



## GlobalWafers Co., Ltd. 2019 Annual General Shareholders' Meeting Minutes

Time: 9:00 a.m., Monday, June 25, 2019

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

Total common shares outstanding: 435,237,000 shares

(Deducting treasury stock 2,013,000 shares)

Attending shareholders and proxy representing: 378,473,721 shares (including 375,631,996 shares of e-voting)

Ratio of Attending shareholders and proxy representing to total common shares outstanding:  
86.95%

Directors: Hsiu-Lan Hsu

Ming-Kuang Lu

Tang-Liang Yao

Kuo-Chow Chen

Chi-Hsiung Cheng (independent director/Audit committee chair)

CPA: Chen-Chien Chen (KPMG)

Chairperson: Hsiu-Lan Hsu

Secretary: Ming-Hui Chien

### I. Call Meeting to Order:

The aggregate shareholding of the presenting shareholders constituted a quorum.

### II. Chairman's Address:(Omitted)

### III. Report Items

- Item 1** Fiscal 2018 Business Report submitted for review  
Please refer to the Fiscal 2018 Business Report on page 10 of this handbook.
- Item 2** Audit Committee's report on 2018 annual final accounting books and statements submitted for review  
Please refer to the Audit Committee's 2018 Review Report on page 15 of this handbook.
- Item 3** Distribution of remuneration to directors and employees in fiscal 2018, submitted for review
- (1) The company 2018 earning (Before deducting remuneration to employees and directors from Profit before Tax) is NTD 16,649,145,156. Pursuant to Article 31-1 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 504,801,000 to employees (distribution ratio 3.03%) and NTD 50,060,000 to directors (distribution ratio 0.30%). 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** First share repurchase implementation submitted for review  
Please refer to First share repurchase implementation and "Regulations Governing Share Repurchase Transfer to the Employees" on page 16 and 17 of this handbook.
- Item 5** Amendment to "Codes of Ethical Conduct" submitted for review  
To be in compliance with governmental regulations, the amendment of "Codes of Ethical Conduct" is approved in the board meeting convened in March 19, 2019. Please refer to Comparison Chart on page 19 of this handbook.

## IV. Approval Items

### Item 1

(Proposed by the Board of Directors)

Motion: To accept FY 2018 financial statements

- (1) 2018 Financial Statements were audited by KPMG CPAs, Chen, Chen-Chien, and Cheng, An-Chih. The aforementioned and FY 2018 business report have been approved by the board and the audit committee with review report.
- (2) Please refer to the Business Report and the Financial Statements on page 10 and 23 of this handbook.
- (3) Approval requested

Resolution: Voting result as below:

Voting Result	
In favor	344,033,236 votes (as 90.90% of the total represented share present)
Against	6,006 votes
Abstained	34,434,479 votes
Invalid	0 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

### Item 2

(Proposed by the Board of Directors)

Motion: To approve 2018 profit distribution proposal

- (1) 2018 Net income is NTD 13,630,673,699, the the Company proposes to distribute cash dividend for shareholder in NTD 25 per share, totaled NTD 10,880,925,000.
- (2) Upon the approval of shareholders meeting, it is proposed to resolve July 23, 2019 as ex-dividend date, August 9, 2019 as payment date. The dividend will be distributed in cash rounding to dollar unit according to the ratio of the share registry by the record date. The total amount of the odd distribution below NT\$1 will be included in other income.
- (3) In the event that the proposed profit distribution is affected by an amendment to relevant laws or regulations, or a buyback of shares or issuance or cancellation of transferring treasury shares to employees for equity conversion in connection with domestic convertible corporate bonds or employee stock options, or other matter which results in share variation, it is proposed that the chairperson to be authorized by shareholder meeting to adjust the cash to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
- (4) Please refer page 41 for 2018 Earning Distribution Statement
- (5) Resolution requested.

Resolution: Voting result as below:

Voting Result	
In favor	344,350,471 votes (as 90.98% of the total represented share present)
Against	6,006 votes
Abstained	34,117,244 votes
Invalid	0 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

## V. Discussion Items

### Item 1

(Proposed by the Board of Directors)

Motion: Amendment to the “Articles of Incorporation”

- (1) To be consistent with the amendment to the Company Act and new business items required for operational needs, the Company proposes to amend “Articles of Incorporation” accordingly. Please refer to the comparison chart on page 42 of this handbook.
- (2) Resolution requested

Resolution: Voting result as below:

Voting Result	
In favor	343,948,238 votes (as 90.87% of the total represented share present)
Against	408,006 votes
Abstained	34,117,477 votes
Invalid	0 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

### Item 2

(Proposed by the Board of Directors)

Motion: Amendment to “Rules for Election of Directors”

- (1) To be consistent with Articles of Incorporation, which stipulates the election of directors should adopt candidate nomination system, the Company proposes to amend “Rules for Election of Directors” accordingly. Please refer to the comparison chart on page 47 of this handbook.
- (2) Resolution requested

Resolution: Voting result as below:

Voting Result	
In favor	344,321,238 votes (as 90.97% of the total represented share present)
Against	7,006 votes
Abstained	34,145,477 votes
Invalid	0 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

**Item 3**

(Proposed by the Board of Directors)

Motion: Amendment to “Acquisition or Disposal of Assets Procedure”

- (1) To satisfy authority’s requests as well as to be consistent with the latest regulation, the Company proposes to amend “Acquisition or Disposal of Assets Procedure” accordingly. Please refer to the comparison chart on page 48 of this handbook.
- (2) Resolution requested

Resolution: Voting result as below:

Voting Result	
In favor	344,349,238 votes (as 90.98% of the total represented share present)
Against	7,006 votes
Abstained	34,117,477 votes
Invalid	0 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

**Item 4**

(Proposed by the Board of Directors)

Motion: Amendment to “Policies and Procedures for Financial Derivatives”

- (1) To be consistent with the latest regulation, the Company proposes to amend “Policies and Procedures for Financial Derivatives” accordingly. Please refer to the comparison chart on page 76 of this handbook.
- (2) Resolution requested

Resolution: Voting result as below:

Voting Result	
In favor	344,347,238 votes (as 90.98% of the total represented share present)
Against	8,006 votes
Abstained	34,118,477 votes
Invalid	0 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

**Item 5**

(Proposed by the Board of Directors)

Motion: Amendment to “Procedures for Lending Funds to Other Parties”

- (1) To be consistent with the latest regulation, the Company proposes to amend “Procedures for Lending Funds to Other Parties” accordingly. Please refer to the comparison chart on page 125 of this handbook.
- (2) Resolution requested

Resolution: Voting result as below:

Voting Result	
In favor	344,348,238 votes (as 90.98% of the total represented share present)
Against	8,006 votes
Abstained	34,117,477 votes
Invalid	0 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

**Item 6**

(Proposed by the Board of Directors)

Motion: Amendment to “Procedures for Endorsement and Guarantee”

- (1) To be consistent with the latest regulation, the Company proposes to amend “Procedures for Endorsement and Guarantee” accordingly. Please refer to the comparison chart on page 131 of this handbook.
- (2) Resolution requested

Resolution: Voting result as below:

Voting Result	
In favor	344,389,238 votes (as 90.99% of the total represented share present)
Against	7,006 votes
Abstained	34,077,477 votes
Invalid	0 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

## VI. Election

### Item 1

(Proposed by the Board of Directors)

Motion: Election to fulfill independent director vacancy

- (1) The former independent director, Chun-yen Chang, passed away and was dismissed on October 12, 2018. Pursuant to Article 14-2 of Securities and Exchange Act, when an independent director is dismissed for any reason, resulting in a number of directors lower than that required under the company's articles of incorporation, a by-election for independent director shall be held at the next following shareholders meeting.
- (2) The independent director vacancy fulfillment is in compliance with related regulations. The election of independent director adopts candidate nomination system, and shareholders shall elect from among those listed in the slate of independent director candidates. Please refer to the Independent Director Candidate on page 88 of this handbook.
- (3) The term of new directors is effective immediately after the election, and shall serve same term with current Board Meeting (2019/6/25~2021/6/24)
- (4) Election requested

Election result:

Votes of the newly elected directors as below :

Title	Shareholder Account No./ ID No.	Name	Votes Received
Independent Director	E121*****	Kwang-Leei Young	315,623,919



## VII. Other Proposals

### Item 1

(Proposed by the Board of Directors)

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

- (1) Pursuant to Article 209 of the Company Act, A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) To rely on expertise and relevant work experiences of directors, hereby request the shareholders' approval to release the director and his/her legal representatives from the non-competition restrictions.
- (3) The non-competition restriction of the newly elected director is as below:

Title	Name	Concurrent Job
Independent director	Kwang-Leei Young	Director / Intention Intelligence Co., Ltd.

