attendance card number. Each ballot shall contain the votes that the voter is entitled to in the election.	Merge with Article 6 from previous version.
	Article 6 from former version The Board of Directors shall prepare ballots and distribute one ballot to each shareholder identified by his/her attendance card number. Each ballot shall contain the votes that the voter is entitled to in the election.	Delete	Merge with Article 2.
6	Article 7 from former version At the beginning of the election, the Chair man person shall appoint several persons each to check and record the ballots. The persons to check the ballots may be appointed from among the shareholders present.	Before the beginning of the election, the Chair person shall appoint several persons to record the ballots and appoint several persons with shareholder status to perform the respective duties.	Reorder and rephrase.
	Article 9 from former version If the candidate is a shareholder of	Delete	Director election

	<p>this Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number. If the candidate is not a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and the candidate's ID number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column. If there are several representatives, each of the representatives' names must be filled in.</p>		<p>adopts candidate nomination system. Shareholders shall choose directors from the candidates list. Shareholders can learn nominee's name, educational background, work experience and other information from the candidate list before the shareholders' meeting. Shareholder account number or ID number is used as the method to identify the candidates. The above narratives are unnecessary, thus delete this article.</p>
8	Article 10 from former version Ballots shall be deemed void under the following conditions:	Article 10 from original version Ballots shall be deemed void under the following conditions:	Modify Article 1 based on

	<ol style="list-style-type: none"> 1. <u>Ballots not prepared by the Board of Directors;</u> 2. <u>The number of candidates filled in the ballot exceeding the number of the seats to be elected.</u> 3. <u>Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number);</u> 4. The handwriting on the ballots is too illegible to be identified or is altered; 5. <u>If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register. If the candidate is not a shareholder of this Company, the name or ID number of the candidate filled in the ballot is incorrect;</u> 6. <u>Ballots without being filled in candidate's name or shareholder's number (ID number).</u> 	<ol style="list-style-type: none"> 1. <u>The ballot was not prepared by a person with the right to convene;</u> 2. <u>A blank ballot is placed in the ballot box;</u> 3. The handwriting on the ballots is too illegible to be identified or is altered; 4. <u>The candidate filled in the ballot is inconsistent with the list of director candidates;</u> 5. <u>In addition to filling in the allotted voting rights, ballots contain other written characters;</u> 6. <u>Fill in two or more candidates on one ballot.</u> 	<p>following description:</p> <p>In accordance with Article 173 of the Company Act, shareholder(s) can obtain approval from the competent authority under certain circumstances (e.g. the board of directors fails to give a notice for convening a special meeting), the proposing shareholder(s) may convene a special meeting of shareholders on his/their own.</p> <p>Move Article 2 to Article 5 and reorder them based on following description:</p> <p>Director election adopts candidate</p>
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			nomination system. Shareholders shall choose directors from the candidates list.
9	Article 11 from former version The ballots should be calculated during the meeting right after the vote casting <u>and</u> the results of the election should be announced by the Chairperson or the designee at the meeting.	The ballots should be calculated during the meeting right after the vote casting, the results of the election <u>and the numbers of voting rights with which they were elected</u> should be announced by the Chairperson or the designee at the meeting. <u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel 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.</u>	Reorder and rephrase.
7 10 11	Article 8 from former version (Omit) Article 12 from former version (Omit) Article 13 from former version (Omit)	Article 7(Omit) Article 10(Omit) Article 11(Omit)	Reorder.
12	Article 14 from former version This Procedure was enacted on January 19, 2015. <u>First</u> amendment on June 25, 2019	This Procedure was enacted on January 19, 2015. <u>The 1st amendment was made on June 25, 2019</u> <u>The 2nd amendment was made on June 22, 2021</u>	Add amendment date.

Attachment 6

GlobalWafers Co., Ltd.

Policies and Procedures for Financial Derivatives Transactions Comparison Chart

Article	Before	After	Remark
Article 1~18	Article 1 : Article 2 : Article 3 : Article 4 : Article 5 : Article 6 : Article 7 : Article 8 : Division of authority and duties Article 9 : Authorization Article 10 : Article 11 : Article 12 : Article 13 : Article 14 : Article 15 : Internal control Article 16 : Article 17 : Article 18 :	Article 1 : Scope of application Article 2 : Definition (1) Article 3 : Definition (2) Article 4 : The types of derivatives that may be traded Article 5 : Transaction principle and guideline Article 6 : The loss ceiling on total trading and for individual Article 7 : Ceiling of total amount of derivatives contracts Article 8 : Division of authority and duties Article 9 : Authorization Article 10 : Article 11 : Public Disclosure of Information Article 12 : Article 13 : Article 14 : Article 15 : Internal control Article 16 : Internal audit and penalties Article 17 : Implementation and amendment Article 18 : Enforcement and history	Add article topics.
Article 5	Transaction principle and guideline: The profit of the Company shall be derived from operation. The Company engages in above derivatives transactions shall be based on the principle of hedging currency and interest rate risks only, opportunism transaction are not allowed . The instruments shall meet the Company's actual hedging needs	Transaction principle and guideline The profit of the Company shall be derived from operation. The Company engages in hedge-oriented transaction of the above derivatives transactions shall be based on the principle of hedging currency and interest rate risks only, which means the purpose of holding or issuing derivatives commodity is not to earn through price differences of a commodity. The Company does not allow opportunism transaction. The	Clearly define the Company could only engage in hedging transaction.

		instruments shall meet the Company's actual hedging needs.	
Article 6	<p><u>For derivatives transactions in which the Company engages, loss limit is US\$250,000 of the contract amount in aggregate. The individual contracts loss limit is 10% of the principal amount respectively and shall not exceed US\$250,000. Loss limit is 20% of the contract amount for any individual contract or for all contracts in aggregate. The aforementioned "transaction-oriented" refers to holding /issuing derivative transaction to profit from price difference. "Non-transaction-oriented" or "Hedge-oriented" refers to transactions for other purposes.</u></p>	<p><u>The loss ceiling on total trading and for individual</u></p> <p>Loss limit of "Hedge-oriented transactions" is 20% of the contract amount. The term applies in any individual contract or for all contracts in aggregate.</p>	Delete the Articles of non-hedge-oriented transaction, and definition for hedge-oriented transaction is moved to Article 5.
Article 7	<p><u>Original Article 9</u></p> <p>The total contract amount from foreign exchange hedging operation shall not exceed the total foreign currency position of accounts receivable, accounts payable and deposit arising from operation, and shall be reported to the latest BOD meeting after transaction. Apart from business, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling, and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.</p>	<p><u>Article 7</u></p> <p><u>Ceiling of total amount of derivatives contracts</u></p> <p>The total contract amount from foreign exchange hedging operation underwritten from daily operation, shall not exceed the total foreign currency position of accounts receivable and accounts payable (including funds lending among companies in the consolidated financial statements) and deposit, and shall be reported to the latest BOD meeting after transaction. Apart from daily operation, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling, and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve</p>	Reorder and rephrase.

		transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.	
Original Article 8	<p><u>Article 8: Performance assessments</u></p> <p>(1) <u>The performance assessments are based on the gain or loss between account exchange and interest rate and derivative trading.</u></p> <p>(2) <u>The Finance Department shall assess market prices and evaluate hedging performance each week. “Transaction-oriented” position shall be evaluated at least once a week; “Non-transaction-oriented” or “Hedge-oriented” position shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</u></p>	Delete	Delete because duplicate with Article 15-3 (i)
Article 8	<p><u>Article 7: Division of authority and duties</u></p> <p>(1) Finance Department is responsible for building currency strategy and negotiation, as well as setting up quarterly hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and balance position for risk control.</p> <p>(2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for President’s approval. Any</p>	<p><u>Article 8: Division of authority and duties</u></p> <p>(1) Finance Department is responsible for building currency strategy and negotiation, as well as setting up quarterly hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and balance position for risk control.</p> <p>(2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for President’s approval. Any deviation can only be executed upon receiving President’s</p>	Reorder and rephrase