- (4) Resolution requested

Resolution: Voting result as below:

Voting Result	
In favor	339,633,229 votes (as 89.73% of the total represented share present)
Against	37,880 votes
Abstained	38,802,612 votes
Invalid	0 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

## VIII. Extemporary Motion: None

## IX. Meeting Adjourned: 09:45 a.m., Monday, June 25, 2019

The minutes record the meeting subject and results only; specific content, procedure as well as shareholders' speeches please refer to video record.

## Attachment 1

### GlobalWafers Co., Ltd.

#### Fiscal 2018 Business Report

The semiconductor market grows rapidly in 2018. New development of capacity and technologies stimulate the demand for high-quality silicon wafers. Under such prosperity, GlobalWafers dedicates to maximize the synergy of the merger and acquisition. Through flexible arrangement and operation reinforcement, all subsidiaries are fully loaded to cope with robust demands. Through the concerted efforts of all colleagues, GlobalWafers has set numerous records. By the end of 2018, GlobalWafers has achieved revenue growth for 12 consecutive quarters with outstanding results and annual profit reaches record high! The consolidated revenue for 2018 is NT\$59.064 billion, up by 27.8% from last year. Due to the increase in wafer prices and aggressive cost control, gross profit increases to 38%, amounting to NT\$22.299 billion; net profit is NT\$17.578 billion, after-tax earnings per share is NT\$31.18. Please see below summary on 2018 operation performance, 2018 business plan, future strategy, influence of competition, regulations and macro economics.

#### A. Operation Performance

##### 1. Operation Performance

Unit: NT\$'000

Year Item	2018 (IFRSs)	2017 (IFRSs)	Change (%)
Revenue	59,063,510	46,212,601	28%
Cost of Goods	36,764,666	34,404,835	7%
Gross Profit	22,298,844	11,807,766	89%
Operating Expenses	4,720,793	4,394,224	7%
Operating Income	17,578,051	7,413,542	137%
Profit Before Tax	18,253,367	6,874,699	166%
Net Profit	13,633,771	5,278,207	158%

Benefiting from the rapid growth of the semiconductor industry and applications evolution, GlobalWafers' one-stop order, global service operation model along with diversified and complete product portfolio fully satisfy strict requirements of customers, revenue soars consequently. Selling price adjustment and strict cost control also optimizes profitability, gross margin increases from 26% to 38%, and net profit also improves from 11% to 23%.

##### 2. Budget Implementation: No financial forecast for 2018

### 3. Profitability Analysis

Item		2018	2017
Financial structure	Debt ratio (%)	51.95%	51.51%
	Long-term funds to PPE (%) (PPE-plant, property, equipment)	211.74%	170.13%
Profitability	ROA (%) (return on assets)	17.14%	8.53%
	ROE (%) (return on equity)	35.32%	21.18%
	Operating Income to Capital Stock (%)	402.01%	169.54%
	Profit Before Tax to Capital Stock (%)	417.46%	157.22%
	Net Profit Margin (%)	23.08%	11.42%
	EPS (NT\$)	31.18	12.68

### 4. Financial Structure (expressed in NTD thousands)

2018 revenue is NT\$59,063,510; cost of goods is NT\$36,764,666. Operating expense is NT\$4,720,793. Net non-operating income is NT\$675,316. Net profit before tax is NT\$18,253,367. Net profit after tax is NT\$13,633,771. The financial structure is healthy.

### 5. Research & Development

#### (1) 2018 Research & Development Expenditure

		Unit: NT\$'000	
Item / Year	2018	2017	
Research and Development Expenses	1,650,559	1,445,060	
Sales Revenue	59,063,510	46,212,601	
%	2.79%	3.13%	

#### (2) 2018 Achievement

##### Technology/Product

- (1) Monocrystalline ingot growth technology for Boron-doped MCZ Ingot with resistivity >8000Ω-cm
- (2) Automatic counter doping high resistivity ingot growth technology
- (3) High frequency application SOI wafer
- (4) Silicon substrate for 7nm IC process
- (5) Big data application for wire saw slicing process
- (6) 12-hour single crystal twin rod continuous feeding CZ crystal growth
- (7) Model Predictive Automatic Crystal Pulling Process Control
- (8) 8" Ultra high flatness acid etched single side polishing technology development
- (9) New "ECAS®" wafer for highresolution CMOS image sensor with lower white defect
- (10) Lower carbon technology for 8" and 12" MCZ crystal growth
- (11) High Breakdown votolage E-mode GaN on Novel SOIwafer development

(12) GaN On semi-Insulated SiC Epitaxy technology development

(3) Future Plan

- (1) Ultra low resistivity <math>0.7\text{m}\Omega\text{-cm}</math> wafer with Phosphorus doped
- (2) Ultra low resistivity <math>1.8\text{m}\Omega\text{-cm}</math> wafer with Arsenic doped
- (3) SiC wafer for next generation high power automotive electronic device application
- (4) Epi-substrate for GaN\_HEMT application
- (5) High strength and ultra thin silicon substrate with nano structure
- (6) SOI substrate for next generation RF device application
- (7) Silicon wafer for 3 nano IC process
- (8) "ECAS®" wafer for highresolution CMOS image sensor(CIS)
- (9) "ECAS®" waferfor next generation 3D memory device
- (10) 12" MCZ wafer with lower carbon and lower oxygen for power devices, memory devices, and mobile CIS

B. Future Business Plan

1. Business Guideline

- (1) Flexible production arrangement to achieve economies-of-scale competitiveness; synchronize with end market and strengthen R&D bonding with customers; expand market share and profitability.
- (2) Use current customer networking to expand FZ/SOI sales territory, increasing utilization rate and profitability.
- (3) Active deployment on niche patents and process so as to facilitate new technology and product development; strengthen patent strategy.

2. Sales Forecast and the basis

World Semiconductor Trade Statistics (WSTS) announced the global semiconductor industry posted sales of \$468.8 billion in 2018, an increase of 13.7 % compared to \$412.2 billion in 2017 total. The year 2019 is forecasted to be down 3.0%, modest growths are expected to return in 2020 and 2021 by 3.2% and 3.7% respectively. 2017~2021 annual average growth rate of global semiconductor shipments will reach 3.6%.

Among major semiconductor product categories, WSTS recorded growth in 2018 for discrete (11.7%/ \$ 24.194 billion), optoelectronics (11.2%/ \$38.715 billion), sensors (6.6%/ \$13.402 billion), IC (17%/ \$401.625 billion). When break down to details, Memory (33.2%/ \$165.11 billion), Logic (7.3%/ \$109.672 billion), Micro (6.4%/ \$68.041 billion) and Analog (10.8%/ \$58.803 billion).