	deviation can only be executed upon receiving President's approval.	approval.	
Article 9~18	Article 10~19	Article 9~18	Reorder because of deletion in Article 8
Article 9	<p>Original Article 10 :</p> <p>Authorization</p> <p>(1) The amount within US\$500 thousand or equivalent foreign currency on each transaction shall be approved by President.</p> <p>(2) The amount exceed US\$500 thousand on each transaction shall be approved by Chairperson.</p>	<p>Article 9</p> <p>Authorization</p> <p>(1) The amount within US\$500 thousand or equivalent foreign currency on each transaction shall be approved by President.</p> <p>(2) The amount exceed US\$500 thousand <u>or equivalent foreign currency</u> on each transaction shall be approved by Chairperson.</p>	Rephrase
Article 11	<p>Original Article 12</p> <p><u>The dealers shall ensure derivative transactions complete and consistent with relevant regulations. After being public,</u> the Company shall submit derivatives transactions as of last month of the Company and its overseas public subsidiaries to the information disclosure website designated by the Securities and Futures Commission on a monthly basis by the 10th of every month.</p>	<p>Article 11</p> <p>Public Disclosure of Information</p> <p>(1) The Company shall submit derivatives transactions as of last month of the Company and its overseas public subsidiaries to the information disclosure website designated by the Securities and Futures Commission on a monthly basis by the 10th of every month.</p> <p>(2) <u>When losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted, the Company shall publicly announce and report the relevant information on the FSC's designated website in the</u></p>	Delete phrases duplicate with Article 1; add regulations on announcement within 2 days when losses reach ceiling

		<u>appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event.</u>	
Article 15	<p><u>Original Article 16</u></p> <p>1 Internal Control</p> <p>(1) The Financial unit's transaction personnel and confirmation and settlement operations personnel may not concurrently serve in more than one of those positions.</p> <p>(2) Trading personnel shall submit foreign exchange trading slip to confirmation personnel for record.</p> <p>(3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.</p> <p>(4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.</p> <p>2 Risk Management (Omit)</p>	<p><u>Article 15</u></p> <p>1. Internal Control</p> <p>1. The Financial unit's transaction personnel and confirmation and settlement operations personnel may not concurrently serve in more than one of those positions.</p> <p><u>Related risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.</u></p> <p>2. Trading personnel shall submit foreign exchange trading slip to confirmation personnel for record.</p> <p>3. Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.</p> <p>4. Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.</p> <p>2. Risk Management (Omit)</p> <p>3. Periodic evaluation</p>	<p>Add new regulations for risk management personnel. Delete the relevant provisions of non-hedging transactions. Add the retention period of the log book and rephrase.</p>

	<p>3 Periodic evaluation</p> <p>(1) The Finance Department shall assess market prices and evaluate hedging performance <u>each week</u>. <u>“Transaction-oriented” amount shall be evaluated at least once a week; “Non-transaction-oriented” or “Hedge-oriented” amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</u></p> <p>(2) The designated personnel appointed by the <u>board of directors</u> to monitor and control derivatives trading risks on an ongoing basis shall also at regular intervals evaluate whether trading performance accords with established operational strategies, and whether risks assumed are within a tolerable range. They shall at regular intervals evaluate whether the risk management procedures currently in use are appropriate and scrupulously conducted in accordance with these Procedures.</p> <p>(3) <u>The chief financial officer</u> shall monitor the trading and profit and loss situation. When any irregularity is discovered, <u>the chief financial officer</u> shall report to the <u>board of directors</u>. <u>If</u></p>	<p>(1) The Finance Department shall assess market prices and evaluate hedging performance.</p> <p>“Hedge-oriented” amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</p> <p>(2) The designated personnel appointed by the <u>Board of Directors</u> to monitor and control derivatives trading risks on an ongoing basis shall also at regular intervals evaluate whether trading performance accords with established operational strategies, and whether risks assumed are within a tolerable range. They shall at regular intervals evaluate whether the risk management procedures currently in use are appropriate and scrupulously conducted in accordance with these Procedures.</p> <p>(3) <u>Senior management personnel authorized by the Board of Directors</u> shall monitor the trading and profit and loss situation. When any irregularity is discovered, <u>senior</u></p>	
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	<p><u>independent Director(s) have been appointed, the board of directors shall have the independent director(s) attend and express an opinion.</u></p> <p>(4) The <u>company</u> engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, <u>board of directors</u> approval dates, and the matters required to be carefully evaluated under subparagraph 1, 2 of this <u>article</u> shall be recorded in detail in the log book.</p>	<p><u>management personnel authorized by the Board of Directors</u> shall report to the <u>Board of Directors</u>. <u>The Board of Directors</u> shall have the independent <u>Director(s)</u> attend and express an opinion.</p> <p>(4) The <u>Company</u> engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, <u>Board of Directors</u> approval dates, and the matters required to be carefully evaluated under subparagraph 1, 2 of this <u>Article</u> shall be recorded in detail in the log book <u>at least 5 years</u>.</p>	
Article 18	<p>Original Article 19</p> <p>The Procedure was enacted on October 25th, 2011.</p> <p>The 1st amendment was made on June 25, 2013.</p> <p>The 2nd amendment was made on January 19, 2015.</p> <p>The 3rd amendment was made on February 20, 2017.</p> <p>The 4th amendment was made on June 25, 2019.</p>	<p>Article 18</p> <p>The Procedure was enacted on October 25th, 2011.</p> <p>The 1st amendment was made on June 25, 2013.</p> <p>The 2nd amendment was made on January 19, 2015.</p> <p>The 3rd amendment was made on February 20, 2017.</p> <p>The 4th amendment was made on June 25, 2019.</p> <p><u>The 5th amendment was made on June 22, 2021.</u></p>	Add the amendment date

Attachment 7

GlobalWafers Co., Ltd.

Acquisition or Disposal of Assets Procedure Comparison Chart

Article	Before	After	Remark
Article 2	<p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. Real property (including land, houses and buildings, investment property, <u>and construction enterprise inventory</u>) and equipment. Memberships. Patents, copyrights, trademarks, franchise rights, and other intangible assets. Right-of-use assets. <u>Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</u> Derivatives. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. Other major assets. 	<p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. Real property (including land, houses and buildings, investment property) and equipment. Memberships. Patents, copyrights, trademarks, franchise rights, and other intangible assets. Right-of-use assets. Derivatives. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. Other major assets. 	Delete inapplicable items to the company.
Article 2-1	<p>Terms used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit 	<p>Terms used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit 	Delete inapplicable items to the company.

	<p>index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p> <p>3. ~ 6. Omit</p> <p>7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.</p>	<p>index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p> <p>3.~ 6. Omit</p>	
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	<p>8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</p> <p>9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</p>	<p>7. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</p> <p>8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</p>	
Article 3	<p>Operating Procedures</p> <p>1. Before any asset acquisition or disposal, responsible unit shall take into account the reasons, affecting objects, transaction parties, transfer price, terms of transaction, and references of price.</p> <p>2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.</p> <p>3. Amount limits for investment in non-operational purpose fixed assets or right-of-use assets, and securities are as below:</p> <p>(1) The total amount of any real property or right-of-use assets purchased by the Company not for use in business operations may not exceed fifteen percent (15%) of the Company's net worth; the total amount of any real property or right-of-use assets purchased by</p>	<p>Operating Procedures</p> <p>1. Before any asset acquisition or disposal, responsible unit shall take into account the reasons, affecting objects, transaction parties, transfer price, terms of transaction, and references of price.</p> <p>2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.</p> <p>3. Amount limits for investment in non-operational purpose fixed assets or right-of-use assets, and securities are as below:</p> <p>(1) The total amount of any real property or right-of-use assets purchased by the Company not for use in business operations may not exceed fifteen percent (15%) of the Company's net worth; the total amount of any real property or right-of-use assets purchased by</p>	<p>Modify security investment ceilings based on operational requirements, and Siltronic M&A.</p> <p>Reorder and rephrase.</p>