3. Production & Marketing Strategy

- (1) Integrate technology and resources among group, debottleneck to maximize capacity. Speed up in R&D consolidation of newly acquired business entities and set up international platform for further technology discussion in pursuit of better quality and customer satisfaction.
- (2) Stabilize supply of key raw materials and parts to ensure superior production quality and on-time delivery in order to secure smooth production.
- (3) Focus on development of high-efficiency niche products with core technology for more value.
- (4) Sign long-term agreement with key partners to solidify cooperation.

#### 4. Future Strategy

- (1) Develop next-generation wafers with our advancing technology; explore large size heavy-dopant & high-power epitaxial technology to become the biggest wafer maker with most complete product portfolio in the world.
- (2) Closely grasp market and industry trends as well as fine tune business strategies simultaneously; restlessly develop potential products in various applications; carry out patent protection measures to strengthen our own competitiveness.
- (3) Synchronize with markets and strengthen R&D bonding with customers; focus on development of high-efficiency niche products with core technology for more value; aggressively control manufacturing cost so as to maximize profits,
- (4) Search for technology and sales strategic alliance to meet our needs for R&D new materials as well as fast product introduction into end market so as to enlarge market share.

#### 5. Influences from External Competition, Regulations and Economy

- (1) Semiconductor industry has brought all kinds of products into people's daily life, embodying the deep bonding between semiconductor cycle and macroeconomics. GlobalWafers has extensive customers, and end products are widely expanded into all applications and business, such as automobile, power device and memory.....etc, which effectively reduces dangerous dependence of one industry. Consequently, we could lower the impact when macroeconomic worsens.
- (2) Entry into semiconductor business is not so easy for other competitors because of this industry is capital and technology intensive. GlobalWafers has achieved economics-of-scale operation via merge & acquisition as well as equipment expansion. Our manufacturing process and technology is qualified by tier-1 customers with deep trust. We will use our current foundation along with unique technologies in worldwide manufacturing sites to develop new niche products with higher value via core technology, and minimize costs for better profits in the same time.
- (3) Recent international situation is volatile, China-US trade tension results uncertainty to macro economy. With extensive global footprint in US and worldwide, GlobalWafers will flexibly arrange production to cope with relevant regulations and reduce the impact of trade tariffs on operating costs.

After the golden leap in 2018, the semiconductor industry is expected to return to a stable and moderate growth pace. Although China-US trade tension brings uncertainty to global economics,

consumer electronics and evolving innovations such as AI, IoT (Internet of Things) and IoV ( Internet of vehicles) still support the demands for high quality semiconductor silicon wafers. GlobalWafers will continue to collaborate closely with customers, focus on next-generation innovative products, and maximize the advantage of complete product portfolio. Not only dedicates in the existing market, GlobalWafers also grasps opportunities for further development, explore new product areas, aiming to create more values for employees, customers 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 2018 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:



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Chi-Hsiung Cheng

March 19, 2019

## Attachment 3

### GlobalWafers Co., Ltd.

#### First Share Repurchase Implementation

Share Repurchase Time	First
Date of board resolution	2018/10/30
Purpose of share repurchase	Share Transfer to Employee
Scheduled period for the repurchase	2018/10/31~2018/12/28
Repurchase price range	NTD 250 ~ NTD 300
Originally determined number of shares to be repurchase	4,000,000
Number of shares repurchased	2,013,000
Total monetary amount of shares repurchased	NTD 576,778,850
Volume of shares retired and transferred	0
Cumulative number of own shares held	2,013,000
Ratio of cumulative number of own shares held during the repurchase period to the total number of the Company's issued shares	0.46%
Reason for non-completion of the share repurchase at expiry of the repurchase period	In consideration of market mechanism and to prevent stock price impact as well as corporation capital planning and utilization, the share repurchase is not fully executed.



## **Attachment 4**

### **GlobalWafers Co., Ltd.**

#### **Rules for Shares Buyback to Transfer to Employee**

##### **Article 1**

In order to motivate employee morale and improve employee centripetal force, pursuant to relevant provisions in Subparagraph 1, Paragraph 1 of Article 28-2 of Securities Exchange Act and the "Rules for Listed Company in Shares Buyback" issued by Financial Supervisory Commission, the Company hereby formulates this Rules for Shares Buyback to Transfer to Employee. Unless otherwise prescribed by law, the shares buyback to transfer to employee by the Company shall be handled pursuant to the provisions hereof.

##### **Article 2**

The shares to be transferred to employee this time are ordinary shares, unless otherwise prescribed by relevant laws and this Rules, the rights and obligations thereof shall be the same as that of other outstanding ordinary shares.

##### **Article 3**

The shares buyback this time shall be subject to this Rules, as of the date of shares buyback, the base date for employee stock subscription will be stipulated within three years, and shares will be transferred to employee by one or several installments. Shares not transferred in due time shall be deemed as unissued shares of the Company, and cancellation and change registration shall be handled.

##### **Article 4**

All employees of the Company, including employees of subsidiary, full-time employees on the base date for stock subscription and with special contribution to the company, may enjoy subscription qualification according to the subscription amount stipulated in Article 5 hereof. The "employees of subsidiary" mentioned in preceding paragraph means the employees of domestic or overseas subsidiary of the same invested company whose over fifty percent of voting shares are held directly or indirectly by the Company. The transfer object who leaves office during the period from the base date for employee stock subscription to the deadline for subscription payment will lose subscription qualification.

#### **Article 5**

The Company shall stipulate the weight of shares to be transferred to employee according to standards such as employee grade, length of service, excellent work performance etc., and in consideration of the total amount of buyback shares held by the company on the base date for subscription and the upper limit of shares subscription by a single employee, and report to the Chairman for approval. Employee who fails to subscribe upon the expiry of subscription payment period will be deemed as waiver; for the undersubscribed balance, the Chairman may otherwise negotiate with other employees for subscription

#### **Article 6**

Operation procedures for shares buyback to transfer to employees:

According to board resolution, make announcement and declaration, and buy back the shares of the Company within execution period.

Board of Directors may authorize the Chairman to stipulate and publish operational matters such as the base date for employee stock subscription, standard of shares subscription, subscription payment period, and rights contents etc. pursuant to this Rules.

Conduct statistics on actual number of shares subscribed by payment, and handle matters such as stock transfer registration etc.

#### **Article 7**

For shares buyback to transfer to employees, the average price in actual buyback will be the transfer price (round up to NT\$ Jiao, and round off below Fen), but in case of the increase of ordinary shares already issued by the Company before transfer, it shall be adjusted according to the increase ratio of issuing shares.

#### **Article 8**

After shares buyback to transfer to employees and transfer registration, unless specified otherwise, the rest rights and obligations shall be the same as that of original shares

#### **Article 9**

The Rules will become effective after passed by the board resolution, and it may be amended by proposing for board resolution; Besides, it shall be handed in to Shareholders' Meeting for report, and the same shall apply upon amendment

#### **Article 10**

The Procedure was enacted on October 30<sup>th</sup>, 2018.

The 1<sup>st</sup> amendment was made on December 11<sup>th</sup>, 2018.

## Attachment 5

### GlobalWafers Co., Ltd.

#### Codes of Ethical Conduct Comparison Chart

Article	Before	After	Remark
1	In order to encourage directors, managers and other staff to act in line with ethical standards, and to help interested parties better understand the ethical standards of the company, "Codes of Ethical Conduct"("Code") is promulgated according to "Guidelines for the Adoption of Codes of Ethical Conduct by TWSE/GTSM Listed Companies "of Taiwan Stock Exchange Corporation as a reference to follow.	In order to encourage directors, <u>independent directors</u> , managers and other staff to act in line with ethical standards, and to help interested parties better understand the ethical standards of the company, "Codes of Ethical Conduct"("Code") is promulgated according to "Guidelines for the Adoption of Codes of Ethical Conduct by TWSE/GTSM Listed Companies "of Taiwan Stock Exchange Corporation as a reference to follow.	Add independent directors
2	The Code is applicable to directors, managers and other staff, herein referred to as the GWC staff.	The Code is applicable to directors, <u>independent directors</u> , managers and other staff, herein referred to as the GWC staff.	Add independent directors
4	<p><b>(Prevention of Conflicts of Interest)</b> The GWC staff shall perform their duties in an objective and efficient manner, avoid taking advantage of their position in the company to obtain improper benefits for below:</p> <ol style="list-style-type: none"> <li>1. Themselves or their spouse, parents, children, or relatives within the <u>third</u> degree of kinship.</li> <li>2. Company or enterprise that will financially benefit from the abovementioned either directly or indirectly.</li> <li>3. Company or enterprise of which the director or manager serve as a chairman, directors or authorizing managers.</li> </ol> <p>The company shall pay special attention to loans of funds, <u>provisions of guarantees</u>, and major asset transactions or the purchase (or sale) of goods involving the <u>enterprise</u> at which a director or manager works.</p>	<p><b>(Prevention of Conflicts of Interest)</b> The GWC staff shall perform their duties in an objective and efficient manner, avoid taking advantage of their position in the company to obtain improper benefits for below:</p> <ol style="list-style-type: none"> <li>1. Themselves or their spouse, parents, children, or relatives within the <u>second</u> degree of kinship.</li> <li>2. Company or enterprise that will financially benefit from the abovementioned either directly or indirectly.</li> <li>3. Company or enterprise of which the director or manager serve as a chairman, directors or authorizing managers.</li> </ol> <p>The company shall pay special attention to loans of funds, <u>provisions of guarantees</u>, and major asset transactions or the purchase (or sale) of goods involving the <u>affiliated enterprise</u> at which a director or manager works.</p>	Modify based on "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies"

5	<p><b><u>(Minimizing Incentives to Pursue Personal Gain)</u></b></p> <p><u>When the company has an opportunity for profit</u>, the GWC staff should <u>protect and increase reasonable and proper benefits for the company</u>, and prevent following <u>activities</u>:</p> <ol style="list-style-type: none"> <li>1. Seeking an opportunity to pursue benefit whether for self or for others by using company property, information or taking advantage of their positions.</li> <li>2. Obtaining personal benefit whether for self or for others by using company property, information or taking advantage of their positions.</li> <li>3. Competing with the company.</li> </ol> <p>When the company has an opportunity for profit, it is the responsibility of the GWC staff to maximize the reasonable and proper benefits that company can obtained.</p>	<p><b><u>(Minimizing Incentives to Pursue Personal Gain)</u></b></p> <p>The GWC staff shall <u>prevent engaging in below activities</u></p> <ol style="list-style-type: none"> <li>1. Seeking an opportunity to pursue benefit whether for self or for others by using company property, information or taking advantage of their positions.</li> <li>2. Obtaining personal benefit whether for self or for others by using company property, information or taking advantage of their positions.</li> <li>3. Competing with the company.</li> </ol> <p>When the company has an opportunity for profit, it is the responsibility of the GWC staff to maximize the reasonable and proper benefits that company can obtained.</p>	<p>Modify based on “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies”</p>
9	<p><b>(Compliance with Laws and Regulations)</b></p> <p>All the GWC staff shall <u>comply with and propagate</u> Securities and Exchange Act and other regulations regarding corporal operation, shall not violate any law or regulation on purpose, nor intentionally mislead, manipulate, unfair trade with suppliers and customers, declare fraudulent information about the quality or contents of the company’s products or service.</p>	<p><b>(Compliance with Laws and Regulations)</b></p> <p>All the GWC staff shall <u>comply with</u> Securities and Exchange Act and other regulations regarding corporal operation, shall not violate any law or regulation on purpose, nor intentionally mislead, manipulate, unfair trade with suppliers and customers, declare fraudulent information about the quality or contents of the company’s products or service.</p>	<p>Modify based on “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies”</p>
10	<p><b>(Encouraging Reporting on Illegal or Unethical Activities)</b></p> <p>The company shall raise awareness of ethics internally and encourage employees to report to a company audit committee, manager, chief internal auditor, or other appropriate individual upon</p>	<p><b>(Encouraging Reporting on Illegal or Unethical Activities)</b></p> <p>The company shall raise awareness of ethics internally and encourage employees to report to a company audit committee, manager, chief internal auditor, or other appropriate individual upon</p>	<p>Modify based on “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM</p>

	<p>suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct, and employees should provide enough information for company to properly deal with. The company <u>will</u> handle the cases in confidentiality and make employees aware that the company will use its best efforts to ensure the safety of informants.</p>	<p>suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct, and employees should provide enough information for company to properly deal with. The company <u>shall</u> handle the cases in confidentiality and make employees aware that the company will use its best efforts to ensure the safety of informants.</p> <p><u>Details of report procedure shall be handled in accordance with “Procedure for Reporting Unethical or Illegal Conduct” of the Company</u></p>	Listed Companies”
11	<p><b>(Disciplinary Measures and Remedy)</b></p> <p>When <u>directors or managers</u> violate the code of ethical conduct, the company shall handle the matter in accordance with relevant regulations, and shall <u>without delay</u> disclose on the Market Observation Post System (MOPS) <u>the name</u> and title of the violator, dates and reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. If the violator considers the discipline is improper and impacts his/her legal rights, the violator can appeal via complaint system for remedy.</p>	<p><b>(Disciplinary Measures and Remedy)</b></p> <p>When directors, <u>independent directors or</u> managers violate the code of ethical conduct, the company shall handle the matter in accordance with relevant regulations, and shall <u>without delay</u> disclose on the Market Observation Post System (MOPS) <u>the title</u> of the violator, dates and reasons for the violation, the provisions of the code violated, and the disciplinary actions taken.</p> <p><u>For GWC staff apart from the aforesaid, if the circumstance concerned is material and there is a likelihood that the interests of the Company would be prejudiced, the Company shall disclose on the Market Observation Post System (MOPS) the title of the violator, dates and reasons for the violation, the provisions of the code violated, and the disciplinary actions taken.</u></p> <p>If the violator <u>defined in the article</u> considers the discipline is improper and impacts his/her legal rights, the violator can appeal via complaint system for remedy.</p>	Modify due to the article is applicable on all individuals
12	<p><b>(Procedures for Exemption)</b></p> <p>If <u>any director or manager</u> is necessary to be exempted from</p>	<p><b>(Procedures for Exemption)</b></p> <p>If any <u>individual</u> is necessary to be exempted from compliance with</p>	Modify due to the article is applicable on all individuals.

	<p>compliance with the code, the exemption requires board resolution, and that information on the name and title of the person entitled to such exemption, the date on which the board of directors adopted the resolution for exemption, and the period of, reasons for, and principles behind the application of the exemption be disclosed <u>without delay</u> on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to avoid any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</p>	<p>the code, the exemption requires board resolution, and that information on the name and title of the person entitled to such exemption, the date on which the board of directors adopted the resolution for exemption, <u>objections or reservations of independent directors, and the period of,</u> reasons for, and principles behind the application of the exemption be disclosed on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to avoid any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</p>	<p>Exemption procedure is amended based on “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies”</p>
13	<p><b>(Method of Disclosure)</b></p> <p>The company shall disclose the code of ethical conduct and any amendment in the annual report, prospectuses and MOPS.</p>	<p><b>(Method of Disclosure)</b></p> <p>The company shall disclose the code of ethical conduct and any amendment in <u>the company website,</u> annual report, prospectuses and MOPS.</p>	<p>Add method of disclosure</p>
16	<p><b>(Amendment Date)</b></p> <p>The Procedures were enacted on March 20, 2014.</p> <p>The Procedures were revised on November 13, 2014._</p>	<p><b>(Amendment Date)</b></p> <p>The Procedures were enacted on March 20, 2014.</p> <p>The Procedures were revised on November 13, 2014.</p> <p><u>The Procedures were revised on March 19, 2019.</u></p>	<p>Add amendment date</p>





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## Independent Auditors' Report

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

### Opinion

We have audited the consolidated financial statements of GlobalWafers Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, 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, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Certification 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 audits 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(16) “Revenue recognition” for accounting policy and note 6(21) “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. Impairment of goodwill

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 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 one of the key areas in our audit. 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 the sensitivity analysis based on key factors; assessing whether the accounting policies for goodwill impairment and other relevant information have been appropriately disclosed.