	<p>a subsidiary of the Company not for use in business operations may not exceed five percent (5%) of the Company's net worth.</p> <p>(2) The total amount of investment by the Company in all securities may not exceed <u>two hundred percent (200%)</u> of its net worth; the total amount of investment in all securities by a subsidiary of the Company may not exceed <u>two hundred percent (200%)</u> of the Company's net worth.</p> <p>(3) The amount of the Company 's investment in any single security may not exceed <u>one hundred and fifty percent (150%)</u> of its net worth; the amount of investment by a subsidiary of the Company in any single security may not exceed <u>one hundred and fifty percent (150%)</u> of the Company's net worth.</p> <p>(4) The reinvestment of the Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed forty percent (40%) of the paid-in capital.</p> <p><u>When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any</u></p>	<p>a subsidiary of the Company not for use in business operations may not exceed five percent (5%) of the Company's net worth.</p> <p>(2) The total amount of investment by the Company in all securities may not exceed <u>six times</u> of its net worth; the total amount of investment in all securities by a subsidiary of the Company may not exceed <u>six times</u> of the Company's net worth.</p> <p>(3) The amount of the Company 's investment in any single security may not exceed <u>six times</u> of its net worth; the amount of investment by a subsidiary of the Company in any single security may not exceed <u>six times</u> of the Company's net worth.</p> <p>(4) The reinvestment of the Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed forty percent (40%) of the paid-in capital.</p>	
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	<p>matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where the Audit Committee has been established, any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.</p> <p>If the aforesaid transaction of major assets or derivatives has not been approved by such Audit Committee with the consent of one-half or more than one-half of all members of the audit committee, it may be undertaken upon the consent of at least two-thirds of all members of the Board of Directors, but the resolution adopted by the audit committee shall be recorded in the meeting minutes of the Board of Directors meeting.</p> <p>The Audit Committee members and the Board of Directors members in preceding paragraph will only calculate the members in present position.</p>	<p>Any transaction involving major assets or derivatives outside the scope of Article 4 in the procedures shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.</p> <p>If the aforesaid transaction of major assets or derivatives has not been approved by such Audit Committee with the consent of one-half or more than one-half of all members of the audit committee, it may be undertaken upon the consent of at least two-thirds of all members of the Board of Directors, but the resolution adopted by the audit committee shall be recorded in the meeting minutes of the Board of Directors meeting.</p> <p>The board of directors shall take into full consideration of each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>The Audit Committee members and the Board of Directors members in this article will only calculate the members in present position.</p>	
Article 4	<p>Appraisal Rules</p> <p>1. Authorization scope</p> <p>(1) Acquisition or disposal of long-term securities and fixed assets or right-of-use assets whose value under NT\$100 million shall be approved by Chairperson</p>	<p>Authorization scope</p> <p>Acquisition or Disposal of the following Assets shall be determined by the authority within the scope of authorization:</p> <p>1. Acquisition or disposal of long-term securities and fixed assets or right-of-use assets whose value under NT\$100 million shall be approved by Chairperson first.</p>	<p>Modify Chairperson's authorization amount due to the company's operating scale and needs.</p> <p>Partial terms from second section of Article 12 move to the fourth section of</p>

	<p>first.</p> <p>(2) Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under NT\$ <u>100</u> million shall be approved by President first.</p> <p>(3) The acquisition or disposal of equipment or right-of-use assets of which amount is under NT\$ <u>100</u> million shall be approved by Chairperson first.</p> <p>2. <u>Acquisition or Disposal of Assets prices shall proceed according to Article 8 of the Procedure.</u></p>	<p>2. Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under NT\$100 million shall be approved by President first.</p> <p>3. The acquisition or disposal of equipment or right-of-use assets of which amount is under NT\$<u>300</u> million shall be approved by Chairperson first.</p> <p>4. <u>With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Board Chairperson may decide such matters when the transaction is under NT\$300 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting, not subject to the second section of Article 12 of this Procedure:</u></p> <p>(1) <u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u></p> <p>(2) <u>Acquisition or disposal of real property right-of-use assets held for business use.</u></p>	<p>Article 4.</p> <p>Delete repeated terms in Article 8.</p>
Article 5	<p>Public Disclosure</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate</p>	<p>Public Disclosure</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate</p>	<p>Delete inapplicable items to the company.</p>

	<p>format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the money market issued by domestic securities investment trust enterprises</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.</p> <p>(5) Where land is acquired</p>	<p>format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the money market issued by domestic securities investment trust enterprises</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.</p> <p>(5) Where land is acquired</p>	
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	<p>under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is <u>less</u> than NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, <u>a disposal of receivables by a financial institution</u>, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ul style="list-style-type: none"> i. Trading of domestic government bonds. ii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. <p>2. ~ 6. Omit</p>	<p>under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is more than NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ul style="list-style-type: none"> i. Trading of domestic government bonds. ii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. <p>2. ~ 6. Omit</p>	
Article 6	<p><u>Announcement and Reporting</u></p> <p>Where any of the following circumstances occurs with respect</p>	<p><u>Changes in Announcement and Reporting</u></p> <p>Where any of the following circumstances occurs with respect</p>	Revise the title.

	<p>to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within two (2) days commencing immediately from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Change, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3. Change to the originally publicly announced and reported information. 	<p>to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within two (2) days commencing immediately from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Change, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3. Change to the originally publicly announced and reported information. 	
Article 12	<ol style="list-style-type: none"> 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure. <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9, Paragraph 2 herein.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship</p>	<p>Related Party Transactions</p> <ol style="list-style-type: none"> 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure. <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9, Paragraph 2 herein.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship</p>	<p>Add a new title, move partial terms from second section of Article 12 to the fourth section of Article 4.</p>

	<p>shall also be considered</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (2) The reason for choosing the related party as a trading counterparty. (3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations. (4) The date and price at which the related party originally 	<p>shall also be considered</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (2) The reason for choosing the related party as a trading counterparty. (3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations. (4) The date and price at which the related party originally 	
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	<p>acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, 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 the Audit Committee need not be counted toward the transaction amount.</p> <p><u>With respect to below transactions made among the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds one hundred percent (100 %) of the issued shares or authorized capital, Board of Directors may pursuant to the procedure delegate the chairperson to decide such matters</u></p>	<p>the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, 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 the Audit Committee need not be counted toward the transaction amount.</p>	
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	<p><u>when the transaction is within NTD 100 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.</u></p> <p>(1) <u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use</u></p> <p>(2) <u>Acquisition or disposal of real property right-of-use assets held for business use</u></p> <p>3. ~ 6. Omit</p>	3. ~ 6. Omit	
Article 14	<p>The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.</p> <p>Where the shareholders meeting fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p>	<p>The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.</p> <p>Where the shareholders meeting <u>of any one of the companies participating in a merger, demerger, or acquisition</u> fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p>	Modify based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
Article 21	Acquisition or disposal of assets by the Company’s subsidiary shall obey as follows:	Acquisition or disposal of assets by the Company’s subsidiary shall obey as follows:	Delete section 4 (Subsidiary has been

	<ol style="list-style-type: none"> 1. The Company's subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures. 2. If the acquisition or disposal of assets by the Company's subsidiary, which is not a domestic public company, reaches the reporting criteria specified in Article 5 of the Procedures, the Company shall make the reporting and public announcements on behalf of its subsidiary. 3. "Reaching twenty percent (20%) of paid-in capital or 10% of total assets" specified in the regulatory of subsidiary reporting and public announcements criteria shall be the paid-in capital or total assets of the parent Company. 4. <u>The term "subsidiary" as used in these procedures, means following companies directly or indirectly controlled by the Company throughout the country or overseas:</u> <ol style="list-style-type: none"> (1) <u>the invested Company in which the Company directly holds more than fifty percent (50%) issued voting shares</u> (2) <u>each invested Company in which the Company through its subsidiaries indirectly holds more than fifty percent (50%) issued voting shares and the rest shall apply the same.</u> (3) <u>each invested Company in which the Company directly and through its subsidiaries indirectly holds more than fifty percent (50%) issued voting shares and the rest shall apply the same.</u> 	<ol style="list-style-type: none"> 1. The Company's subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures. 2. If the acquisition or disposal of assets by the Company's subsidiary, which is not a domestic public company, reaches the reporting criteria specified in Article 5 of the Procedures, the Company shall make the reporting and public announcements on behalf of its subsidiary. 3. "Reaching twenty percent (20%) of paid-in capital or 10% of total assets" specified in the regulatory of subsidiary reporting and public announcements criteria <u>in the preceding paragraph</u> shall be the paid-in capital or total assets of the parent Company. 	<p>defined in Article 2-1 item 3) and rephrase.</p>
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Article 29	<p>The Procedures were enacted on May 26, 2014</p> <p>The 1st amendment was made on January 19, 2015</p> <p>The 2nd amendment was made on June 23, 2015</p> <p>The 3rd amendment was made on June 22, 2016</p> <p>The 4th amendment was made on June 19, 2017</p> <p>The 5th amendment was made on June 25, 2018</p> <p>The 6th amendment was made on June 25, 2019</p>	<p>The Procedures were enacted on May 26, 2014</p> <p>The 1st amendment was made on January 19, 2015</p> <p>The 2nd amendment was made on June 23, 2015</p> <p>The 3rd amendment was made on June 22, 2016</p> <p>The 4th amendment was made on June 19, 2017</p> <p>The 5th amendment was made on June 25, 2018</p> <p>The 6th amendment was made on June 25, 2019</p> <p><u>The 7th amendment was made on June 22, 2021</u></p>	Add amendment date.
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Attachment 8

GlobalWafers Co., Ltd.