### **Other Matter**

GlobalWafers Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2018 and 2017, 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 19, 2019

#### Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its 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 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 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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2018		December 31, 2017				December 31, 2018		December 31, 2017	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(1))	\$ 35,214,323	39	18,794,362	27	2100	Short-term borrowings (note 6(11))	\$ 5,042,000	6	10,124,326	15
1110	Financial assets at fair value through profit or loss— current (note 6(2))	236,495	-	21,546	-	2120	Financial liabilities at fair value through profit or loss— current (note 6(2))	119	-	5,152	-
1170	Notes and accounts receivable, net (note 6(5))	9,155,024	10	7,796,017	11	2130	Contract liabilities— current (note 6(21))	4,498,487	5	-	-
1180	Accounts receivable due from related parties, net (note 7)	71,299	-	73,415	-	2170	Notes and accounts payable	4,699,304	5	4,208,854	6
130X	Inventories (note 6(6))	7,039,817	8	7,346,671	10	2180	Accounts payable to related parties (note 7)	171,141	-	60,638	-
1476	Other financial assets— current (note 8)	769,898	1	173,632	-	2201	Payroll and bonus payable	2,123,838	2	1,681,221	2
1479	Other current assets (note 6(10))	713,659	2	905,230	1	2230	Current tax liabilities	2,127,809	2	956,709	1
		<u>53,200,515</u>	<u>60</u>	<u>35,110,873</u>	<u>49</u>	2310	Advance sales receipts— current	-	-	2,059,632	3
<b>Non-current assets:</b>						2322	Long-term borrowings— current portion (note 6(12))	-	-	613,333	1
1517	Financial assets at fair value through other comprehensive income— non-current (note 6(3))	51,636	-	-	-	2399	Other current liabilities (notes 6(13) and (14))	5,759,743	7	2,541,408	4
1543	Financial assets measured at cost, net— non-current (note 6(4))	-	-	49,896	-			<u>24,422,441</u>	<u>27</u>	<u>22,251,273</u>	<u>32</u>
1550	Investments accounted for using equity method (note 6(7))	178,442	-	318,622	-	<b>Non-Current liabilities:</b>					
1600	Property, plant and equipment (notes 6(8), 7 and 8)	30,887,035	34	28,202,304	40	2527	Contract liabilities— non-current (note 6(21))	14,609,104	16	-	-
1780	Intangible assets (note 6(9))	3,649,397	4	3,939,134	6	2540	Long-term borrowings (note 6(12))	430,000	-	3,663,000	5
1840	Deferred tax assets (note 6(7))	1,386,577	2	1,837,127	3	2570	Deferred tax liabilities (note 6(17))	3,664,011	5	2,066,271	3
1980	Other financial assets— non-current (note 8)	268,598	-	383,074	1	2600	Other non-current liabilities (notes 6(13) and (14))	367,423	-	636,344	1
1990	Other non-current assets (note 6(10))	199,921	-	391,307	1	2640	Net defined benefit liabilities (note 6(16))	3,173,029	4	2,884,063	4
		<u>36,621,606</u>	<u>40</u>	<u>35,121,464</u>	<u>51</u>	2670	Advance sales receipts— non-current	-	-	4,676,980	7
								<u>22,243,567</u>	<u>25</u>	<u>13,926,658</u>	<u>20</u>
								<u>46,666,008</u>	<u>52</u>	<u>36,177,931</u>	<u>52</u>
						<b>Total liabilities</b>					
						<b>Equity (note 6(18)):</b>					
						Equity attributable to shareholders of GlobalWafers Co., Ltd.:					
						3110	Ordinary shares	4,372,500	5	4,372,500	6
						3200	Capital surplus	24,772,608	28	24,772,805	35
						Retained earnings:					
						3310	Legal reserve	1,341,111	2	813,639	1
						3320	Special reserve	1,133,596	1	350,635	-
						3350	Unappropriated retained earnings	13,457,718	15	5,693,255	9
								<u>15,932,425</u>	<u>18</u>	<u>6,857,529</u>	<u>10</u>
						3400	Other equity interest	(1,361,299)	(2)	(1,956,906)	(3)
						3500	Treasury shares	(576,779)	(1)	-	-
								<u>43,139,455</u>	<u>48</u>	<u>34,045,928</u>	<u>48</u>
						36XX	Non-controlling interests	16,658	-	8,478	-
								<u>43,156,113</u>	<u>48</u>	<u>34,054,406</u>	<u>48</u>
						<b>Total equity</b>					
<b>Total assets</b>		<u>\$ 89,822,121</u>	<u>100</u>	<u>70,232,337</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 89,822,121</u>	<u>100</u>	<u>70,232,337</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, 2018 and 2017

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

		2018		2017	
		Amount	%	Amount	%
4000	<b>Operating revenues</b> (notes 6(21), (22) and 7)	\$ 59,063,510	100	46,212,601	100
5000	<b>Operating costs</b> (notes 6(6), (16), (23) and 7)	<u>36,764,666</u>	<u>62</u>	<u>34,404,835</u>	<u>74</u>
	<b>Gross profit from operations</b>	<u>22,298,844</u>	<u>38</u>	<u>11,807,766</u>	<u>26</u>
	<b>Operating expenses</b> (notes 6(16), (23) and 7):				
6100	Selling expenses	1,259,718	2	1,067,714	3
6200	Administrative expenses	1,810,251	3	1,881,450	4
6300	Research and development expenses	1,650,559	3	1,445,060	3
6450	Impairment loss determined in accordance with IFRS 9 (notes 6(5))	<u>265</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>4,720,793</u>	<u>8</u>	<u>4,394,224</u>	<u>10</u>
	<b>Net operating income</b>	<u>17,578,051</u>	<u>30</u>	<u>7,413,542</u>	<u>16</u>
	<b>Non-operating income and expenses:</b>				
7010	Interest income	464,012	1	92,150	-
7020	Other gains and losses, net (notes 6(24) and 7)	319,317	-	(232,808)	(1)
7050	Interest expense	<u>(108,013)</u>	<u>-</u>	<u>(398,185)</u>	<u>(1)</u>
		<u>675,316</u>	<u>1</u>	<u>(538,843)</u>	<u>(2)</u>
7900	<b>Income before income tax</b>	18,253,367	31	6,874,699	14
7950	Income tax expense (note 6(17))	<u>4,619,596</u>	<u>8</u>	<u>1,596,492</u>	<u>3</u>
	<b>Net income</b>	<u>13,633,771</u>	<u>23</u>	<u>5,278,207</u>	<u>11</u>
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(16))	(251,429)	-	506,863	1
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	16,435	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(17))	<u>68,152</u>	<u>-</u>	<u>(88,347)</u>	<u>-</u>
		<u>(166,842)</u>	<u>-</u>	<u>418,516</u>	<u>1</u>
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign operations	854,780	1	(610,623)	(1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method (note 6(7))	(149,269)	-	112,663	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(17))	<u>(107,421)</u>	<u>-</u>	<u>97,718</u>	<u>-</u>
		<u>598,090</u>	<u>1</u>	<u>(400,242)</u>	<u>(1)</u>
8300	<b>Other comprehensive income (after tax)</b>	<u>431,248</u>	<u>1</u>	<u>18,274</u>	<u>-</u>
	<b>Total comprehensive income</b>	<u>\$ 14,065,019</u>	<u>24</u>	<u>5,296,481</u>	<u>11</u>
	<b>Net income attributable to:</b>				
	Shareholders of GlobalWafers Co., Ltd	\$ 13,630,673	23	5,274,723	11
	Non-controlling interests	<u>3,098</u>	<u>-</u>	<u>3,484</u>	<u>-</u>
		<u>\$ 13,633,771</u>	<u>23</u>	<u>5,278,207</u>	<u>11</u>
	<b>Total comprehensive income attributable to:</b>				
	Shareholders of GlobalWafers Co., Ltd	\$ 14,055,257	24	5,328,810	11
	Non-controlling interests	<u>9,762</u>	<u>-</u>	<u>(32,329)</u>	<u>-</u>
		<u>\$ 14,065,019</u>	<u>24</u>	<u>5,296,481</u>	<u>11</u>
	<b>Basic earnings per share (NT dollars)</b> (note 6(20))				
	Basic earnings per share	\$ <u>31.18</u>		<u>12.68</u>	
	Diluted earnings per share	\$ <u>31.04</u>		<u>12.66</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, 2018 and 2017**  
**(Expressed in Thousands of New Taiwan Dollars)**