Director Candidates

Position	Name	Education & Experience	Current Job	Shares (GlobalWafers)
Director	Hsiu-Lan Hsu	<p>M.S. in Computer Science from University of Illinois.</p> <p>President of Sino-American Silicon Products Inc.</p>	<p>Chairperson & CEO of GlobalWafers.</p> <p>Chairperson & CEO of Sino-American Silicon Products Inc.</p> <p>The legal Board of Director representative of Actron Technology Corporation.</p> <p>Director of Crystalwise Technology Inc.</p> <p>The legal Board of Director representative of Advanced Wireless Semiconductor Company.</p> <p>Chairperson of Taiwan Speciality Chemicals Corporation.</p> <p>The legal Board of Director representative SAS Sunrise Inc.</p> <p>Director representative of SAS Sunrise Pte. Ltd.</p> <p>Chairperson of Sunrise PV Three Co., Ltd.</p> <p>Chairperson of SAS Holding Co., Ltd.</p> <p>Chairperson of Sunrise PV Four Co., Ltd.</p> <p>Director of GWafers Inc.</p> <p>Director of GlobalSemiconductor Inc.</p> <p>Chairperson & CEO of GlobiTech Incorporated.</p> <p>Chairperson of GlobalWafers Japan Co., Ltd.</p> <p>Vice Chairperson of Kunshan Sino Silicon Technology Co., Ltd.</p> <p>Chairperson of Topsil GlobalWafers A/S.</p> <p>Director of GWafers Singapore Pte. Ltd.</p> <p>Director of GlobalWafers</p>	847,879

Position	Name	Education & Experience	Current Job	Shares (GlobalWafers)
			<p>Singapore Pte. Ltd.</p> <p>Director of GlobalWafers B.V.</p> <p>Chairperson of MEMC Japan Limited.</p> <p>Director of MEMC Korea Company.</p> <p>Chairperson of GlobalWafers Holding Co., Ltd.</p>	
Director	<p>Sino-American Silicon Products Inc.</p> <p>Representative: Ming-Kuang Lu</p>	<p>Honorary Doctorate of Science in National Chiao Tung University.</p> <p>Honorary Doctorate of Engineering in National Tatung University.</p> <p>ITRI Laureate.</p> <p>Chairperson of Sino-American Silicon Products Inc.</p> <p>President of Lite-On Semiconductor Corporation.</p> <p>President of Vishay Lite-On Power Semiconductor Corporation.</p> <p>Vice President of Silitek Corporation.</p>	<p>Director & Honorary Chairperson of Sino-American Silicon Products Inc.</p> <p>The legal Board of Director representative of GlobalWafers Co., Ltd.</p> <p>Chairperson & CEO of Actron Technology Corporation.</p> <p>Chairperson of Tatung Company.</p> <p>The legal Board of Director representative of Formerica Optoelectronics Inc.</p> <p>Chairperson of REC Technology Corporation.</p> <p>Chairperson of Bigbest Solutions Inc.</p> <p>Director of SAS Holding Co., Ltd.</p> <p>Director of GlobalWafers Holding Co., Ltd.</p>	222,727,000
Director	<p>Sino-American Silicon Products Inc.</p> <p>Representative: Tan-Liang Yao</p>	<p>MBA from Tamkang University.</p> <p>President of Sino American Silicon Products Inc.</p> <p>Assistant Vice President at Lite-On Semiconductor Corporation.</p>	<p>Vice Chairperson & President of Sino-American Silicon Products Inc.</p> <p>The legal Board of Director Representative of GlobalWafers Co., Ltd.</p> <p>The legal Board of Director Representative, Vice Chairperson & Vice CEO of Actron Technology Corporation.</p> <p>Chairperson & CEO of Crystalwise Technology Inc.</p> <p>The legal Board of Director Representative of Taiwan Speciality Chemicals Corporation.</p> <p>Director of Shanghai Sawyer Shenkai Technology Material Co., Ltd.</p> <p>Director of SY Company LLC.</p> <p>Director of SAS Sunrise Pte. Ltd.</p> <p>The legal Board of Director</p>	222,727,000

Position	Name	Education & Experience	Current Job	Shares (GlobalWafers)
			<p>representative of Sunrise PV Three Co.</p> <p>Director of SAS Holding Co., Ltd.</p> <p>Director of GlobiTech Incorporated.</p> <p>Director of GlobalWafers Japan Co., Ltd.</p> <p>Chairperson of Kunshan Sino Silicon Technology Co., Ltd.</p> <p>Director of GWafers Singapore Pte. Ltd.</p> <p>Director of GlobalWafers Holding Co., Ltd.</p>	
Director	Kuo-Chow Chen	<p>Nan Ying Vocation High School</p> <p>Chairperson of Nan-hai Photoelectric Co., Ltd.</p> <p>Director of COTA Commercial Bank.</p>	Director of Nan-hai Photoelectric Co., Ltd.	665,773
Independent Director	Jeng-Ywan Jeng	<p>PhD in mechanical engineering from University of Liverpool.</p> <p>Dean, College of Engineer, National Taiwan University of Science and Technology.</p> <p>Founder of Taiwan Tech 3d Co., Ltd.</p> <p>Chairperson of Additive Manufacturing Association of Taiwan.</p>	<p>Professor, Engineering Department, National Taiwan University of Science and Technology.</p> <p>Consultant of school affairs, Lunghwa University.</p> <p>Independent Director of ANT Precision Industry Co., Ltd.</p> <p>Independent Director of Actron Technology Corporation.</p>	0
Independent Director	Chung-Yu Wang	<p>Honorary Doctorate of Chemical Engineering in Chung Yuan University.</p> <p>Advanced Management Program, Harvard University.</p> <p>Chairperson of Taisil Electronic Materials Corporation.</p> <p>Chairperson of China Steel Corporation.</p> <p>Chairperson of Tong Lung Metal Industry Co., Ltd.</p> <p>Chairperson of Kaohsiung MRT</p> <p>Executive Director of Bank of Kaohsiung Co., Ltd.</p> <p>Independent Director of Chunghwa Telecom Co., Ltd.</p>	<p>Director of CX Technology Corporation.</p> <p>Director of Curiemed Corporation.</p>	0

Position	Name	Education & Experience	Current Job	Shares (GlobalWafers)
		<p>Chairperson of Taiwan Steel & Iron Industries Association.</p> <p>President of World Steel Association.</p> <p>CEO of State-owned Enterprise Commission, MOEA.</p> <p>Chairperson of ROC-USA Business Council.</p> <p>Chairperson of Chinese International Economic Cooperation Association (CIECA), Taiwan.</p> <p>Members of the Legislative Yuan.</p> <p>Independent Director of CTBC Financial Holding Co., Ltd.</p> <p>Independent Director of CTBC Bank Co., Ltd.</p> <p>Chairperson of SYU JHIH Consulting Co., Ltd.</p> <p>Director of General Biologicals Corporation.</p>		
Independent Director	Ming-Ren Yu	<p>MBA from New York University.</p> <p>Vice President of J.P. Morgan.</p> <p>Coretronic Corporation CFO & President of Backlight Module Business Group.</p> <p>Executive Vice President of Yuanta Securities Co., Ltd. In Investment Banking Department.</p> <p>Senior Vice President & Executive Director of FIH Mobile Limited</p>	Vice President of Elite Material Co., Ltd.	0

Appendix 1

GlobalWafers Co., Ltd.