Equity attributable to shareholders of GlobalWafers Co., Ltd.

	Retained earnings						Other equity interest					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	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares			
<b>Balance at January 1, 2017</b>	\$ 3,692,500	11,741,399	719,690	239,802	973,790	1,933,282	(1,592,477)	-	-	(1,592,477)	-	15,774,704	43,798	15,818,502
Net income for the year	-	-	-	-	5,274,723	5,274,723	-	-	-	-	-	5,274,723	3,484	5,278,207
Other comprehensive income for the year	-	-	-	-	418,516	418,516	(477,092)	-	112,663	(364,429)	-	54,087	(35,813)	18,274
Comprehensive income for the year	-	-	-	-	5,693,239	5,693,239	(477,092)	-	112,663	(364,429)	-	5,328,810	(32,329)	5,296,481
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	93,949	-	(93,949)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	110,833	(110,833)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(768,992)	(768,992)	-	-	-	-	-	(768,992)	-	(768,992)
Cash dividends distribution from capital surplus	-	(324,133)	-	-	-	-	-	-	-	-	-	(324,133)	-	(324,133)
Capital increase by cash	680,000	13,355,424	-	-	-	-	-	-	-	-	-	14,035,424	-	14,035,424
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	115	-	-	-	-	-	-	-	-	-	115	(2,991)	(2,876)
<b>Balance at December 31, 2017</b>	<b>4,372,500</b>	<b>24,772,805</b>	<b>813,639</b>	<b>350,635</b>	<b>5,693,255</b>	<b>6,857,529</b>	<b>(2,069,569)</b>	<b>-</b>	<b>112,663</b>	<b>(1,956,906)</b>	<b>-</b>	<b>34,045,928</b>	<b>8,478</b>	<b>34,054,406</b>
Effects of retrospective application of new accounting standards	-	-	-	-	-	-	-	100,409	(112,663)	(12,254)	-	(12,254)	-	(12,254)
Balance at January 1, 2018 after adjustments	4,372,500	24,772,805	813,639	350,635	5,693,255	6,857,529	(2,069,569)	100,409	-	(1,969,160)	-	34,033,674	8,478	34,042,152
Net income for the year	-	-	-	-	13,630,673	13,630,673	-	-	-	-	-	13,630,673	3,098	13,633,771
Other comprehensive income for the year	-	-	-	-	(183,277)	(183,277)	740,695	(132,834)	-	607,861	-	424,584	6,664	431,248
Comprehensive income for the year	-	-	-	-	13,447,396	13,447,396	740,695	(132,834)	-	607,861	-	14,055,257	9,762	14,065,019
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	527,472	-	(527,472)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	782,961	(782,961)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(4,372,500)	(4,372,500)	-	-	-	-	-	(4,372,500)	-	(4,372,500)
Increase in treasury stock	-	-	-	-	-	-	-	-	-	-	(576,779)	(576,779)	-	(576,779)
Difference between the consideration and the carrying amounts of subsidiaries acquired or disposed	-	(197)	-	-	-	-	-	-	-	-	-	(197)	(1,582)	(1,779)
<b>Balance at December 31, 2018</b>	<b>\$ 4,372,500</b>	<b>24,772,608</b>	<b>1,341,111</b>	<b>1,133,596</b>	<b>13,457,718</b>	<b>15,932,425</b>	<b>(1,328,874)</b>	<b>(32,425)</b>	<b>-</b>	<b>(1,361,299)</b>	<b>(576,779)</b>	<b>43,139,455</b>	<b>16,658</b>	<b>43,156,113</b>

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 18,253,367	6,874,699
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expenses	4,460,291	4,690,903
Amortization expenses	354,779	349,133
Expected credit losses / Provisions for bad debt expense	265	23,645
Net gains on financial assets or liabilities at fair value through profit or loss	(55,950)	(37,583)
Interest expense	108,013	398,185
Interest income	(464,012)	(92,150)
Dividend income	(1,077)	-
Shares of profit of associates and joint ventures accounted for using equity method	(14,439)	(5,959)
Gains on disposal of property, plant and equipment	(124,083)	(3,498)
Reversal of inventory valuation allowance	(62,627)	(165,861)
<b>Total adjustments</b>	<u>4,201,160</u>	<u>5,156,815</u>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	(1,356,799)	(250,840)
Inventories	359,447	125,957
Prepayments for purchase of materials	339,011	163,133
Other current assets	(275,810)	543,632
Other financial assets	(516,113)	9,937
<b>Total changes in operating assets</b>	<u>(1,450,264)</u>	<u>591,819</u>
Contract liabilities	14,839,499	-
Notes and accounts payable (including related parties)	600,953	(856,148)
Provisions	(89,888)	(460,680)
Advance sales receipts	-	6,671,333
Net defined benefit liabilities	37,537	(99,944)
Other operating liabilities	949,627	(455,702)
<b>Total changes in operating liabilities</b>	<u>16,337,728</u>	<u>4,798,859</u>
<b>Total changes in operating assets and liabilities</b>	<u>14,887,464</u>	<u>5,390,678</u>
<b>Total adjustments</b>	<u>19,088,624</u>	<u>10,547,493</u>
Cash inflow generated from operations	37,341,991	17,422,192
Interest received	428,181	88,426
Dividends received	1,077	-
Interest paid	(129,754)	(400,360)
Income taxes paid	(1,462,773)	(833,884)
<b>Net cash flows from operating activities</b>	<u>36,178,722</u>	<u>16,276,374</u>

(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, 2018 and 2017**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2018</b>	<b>2017</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(71,470)	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	8,732	-
Acquisition of financial assets at fair value through profit or loss	(98,853)	-
Acquisition of financial assets measured at cost	-	(49,896)
Acquisition of investments accounted for using equity method	-	(200,000)
Cash dividends from investments accounted for using equity method	5,350	-
Acquisition of property, plant and equipment	(6,696,362)	(2,948,413)
Proceeds from disposal of property, plant and equipment	414,284	196,152
Acquisition of intangible assets	-	(2,530)
Decrease in other financial assets	70,154	353,665
<b>Net cash flows used in investing activities</b>	<b>(6,368,165)</b>	<b>(2,651,022)</b>
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	(5,082,365)	(2,366,861)
Increase in long-term borrowings	430,000	2,273,000
Repayments of long-term borrowings	(4,276,333)	(12,854,479)
Increase (decrease) in guarantee deposits received	17,858	(745,817)
Cash dividends paid	(4,372,500)	(1,093,125)
Capital increase by cash	-	14,035,424
Cost of increase in treasury stock	(482,609)	-
Change in non-controlling interests	(1,779)	(2,876)
<b>Net cash flows used in financing activities</b>	<b>(13,767,728)</b>	<b>(754,734)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	377,132	295,765
<b>Net increase in cash and cash equivalents</b>	16,419,961	13,166,383
<b>Cash and cash equivalents at beginning of period</b>	18,794,362	5,627,979
<b>Cash and cash equivalents at end of period</b>	<b>\$ 35,214,323</b>	<b>18,794,362</b>

See accompanying notes to consolidated financial statements.