Rules and Procedures of Shareholders' Meeting

Article 1

Unless otherwise provided for in applicable laws and regulation, Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures.

Article 2

The votes at a shareholders' meeting may be exercised in either written or electronic format in accordance with the Company Law and related regulations. Shareholders (hereinafter referred to as the representative or proxy appointed by shareholders) who attend the Meeting shall hand in an attendance card at the meeting in lieu of signing in and shall be regarded as the ones (shareholders or deputy persons) who attend the Meeting in person. The Company will not take the responsibility of identification.

Article 3

The attendance and voting shall be calculated in accordance with the shares.

Article 4

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5

The Meeting shall be convened by the Board of Directors ("BOD") and the Chairperson of BOD shall be the Chairperson presiding at the Meeting. If the Chairperson of BOD cannot preside at the Meeting for any reason, the Vice Chairperson of BOD shall preside at the Meeting. If the Company does not have Vice Chairperson of the BOD or the Vice Chairperson of the BOD cannot fulfill his/her duty for any reason, the Chairperson of the BOD shall appoint a deputy person. If the Chairperson of BOD does not appoint a deputy person, the Directors shall elect one Director as the deputy person. If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the Chairperson to preside at the Meeting.

Article 6

The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.

Article 7

The process of the Meeting shall be tape recorded or videotaped and these tapes shall be preserved for at least one year.

Article 8

Chairperson shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the Chairperson may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Paragraph 1 of Article 175 of the Company Law. If the quorum is constituted during the process of the Meeting, the Chairperson may submit the aforesaid tentative resolution to the Meeting for approval in accordance with Article 174 of the Company law.

Article 9

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The provision above applies *mutatis mutandis* to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. Unless otherwise resolved at the Meeting, the Chairperson cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. The shareholders cannot designate any other person as Chairperson and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairperson adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as Chairperson to continue the Meeting.

Article 10

When a shareholder (or deputy person) presents at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the Chairperson. If any shareholder (or deputy person) present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the Chairperson and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the Chairperson shall stop such interruption.

Article 11

Unless otherwise permitted by the Chairperson, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the Chairperson may stop the speech of such shareholder.

Article 12

Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

Article 13

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

Article 14

The Chairperson may announce to end the discussion of any resolution and go into voting if the Chairperson deems it appropriate.

Article 15

Except otherwise specified in the Company Law, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. If no objection is voiced after solicitation by the Chairperson, the resolution shall be deemed adopted and shall have the same effect as if it was voted. The person(s) to check and the person(s) to record the ballots during a vote shall be appointed by the Chairperson. The person(s) checking the ballots shall be a shareholder. The result of voting shall be announced at the Meeting and placed on record.

Article 16

During the Meeting, the Chairperson may, at his discretion, set time for intermission.

Article 17

Except otherwise specified in the Article of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting.

Article 18

If there is amendment to or substitute for a discussion item, the Chairperson shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 19

The Chairperson may conduct the disciplinary officers (or the security guard) to assist in keeping order

of the Meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purpose.

Article 20

Matters not covered by these rules shall be handled in accordance with the provisions of the law.

Article 21

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Article 22

The Rules and Procedures were enacted on June 27, 2012.

Appendix 2

GlobalWafers Co., Ltd.

Articles of Incorporation

Chapter I. General Provisions

Article 1

This Company is duly incorporated under the provisions set forth in the Company Act, and its full name in Chinese language is 環球晶圓股份有限公司, and GlobalWafers Co., Ltd. in English language.

Article 2

The Company shall engage in the following business:

CC01080 Electronic Parts and Components Manufacturing

C801990 Other Chemical Materials Manufacturing

F119010 Wholesale of Electronic Materials (only in areas outside Hsinchu Science Park)

F219010 Retail Sale of Electronic Materials (only in areas outside Hsinchu Science Park)

F401010 International Trade

Research and development, design, manufacture and sell the following products:

1. Silicon-based semiconductor materials and their components
2. Silicon Compound
3. Silicon Carbide Compound
4. Import-export activities related to the above mentioned business.

Article 3

The Company may provide endorsement and guarantee. The total amount of the Company's reinvestment shall not be subject to the restriction of Article 13 of the Company Act.

Article 4

The Company is headquartered in Hsinchu SBIP and may have branches or offices set elsewhere domestically and abroad as resolved by the Board of Directors and competent authorities of the government when necessary.

Article 5

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

Chapter II. Capital Stock

Article 6

The total capital stock of the Company shall be in the amount of NTD10,000,000,000, divided into 1,000,000,000 shares, at NTD10 par value, and may be issued separately. The Board of Directors is entitled to make resolutions to decide whether or not the unissued shares to be issued depending on actual needs.

Among the total capital stock indicated in the first paragraph, the amount of shares 20,000,000 should be reserved for issuing options for stock, preferred stock, or corporate bond.

The quota of aforesaid options for stock, preferred stock, or corporate bond shall be adjusted by the Board of Directors' resolutions contingent on the capital market's condition and managerial demand.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive the treasury stocks the Company repurchased pursuant to the Company Act.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive share subscription warrant of the Company.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to subscribe new shares issued by the Company.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive restricted shares issued by the Company.

Article 7

The Company may not print share certificates for the issuance. Registers of share certificates shall contact the share certificates' depository and clearing organizations and follow the regulations of that enterprise.

Article 8

Delete

Article 9

Delete

Article 10

All the Company's stockholder-related affairs shall be dealt in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 11

Share transfer registration shall be suspended 60 days preceding each regular shareholders' meeting, or 30 days preceding an extraordinary shareholders' meeting, or 5 days preceding the base day for distribution to shareholders of dividends, bonuses, or other privileges as determined by this Company.

Chapter III. Shareholders' Meeting

Article 12

The shareholders' meeting shall be convened in two forms: a regular meeting or extraordinary meeting. The regular meeting shall be held once annually and convened by the Board of Directors within six months from the closing of each fiscal year in accordance with the relevant regulations. An extraordinary meeting, if necessary, shall be convened by Board of Directors in accordance with relevant regulations.

Unless otherwise provided in the Company Act, the shareholders' meeting shall be convened by the Board of Directors.

The notices for shareholders' meeting shall be served to all shareholders in written or electrical forms 30 days in advance in case of a regular meeting of shareholders or 15 days in advance in case of a extraordinary meeting of shareholders. The written or electrical notice shall bear date, location and subjects of the meeting.

The shareholders may execute their voting right through written or electrical form, which shall be in accordance with the relevant regulations.

Article 13

A shareholder who is unavailable to attend a shareholders' meeting may duly issue a power of attorney expressly bearing the scope of the authorized power to appoint a proxy to attend the meeting on behalf. The powers of attorney shall be duly handled in accordance with "Regulations Governing Powers of Attorney Used for Attending the Shareholders' Meeting of Public Offering Companies" in addition to the requirements set forth in Article 177 of the Company Act.

Article 14

Unless otherwise provided for in the Company Act, resolutions in the shareholders' meeting shall be adopted by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares.

Article 15

Each share of stock shall be entitled to one vote, but shareholders who has no voting right and under restrictions consistent with the circumstances set forth in Article 179 of Company Act and related regulations should follow the rules.

Article 16

When the shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson. In case of the Chairperson's absence or unavailability, his/her proxy shall be the Vice Chairperson.

If the Vice Chairperson's position is in vacancy, or the Vice Chairperson is also absent, the Chairperson shall, in advance, appoint a director to act in his/her place, but if the Chairperson does not appoint his/her representative, one director shall be elected from among them to act in Chairperson's place. In the event that the shareholders' meeting is convened by others instead of the Board of Directors, the shareholders' meeting shall be chaired by that convener. In case of two or more conveners, one of them shall be elected to chair the meeting.

Article 17

Minutes of shareholders' meeting shall be proceeded subject to Article 183 of the Company Act.

Article 18

After issuing shares in public, if the Company would like to cease its public status, the procedure shall be in accordance with Article 156 of the Company Act, to attain approval by a resolution adopted, at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.

Chapter IV. Directors and the Audit Committee

Article 19

1. The Company shall have seven to eleven directors. Director election is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, and that shareholders meeting shall elect directors from among the those listed in the slate of independent director candidates.
All directors shall serve for a term of three years and shall be eligible for re-election. The total shares held by all directors shall be in compliance with the relevant regulations provided by the securities authority.
2. The aforesaid directors shall have at least three independent directors, and furthermore shall be no fewer than one-fifth of the director seats. The professional qualification, shareholding, part-time job limitation, nomination and election method and other requirements for independent directors shall be handled in compliance with the relevant regulations provided by the securities authority.

Article 20

More than two-thirds of Directors shall attend the meeting for the Board of Directors, and Chairperson and Vice Chairperson shall be elected among directors by a majority vote of the attending directors. Chairperson shall represent the Company.

Article 21

In the case that vacancies on the Board of Directors reach one third of the total number of the directors, the Board of Directors shall convene an extraordinary shareholders' meeting to fill such vacancies within 60 days. The new directors shall serve only the remaining term of the predecessors.

Article 22

The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called anytime. The notice sets forth in the preceding paragraph may be effective by means of electronic transmission or written notice.

Unless otherwise provided for in the Company Act, resolutions in the Board of Directors meeting shall be adopted by a majority vote in the meeting attended by a majority of Directors. Any director who is unable to attend a Board of Directors' meeting shall appoint another director as his/her proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director.

Article 23

If the Chairperson takes leave or is unavailable to perform his/her duties, the proxy method shall be in accordance with the Article 208 of Company Act.

Article 24

Remunerations of all directors shall be determined by the Board of Directors based on the level of their participation in business operation and the value of their contribution, and taking into account the common remuneration level in the same industry.

If the directors hold other positions at the Company, their remunerations for those positions shall be paid monthly in accordance with the common remuneration level of general managers.

Article 25

The Company establishes Audit Committee according to Article 14-4 of Securities and Exchange Act. Its composition, powers of committee members as well as the meeting rules and other requirements shall be handled in compliance with the relevant regulations provided by the securities authority.

Article 26

The Company may buy the liability insurance for all directors to the extent of the compensation responsibility assumed in business execution.

Article 26-1

The Company plans to set up functional committees, its establishment and powers of committee members shall be in accordance with the relevant regulations provided by the authority.

Chapter V. Management of the Corporation

Article 27

The Company shall have several managers whose appointment, discharge and remuneration shall be in accordance with the Company Act.

Article 28

The Company shall employ accountants and lawyers through the Board of Directors as consultants if needed. The remuneration for those consultants will be determined by the Board of Directors.

Chapter VI. Accountings

Article 29

The Company's fiscal year starts from January 1st and ends on December 31st of every calendar year.

Article 30

The surplus earning distribution or loss off-setting proposal is to be proposed at the close of each half fiscal year.

Article 30-1

The proposal of surplus earning distribution or loss off-setting for the half fiscal year, together with the business report and financial statements, shall be forwarded to the audit committee for their auditing, and afterwards be submitted to the board of directors for approval.

If the company distributes surplus earning in the form of cash in accordance with the above provision shall be approved by a meeting of the board of directors.

If such surplus earning is distributed in the form of new shares issued by the company, it shall be approved by the shareholder then distribute.

Article 30-2

Upon the closing of each fiscal year, the Board of Directors shall prepare the following documents and present it at a regular meeting of shareholders for acknowledgement in compliance with legal procedure.

- i. Business report
- ii. Financial statements
- iii. Proposal of earning distribution or loss coverage.

Article 31

If the Company has surplus at the end of each fiscal year, 3~15% of the profit shall be appropriated

for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration. However, if there are accumulated losses, certain profits shall be reserved to cover first.

The entitled employees of the aforementioned employee remuneration include the employees of parents or subsidiaries of the company who meet the conditions set by the Board.

The Company will distribute cash for directors' remuneration, and share or cash for employee remuneration. The distribution shall be resolved with a consent of a majority of the directors present at a meeting attended by more than two thirds of the total directors and reported to the shareholder's meeting by the Board.

Article 32

Where the Company has profit after tax at the end of each fiscal year, the Company shall allocate according to below priority:

1. Compensating losses
2. Contributing 10% as legal reserve. If the legal reserve has reached the amount of the paid-in capital of the Company, no contribution shall be made
3. Appropriating or transferred to special reserve in accordance with applicable laws and regulations or as requested by the competent authority.
4. After the above 1~3 are deducted from profit after tax of the fiscal year, the balance (if any) together with accumulated inappropriate retained earnings of previous years can be distributed after the distribution plan proposed by the Board. When the distribution is cash, pursuant to Article 240, subparagraph 5 of the Company Act, the Company authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If the distribution is new share issuance, it shall be approved by the shareholders' meeting and distribute.

In order to maintain continuous operation and steady growth of EPS, dividend for shareholders shall be more than 50% of the profit after tax deducting the appropriation of special surplus of the year by the regulations, and the shareholder dividend distribution rate shall be no less than 50% of the cash dividend.

Article 33

Pursuant to Article 241 of the Company Act, , the Company distributes its legal reserve and the capital reserve in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash.

When the distribution is cash, the Company authorizes the board to resolve after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If the distribution is new share issuance, it shall be approved by the shareholders' meeting and distribute.

Chapter VII. Supplementary Provisions

Article 34

Relevant matters not provided for in these Articles shall be handled in accordance with the provisions of the Company Act.

Article 35

This articles of Incorporation is established on June 17th, 2011

The 1st amendment on August 10th, 2011

The 2nd amendment on January 12th, 2012

The 3rd amendment on June 27th, 2012

The 4th amendment on March 19th, 2013

The 5th amendment on May 26th, 2014

The 6th amendment on January 19th, 2015

The 7th amendment on June 23th, 2015

The 8th amendment on June 22nd, 2016

The 9th amendment on June 25th, 2018

The 10th amendment on June 25th, 2019

The 11th amendment on June 23th, 2020

Implement after approvals from the meeting of stockholders

Appendix 3

GlobalWafers Co., Ltd.

Rules for Election of Directors

Article 1

Unless otherwise provided in the Company Law or the Articles of Incorporation of this Company, the independent and non-independent directors of this Company shall be elected in accordance with the rules specified herein.

Article 2

Election of directors of this Company shall be held at the shareholders' meeting. The board of directors shall prepare ballots and note the number of voting rights.

Article 3

The election of directors shall adopt a disclosed cumulative voting method. Each share represents a weighted number of voting rights equivalent to the number of directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates. Those persons with the greatest numbers of ballots representing voting rights shall be elected as director in order of number of ballots received. Each voter will be identified by his/her attendance card number as printed on his/her ballot.

Article 4

The Company's directors elections shall be conducted in accordance with the candidate nomination system specified in Article 192-1 of the Company Act.

Article 5

In the election of directors of this Company, independent directors and non-independent directors should be elected from the same election with the effective seats calculated specifically. Candidates who acquire more votes should individually win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

Article 6

The Board of Directors shall prepare ballots and distribute one ballot to each shareholder identified by his/her attendance card number. Each ballot shall contain the votes that the voter is entitled to in the election.

Article 7

At the beginning of the election, the Chairman shall appoint several persons each to check and record the ballots. The persons to check the ballots may be appointed from among the shareholders present.

Article 8

The ballot box used for voting shall be prepared by this Company and checked in public by the person to check the ballots before voting.

Article 9

If the candidate is a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number. If the candidate is not a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and the candidate's ID number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column. If there are several representatives, each of the representatives' names must be filled in.

Article 10

Ballots shall be deemed void under the following conditions:

7. Ballots not prepared by the Board of Directors;
8. The number of candidates filled in the ballot exceeding the number of the seats to be elected.
9. Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number);
10. The handwriting on the ballots is too illegible to be identified or is altered;
11. If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register. If the candidate is not a shareholder of this Company, the name or ID number of the candidate filled in the ballot is incorrect;
12. Ballots without being filled in candidate's name or shareholder's number (ID number).

Article 11

The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairperson or the designee at the meeting.