(English translation of the standalone financial statements originally issued in Chinese is for information purposes only; only the Chinese version is prevailing.)

## **Independent Auditor’s Report**

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

### **Opinion**

We have audited the financial statements of GlobalWafers Co., Ltd., which comprise the balance sheets as of December 31, 2018 and 2017, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### **Basis of audit Opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those are further described in the Auditor’s Responsibilities for the Audit of the Standalone standards Financial Statements section of our report. We are independent from GlobalWafers 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 significant in our audit of the standalone financial statements of the current period of 2018. These matters were addressed in the context of our audit of the standalone financial statements taken 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.

#### **I. Revenue recognition**

For the accounting policy of income recognition, please refer to Note IV (XV) of the standalone financial report for income recognition. For related explanations, please refer to Note VI (XVIII) of the standalone financial report.

#### **Description of key audit matters:**

GlobalWafers’ 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 worldwide operations,



revenue recognition is one of the key areas our audit focused on.

Audit procedure implemented:

The major audit procedures for the above-mentioned key audit matters include: understanding the accounting policies adopted by GlobalWafers for income recognition, and comparing the terms of sale and income recognition conditions to assess the appropriateness of the adopted policies; assessing the internal control system design of sales income, and testing the effectiveness of its execution by sampling; sample testing standalone income transactions, checking customer orders and shipping certificates, etc.; choosing the sales transactions during the period before and after the end of the year as a sample to examine the conditions, shipping documents and customer confirmation documents, etc. of such sales transactions., evaluating whether the year-end sales transactions is listed in the appropriate period.

## II. Evaluation of investments using the equity method

For the accounting policies of the investment method using the equity method, please refer to Note IV (IX) of the standalone financial report. For the accounting estimates and assumed uncertainties of the investment valuation using the equity method are detailed in Note V of the standalone financial report; for the assessment notes of the investment with the equity method, please refer to Note VI (VII) of the standalone financial report, investment using the equity method.

Description of key audit matters:

The investment with the equity method of GlobalWafers is mainly due to corporate mergers and acquisitions. The impairment assessment of goodwill arising from corporate mergers and acquisitions is affected by the market environment and government policies, resulting in uncertainty in the recoverability of goodwill. It is listed as one of the important audit matters by our accountants.

Audit procedure implemented:

The principal audit procedures of the auditor for the transfer of the goodwill impairment assessment of subsidiaries using the equity method include: assessing the cash-generating unit that the management has identified to impair and signs of impairment; assessing the reasonableness of the management's method of measuring the recoverable amount; assessing the accuracy of management's past forecasts; reviewing management's calculation of the recoverable amount of cash-generating units; evaluating various assumptions that future cash flow projections and calculating recoverable amount use, and the sensitivity analysis of the key assumptions.

## **Responsibilities of management level and governance unit on standalone financial report**

The responsibilities of the management level is to prepare the standalone financial statement appropriately presented according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and maintain necessary internal controls related to the preparation of the standalone financial statement in order to ensure that the financial statement contains no major

deceptive presentation due to fraud or errors.

In preparing the standalone financial statements, the management's responsibilities also include assessing the ability of GlobalWafers to continue to operate, disclosure of related matters, and adoption of the continuing accounting basis, unless the management intends to liquidate GlobalWafers or cease operations, or there are no other practical options besides to clear or close the business.

The governance unit of GlobalWafers (including the audit committee) is responsible for overseeing the financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our purpose in auditing standalone financial statement is to determine whether the overall of the standalone financial statement includes major deceptive presentation caused by fraud or error in order to obtain reasonable assurance, and to issue the audit report. Reasonable assurance refers to high level of assurance; however, the audit works performed according to the generally accepted auditing standards cannot assure the complete detection of major deceptive presentation in an standalone financial statement. Deceptive presentation may be caused by fraud or error. If the standalone amount or summary of the deceptive presentation is reasonably expected to affect the economic decisions made by the users of the standalone financial statements, the deceptive presentation is considered significant.

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:

- I. Identify and evaluate the risk of major deceptive presentation of standalone financial statement due to fraud or error; design and execute appropriate countermeasures for the risk evaluated; and obtain sufficient and appropriate audit evidence as the basis for audit opinion. Since fraud may involve conspiracy, forgery, intentional disclosure, deceptive declaration or may be beyond the internal control, the risk of not detecting major deceptive presentation due to fraud is higher than that due to error.
- II. Obtain the necessary knowledge of the internal control of the audit to design an appropriate audit procedure at the time, but the purpose is not to express an opinion on the effectiveness of the internal control of GlobalWafers.
- III. Evaluate the appropriateness of the accounting policy adopted by the management level, and the reasonability of the accounting estimation and relevant disclosure made.
- IV. Based on the audit evidence obtained, make conclusions about the appropriateness of the management to adopt of the continuing business accounting basis and whether there are significant uncertainties in the events or circumstances that may cause significant doubts about the ability of GlobalWafers to continue to operate. If the auditor believes that there is a significant uncertainty in the events or circumstances, it is necessary to remind the users of the

standalone financial statements to pay attention to the relevant disclosures of the standalone financial statements in the audit report, or to amend the audit opinions when the disclosure is inappropriate. The conclusion of our accountants shall be based on the audit evidences obtained up to the audit report date. However, future events or circumstances may cause the standalone company to no longer have the ability to continue to operate.

- V. Evaluate the overall presentation, structure and content of the standalone financial statement (including relevant notes), and whether the standalone financial statement appropriately presents relevant transactions and events.
- VI. Obtain sufficient and appropriate evidence for the financial information of the invested company with the equity method to express opinions on the standalone financial statements. The auditor is responsible for the guidance, supervision and execution of the company's audit case, and is responsible for forming the audit opinions for GlobalWafers.

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 standalone 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. From the matters communicated with the governance unit, the auditor decided on the key audit matters for GlobalWafers standalone financial statements of the standalone company in 2018. For the matters described by our accountants in the audit report, unless for specific matters prohibited from disclosure under the law, or under extremely rare situation, our accountants decide not to communicate particular matters in the audit report based on the concern that the negative impact generated by such communication can be reasonably expected to have an impact greater than the public interests gained.

KPMG

Taipei, Taiwan (Republic of China)  
March 19, 2019

(English Translation of the Standalone Financial Statements Originally Issued in Chinese)  
GlobalWafers Co., Ltd.