Article 12

This Company shall issue notifications to the directors elected, who shall also sign the "Consent to Act as (Independent) Director"

Article 13

These rules and any revision thereof shall become effective after approval at the shareholders' meeting.

Article 14

This Procedure was enacted on January 19, 2015.

First amendment on June 25, 2019

Appendix 4

GlobalWafers Co., Ltd.

Policies and Procedures for Financial Derivatives Transactions

Article 1

The Company shall follow the Policies and Procedures when doing financial derivatives transactions. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules and regulations.

Article 2

The term "derivatives" in these Procedures means products such as Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.

Article 3

The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

Article 4

Derivative products that the Company can buy or sell include foreign currency forward contracts, option contracts and swaps of foreign currency as well as interest rate.

Article 5

The profit of the Company shall be derived from operation. The Company engages in above derivatives transactions shall be based on the principle of hedging currency and interest rate risks only, opportunism transaction are not allowed. The instruments shall meet the Company's actual hedging needs

Article 6

For derivatives transactions in which the Company engages, loss limit is US\$250,000 of the contract amount in aggregate. The individual contracts loss limit is 10% of the principal amount respectively and shall not exceed US\$250,000. Loss limit is 20% of the contract amount for any individual contract or for all contracts in aggregate. The aforementioned "transaction-oriented" refers to holding /issuing derivative transaction to profit from price difference. "Non-transaction-oriented" or "Hedge-oriented" refers to transactions for other purposes.

Article 7: Division of authority and duties

- (1) Finance Department is responsible for building currency strategy and negotiation, as well as setting up quarterly hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and balance position for risk control.
- (2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for President's approval. Any deviation can only be executed upon receiving President's approval.

Article 8: Performance assessments

- (1) The performance assessments are based on the gain or loss between account exchange and interest rate and derivative trading.
- (2) The Finance Department shall assess market prices and evaluate hedging performance each week. "Transaction-oriented" position shall be evaluated at least once a week; "Non-transaction-oriented" or "Hedge-oriented" position shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.

Article 9

The total contract amount from derivative trading shall not exceed the total foreign currency position of accounts receivable, accounts payable and deposit arising from operation, and shall be reported to the latest BOD meeting after transaction. Apart from business, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling, and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.

Article 10 : Authorization

- (1) The amount within US\$500 thousand or equivalent foreign currency on each transaction shall be approved by President.
- (2) The amount exceed US\$500 thousand on each transaction shall be approved by Chairperson.

Article 11

Finance Department shall evaluate the financial institution with better condition, and engage in derivative trading within the agreement after getting the approval of President and Chairperson.

Article 12

The dealers shall ensure derivative transactions complete and consistent with relevant regulations. After being public, the Company shall submit derivatives transactions as of last month of the Company

and its overseas public subsidiaries to the information disclosure website designated by the Securities and Futures Commission on a monthly basis by the 10th of every month.

Article 13

Finance Department shall make trading slip and details regarding derivatives transaction in accordance with transaction voucher and submit to the manager in charge for review. Finance department personnel shall confirm transaction contents with banks are in accordance with the aforementioned trading slips and details and submit to President for approval.

Article 14

The balance from the derivative trading shall be settled by the Finance Department immediately.

Article 15

The accounting handling towards the Company's derivative transactions will be conducted in accordance with the requirements of the General Acceptable Accounting Principles and the relevant Financial Accounting Principle Statement. The accounting of derivatives transactions entered into by the Company shall be processed pursuant to the Statements of Financial Accounting Standards No. 14 "Accounting for Financial Instruments".

Article 16

4 Internal Control

- (1) The Financial unit's transaction personnel and confirmation and settlement operations personnel may not concurrently serve in more than one of those positions.
- (2) Trading personnel shall submit foreign exchange trading slip to confirmation personnel for record.
- (3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.
- (4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.

5 Risk Management

(1) Credit risk

Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or professional brokerage house to avoid default risk.

(2) Market Risk

Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled.

(3) Liquidity Risk

Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

(4) Cash flow Risk

Source found for derivative transaction shall come from the Company's own funds.

Operational fund for next three months should be taken into consideration when deciding transaction amount.

(5) Operation Risk

The Company shall comply with the authorized trading amount and the rules of operating process in order to avoid the operating risk.

(6) Legal Risk

Any legal documents with banks in respect of financial derivative transactions shall first be reviewed by in-house and/or outside legal counsel before being executed to control legal risk.

6 Periodic evaluation

- (1) The Finance Department shall assess market prices and evaluate hedging performance each week. "Transaction-oriented" amount shall be evaluated at least once a week; "Non-transaction-oriented" or "Hedge-oriented" amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.
- (2) The designated personnel appointed by the board of directors to monitor and control derivatives trading risks on an ongoing basis shall also at regular intervals evaluate whether trading performance accords with established operational strategies, and whether risks assumed are within a tolerable range. They shall at regular intervals evaluate whether the risk management procedures currently in use are appropriate and scrupulously conducted in accordance with these Procedures.
- (3) The chief financial officer shall monitor the trading and profit and loss situation. When any irregularity is discovered, the chief financial officer shall report to the board of directors. If independent director(s) have been appointed, the board of directors shall have the independent director(s) attend and express an opinion.
- (4) The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 1, 2 of this article shall be recorded in detail in the log book.

Article 17

An internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an

audit report. If any material violation is discovered, the audit committee shall be notified in writing. Manager and dealers shall follow the procedures when doing derivative transactions, if any violation to the procedure or relevant regulations, he/she shall be punished in accordance with Personnel Evaluation Committee regulations.

Article 18

After the procedures have been approved by more than half of all Audit Committee members, this shall be submitted to the board of directors for a resolution and be implemented after approved by a shareholders' meeting. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit his/her dissenting opinion to shareholders' meeting for discussion; the same applies when the procedures are amended.

If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

Article 19

The Procedure was enacted on October 25th, 2011.

The 1st amendment was made on June 25, 2013.

The 2nd amendment was made on January 19, 2015.

The 3rd amendment was made on February 20, 2017.

The 4th amendment was made on June 25, 2019.

Appendix 5

GlobalWafers Co., Ltd.

Acquisition or Disposal of Assets Procedure

Article 1

These Procedures for acquisition or disposal of assets ("Procedures") is made pursuant to Article 36-1 of the Securities and Exchange Act ("the Act") and the Financial Supervisory Commission (hereinafter referred to as "FSC") per the Regulations Governing the Acquisition or Disposal of Assets by Public Companies

Article 2

The term "assets" as used in these Regulations includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets

Article 2-1

Terms used in these Regulations are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from

another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 3

Operating Procedures

1. Before any asset acquisition or disposal, responsible unit shall take into account the reasons, affecting objects, transaction parties, transfer price, terms of transaction, and references of price.
2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.
3. Amount limits for investment in non- operational purpose fixed assets or right-of-use assets, and securities are as below:
 - (1) The total amount of any real property or right-of-use assets purchased by the Company not for use in business operations may not exceed fifteen percent (15%) of the Company's net worth; the total amount of any real property or right-of-use assets purchased by a subsidiary of the Company not for use in business operations may not exceed five percent (5%) of the Company's net worth.
 - (2) The total amount of investment by the Company in all securities may not exceed two

hundred percent (200%) of its net worth; the total amount of investment in all securities by a subsidiary of the Company may not exceed two hundred percent (200%) of the Company's net worth.

- (3) The amount of the Company's investment in any single security may not exceed one hundred and fifty percent (150%) of its net worth; the amount of investment by a subsidiary of the Company in any single security may not exceed one hundred and fifty percent (150%) of the Company's net worth.
- (4) The reinvestment of the Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed forty percent (40%) of the paid-in capital.

When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where the Audit Committee has been established, any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.

If the aforesaid transaction of major assets or derivatives has not been approved by such Audit Committee with the consent of one-half or more than one-half of all members of the audit committee, it may be undertaken upon the consent of at least two-thirds of all members of the Board of Directors, but the resolution adopted by the audit committee shall be recorded in the meeting minutes of the Board of Directors meeting.

The Audit Committee members and the Board of Directors members in preceding paragraph will only calculate the members in present position.

Article 4

Appraisal Rules

1. Authorization scope
 - (1) Acquisition or disposal of long-term securities and fixed assets or right-of-use assets whose value under NT\$100 million shall be approved by Chairperson first.
 - (2) Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under NT\$ 100 million shall be approved by President first.
 - (3) The acquisition or disposal of equipment or right-of-use assets of which amount is under NT\$ 100 million shall be approved by Chairperson first.
2. Acquisition or Disposal of Assets prices shall proceed according to Article 8 of the Procedure.

Article 5

Public Disclosure

1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:
 - (1) Acquisition or disposal of real property or right-of-use assets from or to a related party, or

acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the money market issued by domestic securities investment trust enterprises

- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- (4) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.
- (5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is less than NT\$500 million.
- (6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - i. Trading of domestic government bonds.
 - ii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. The amount of transactions above shall be calculated as follows:

- (1) The amount of any individual transaction.
- (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
- (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

- 3. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.
- 4. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- 5. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date of knowing.

6. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

Article 6

Announcement and Reporting

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within two (2) days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 7

In acquiring or disposing of real property or equipment or right-of-use assets thereof where the transaction amount reaches twenty percent (20%) of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. 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 certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The discrepancy between the appraisal result and the transaction amount is twenty percent (20%) or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is ten percent (10%) or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a

professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 8

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty percent (20%) of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. 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).

Article 9

Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches twenty percent (20%) or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

The calculation of the transaction amounts referred to in the preceding two articles and this paragraph shall be done in accordance with Article 5, 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 for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 10

Where a public company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion

Article 11

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or

for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion 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.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 12

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9, Paragraph 2 herein.

When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered

2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a trading counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.

- (4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (7) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, 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 the Audit Committee need not be counted toward the transaction amount.

With respect to below transactions made among the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds one hundred percent (100 %) of the issued shares or authorized capital, Board of Directors may pursuant to the procedure delegate the chairperson to decide such matters when the transaction is within NTD 100 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use
 - (2) Acquisition or disposal of real property right-of-use assets held for business use
3. The Company that acquires real property or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs by the following means (where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in below paragraph, and the Company shall also engage a CPA to check the appraisal and render a specific opinion):
- (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer.
 - (2) "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (3) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific

opinion.

4. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 2 of this Article and paragraph 3 here do not apply:
 - (1) The related party acquired the real property or right-of-use assets through inheritance or as a gift.
 - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.
 - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - (4) The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds one hundred percent (100 %) of the issued shares or authorized capital.
5. When the results of the Company's appraisal conducted in accordance with sub paragraph 1 and 2 under paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 6 of the Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - i 、 Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - ii 、 Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
 - (3) Completed transactions for neighboring or closely valued parcels of land in the preceding two paragraphs in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than

fifty percent (50%) of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

6. Where the Company acquires real property or the right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the Paragraph 3~5 of the Article are uniformly lower than the transaction price, the following steps shall be taken:

- (1) A special reserve shall be set aside in accordance with related regulations against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under related regulations shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.
- (2) Audit Committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to preceding 2 subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the paragraphs of this Article if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 13

The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds one hundred percent (100%) of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds one hundred percent (100%) of the respective subsidiaries' issued shares or authorized capital.

Article 14

The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and

include it along with the expert opinion referred to in preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 15

A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

- (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in preceding subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

Article 16

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 17

The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
- (2) An action, such as a disposal of major assets, that affects the company's financial operations.
- (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 18

The contract for participation by the Company in a merger, demerger, acquisition, or transfer of shares shall record the rights and obligations of the companies and shall also record the following:

- (1) Handling of breach of contract.
- (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
- (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- (4) The manner of handling changes in the number of participating entities or companies.

- (5) Preliminary progress schedule for plan execution, and anticipated completion date.
- (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 19

After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew

Article 20

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 15, Article 16, and Article 19.

Article 21

Acquisition or disposal of assets by the Company's subsidiary shall obey as follows:

1. The Company's subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures.
2. If the acquisition or disposal of assets by the Company's subsidiary, which is not a domestic public company, reaches the reporting criteria specified in Article 5 of the Procedures, the Company shall make the reporting and public announcements on behalf of its subsidiary.
3. "Reaching twenty percent (20%) of paid-in capital or 10% of total assets" specified in the regulatory of subsidiary reporting and public announcements criteria shall be the paid-in capital or total assets of the parent Company.
4. The term "subsidiary" as used in these procedures, means following companies directly or indirectly controlled by the Company throughout the country or overseas:
 - (1) the invested Company in which the Company directly holds more than fifty percent (50%) issued voting shares
 - (2) each invested Company in which the Company through its subsidiaries indirectly holds more than fifty percent (50%) issued voting shares and the rest shall apply the same.
 - (3) each invested Company in which the Company directly and through its subsidiaries indirectly holds more than fifty percent (50%) issued voting shares and the rest shall apply the same.

Article 22

The Company should comply with Derivative Instruments Transactions Procedure when engaging in derivatives trading.

Article 23

Financial report disclosure

The Company shall disclose the information of transaction of assets in financial statement and announce in shareholder's meeting if the acquisition or disposal transaction meets the disclosure requirements set forth in Article 5 and also the transaction is with related parties.

Article 24

Matters not provided herein shall be governed by the relevant laws and regulations and the relevant regulations of the Company.

Article 25

After the procedures have been approved by more than half of all Audit Committee members, this shall be submitted to the board of directors for a resolution and be implemented after approved by a shareholders' meeting. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit his/her dissenting opinion to shareholders' meeting for discussion; the same applies when the procedures are amended.

If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

Article 26

For the calculation of ten percent (10%) of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company 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 Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.

Article 27

Any manager or employee who undertakes responsibilities for acquisition or disposal of assets in violation of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the Procedure will be subject to penalty according to the Company's "Personnel Evaluation Committee Regulations."

Article 28

The Company shall not give up capital increase in future years to GlobalSemiconductor Inc.(GSI), GlobalWafers Inc.(GWI) and GlobalWafers Japan Co., Ltd.

GSI shall not give up capital increase in future years to Kunshan Sino Silicon Technology Co., Ltd. (SST)

The Company, GWI and the Company's subsidiaries shall not give up capital increase in future years to GlobiTech Incorporated

If the aforesaid companies have to give up capital increase or dispose of above mentioned subsidiaries due to consideration of strategic alliance or other factors in the future, it shall acquire OTC's consent as well as submit to the Board of Directors for special resolution approval. Also, if the Procedure is amended, the Company shall make material announcement in MOPS and submit to OTC for recordation.

Article 29

The Procedures were enacted on May 26, 2014

The 1st amendment was made on January 19, 2015

The 2nd amendment was made on June 23, 2015

The 3rd amendment was made on June 22, 2016

The 4th amendment was made on June 19, 2017

The 5th amendment was made on June 25, 2018

The 6th amendment was made on June 25, 2019

Appendix 6

GlobalWafers Co., Ltd.

Shareholdings of Directors

- 1 As of book closure date (2021/4/24), total issued shares is 437,250,000 shares, the minimum numbers of shares required to be held by all directors is equivalent to 16,000,000 shares in accordance with Article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”
- 2 The company has established audit committee, the regulation of supervisors’ shareholding numbers are not applicable.
- 3 The numbers of shares held by the directors individually as recorded as of the book closure date for that shareholders' meeting (2021/4/24) are shown as below table.

Position	Name	Shareholdings
Chairperson	Hsiu-lan Hsu	847,879
Director	Sino-American Silicon Products Inc. Representative: Ming-kuang Lu	222,727,000
Director	Sino-American Silicon Products Inc. Representative: Tan-liang Yao	222,727,000
Director	Kuo-chow Chen	665,773
Independent Director	Chi-hsiung Cheng	1,005
Independent Director	Jeng-ywan Jeng	0
Independent Director	Hsien-chin Chiu	0
Total		224,241,657

Appendix 7

Other Statement

Explanatory notes for the proposal at the annual general shareholders' meeting:

1. Pursuant to the Article 172-1 of Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed, matters more than one will not be included in the discussion proposal.
2. Submission period applicable to common shareholders of GWC starts from April 17 to April 27, 2021. The Company has made a public announcement on MOPS.
3. The Company has not received any proposal from shareholders yet.