Standalone Balance Sheets

December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	31-Dec-18		31-Dec-17				31-Dec-18		31-Dec-17	
<b>ASSETS</b>	Amount	%	Amount	%	<b>LIABILITIES AND EQUITY</b>	Amount	%	Amount	%	
<b>Current Assets:</b>					<b>Current Liabilities:</b>					
1100 Cash and cash equivalents (Note VI(I))	\$3,356,684	5	1,101,936	2	2100 Short-term borrowings (Note VI (X))	\$5,042,000	7	10,121,350	16	
1110 Financial assets measured at fair value through profit or loss-current (Note VI(II))	231,172	-	95	-	2120 Financial liabilities measured at fair value through profit or loss - current (Note VI(II))	-	-	4,917	-	
1170 Notes receivable and net accounts (Note VI(V))	1,947,171	3	1,551,253	2	2130 Contract liabilities – current (Note VI (XVIII))	3,146,419	5	-	-	
1180 Receivables from related parties (Note VII)	2,010,825	3	1,027,467	2	2170 Notes payable and accounts payable	481,563	1	166,721	-	
1200 Other receivables (Note VI (VII))	-	-	7,916,160	13	2180 Accounts payable - related parties (Note VII)	12,855,058	18	8,820,258	14	
130X Inventories (Note VI(VI))	1,354,295	2	1,714,565	3	2201 Accrued salaries and bonuses	858,328	1	467,619	1	
1479 Other current assets - other	<u>153,069</u>	-	<u>149,035</u>	-	2131 Advance payment received	-	-	1,200,830	2	
	<u>9,053,216</u>	<u>13</u>	<u>13,460,511</u>	<u>22</u>	2322 Long-term borrowings – current portion (Note VI(XI))	-	-	613,333	1	
<b>Non-current Assets:</b>					2399 Other current liabilities	<u>1,013,137</u>	<u>2</u>	<u>276,634</u>	<u>-</u>	
1517 Financial assets measured at fair value through other comprehensive gains and losses - non-current (Note VI (III))	51,636	-	-	-		<u>23,396,505</u>	<u>34</u>	<u>21,671,662</u>	<u>34</u>	
1543 Financial assets at cost –non-current (Note VI (IV))	-	-	49,896	-	<b>Non-current Liabilities:</b>					
1550 Investment with the equity method (Note VI (VII))	58,379,799	84	46,412,175	74	2527 Contract liabilities-non-current (Note VI (XVIII))	242,360	-	-	-	
1600 Real estate property, plant and equipment (Note VI (VIII), VII and VIII)	1,094,293	2	411,784	1	2540 Long-term borrowings (Note VI (XI))	430,000	1	3,663,000	6	
1780 Intangible assets (Note VI (IX))	995,988	1	1,313,919	2	2600 Deferred income tax liabilities and others (Note VI (XIII) and (XIV))	2,537,720	3	1,136,290	2	
1980 Other financial assets – non-current (Note VIII))	10,745	-	95,603	-	2670 Advance payment received - non-current	-	-	<u>1,747,464</u>	<u>3</u>	
1990 Other non-current assets (Note VI (XIV))	<u>160,363</u>	<u>-</u>	<u>520,456</u>	<u>1</u>		<u>3,210,080</u>	<u>4</u>	<u>6,546,754</u>	<u>11</u>	
	<u>60,692,824</u>	<u>87</u>	<u>48,803,833</u>	<u>78</u>	<b>Total liabilities</b>	<u>26,606,585</u>	<u>38</u>	<u>28,218,416</u>	<u>45</u>	
					<b>Equity (Note VI (XV))</b>					
					3110 Capital – common stock	<u>4,372,500</u>	<u>6</u>	<u>4,372,500</u>	<u>7</u>	
					3200 Capital surplus	<u>24,772,608</u>	<u>36</u>	<u>24,772,805</u>	<u>40</u>	
					Retained earnings:					
					3310 Legal reserve	1,341,111	2	813,639	1	
					3320 Special reserve	1,133,596	2	350,635	1	
					3350 Undistributed retained earnings	<u>13,457,718</u>	<u>19</u>	<u>5,693,255</u>	<u>9</u>	
						<u>15,932,425</u>	<u>23</u>	<u>6,857,529</u>	<u>11</u>	
					3400 Other equity	<u>(1,361,299)</u>	<u>-2</u>	<u>(1,956,906)</u>	<u>-3</u>	
					3500 Treasury share	<u>(576,779)</u>	<u>-1</u>	-	-	
					<b>Total equity</b>	<u>43,139,455</u>	<u>62</u>	<u>34,045,928</u>	<u>55</u>	
<b>Total assets</b>	<u>\$ 69,746,040</u>	<u>100</u>	<u>62,264,344</u>	<u>100</u>	<b>Total liabilities and equity</b>	<u>\$ 69,746,040</u>	<u>100</u>	<u>62,264,344</u>	<u>100</u>	

See accompanying notes to standalone financial statements.

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

GlobalWafers Co., Ltd.

Standalone Statement of Comprehensive Income

From January 1, 2017 to December 31, 2018

Expressed in thousands of New Taiwan dollars

	2018		2017	
	Amount	%	Amount	%
4000 <b>Operating revenue</b> (Note VI (XVIII), (XIX) and VII)	\$ 13,740,705	100	9,280,321	100
5000 Operating cost (Note VI (VI), (VIII), (XII), (XIII) and VII)	8,867,735	65	7,108,269	77
<b>Gross profit from operations</b>	<b>4,872,970</b>	<b>35</b>	<b>2,172,052</b>	<b>23</b>
<b>Operating expenses</b> (Note VI (V), (VIII), (XII), (XIII) and VII):				
6100 Selling expense	227,070	2	117,190	1
6200 Administrative expenses	218,393	2	167,267	2
6300 R&D expense	545,264	3	392,243	4
6450 Impairment loss determined in accordance with IFRS 9	411	-	-	-
	<b>991,138</b>	<b>7</b>	<b>676,700</b>	<b>7</b>
<b>OPERATING REVENUE</b>	<b>3,881,832</b>	<b>28</b>	<b>1,495,352</b>	<b>16</b>
<b>NON-OPERATING REVENUE AND GAINS:</b>				
7010 Interest income	50,068	-	26,920	-
7020 Other interest and loss (Note VI (XXI) and VII)	226,271	2	(39,710)	-
7050 Interest expenses	(188,224)	(1)	(286,465)	(3)
7375 Share of interests of subsidiaries and related enterprises with the equity method (Note VI (VII))	12,124,336	88	4,830,547	52
	<b>12,212,451</b>	<b>89</b>	<b>4,531,292</b>	<b>49</b>
<b>Income before income tax</b>	<b>16,094,283</b>	<b>117</b>	<b>6,026,644</b>	<b>65</b>
7950 Income tax expenses (Note VI (XIV))	2,463,610	18	751,921	8
<b>Net income</b>	<b>13,630,673</b>	<b>99</b>	<b>5,274,723</b>	<b>57</b>
8300 <b>Other comprehensive income:</b>				
8310 <b>Items that may not be reclassified subsequently to profit or loss</b>				
8311 Gains (losses) on remeasurements of defined benefit plans (Note VI (XIII))	(9,153)	-	(19,173)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	16,435	-	-	-
8330 Share of other comprehensive profit or loss of subsidiaries and related enterprises with the equity method	(203,007)	(1)	526,036	5
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note VI(XIV))	28,883	-	(88,347)	(1)
<b>Total items that may not be subsequently reclassified into profit or loss</b>	<b>(166,842)</b>	<b>(1)</b>	<b>418,516</b>	<b>4</b>
8360 <b>Items that may be subsequently reclassified into profit or loss</b>				
8361 Exchange differences on translation of foreign operations	848,116	6	(574,810)	(6)
8380 Share of other comprehensive income of associates and joint ventures accounted for using equity method (Note VI (VII))	(149,269)	(1)	112,663	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note VI (XIV))	(107,421)	(1)	97,718	1
<b>Total items that may be subsequently reclassified into profit or loss</b>	<b>591,426</b>	<b>4</b>	<b>(364,429)</b>	<b>(4)</b>
8300 <b>Other comprehensive income (after tax)</b>	<b>424,584</b>	<b>3</b>	<b>54,087</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>\$ 14,055,257</b>	<b>102</b>	<b>5,328,810</b>	<b>57</b>
<b>Earnings per share (NT dollars)</b> (Note VI (XVII))				
Basic earnings per share	\$	<b>31.18</b>	\$	<b>12.68</b>
Diluted earnings per share	\$	<b>31.04</b>	\$	<b>12.66</b>

See accompanying notes to standalone financial statements.

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

**GlobalWafers Co., Ltd.**  
**Standalone Statement of Changes in Equity**  
**From January 1, 2017 to December 31, 2018**

Expressed in thousands of New Taiwan Dollars

	Retained earnings						Other equity items					Total	Equity
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Undistributed 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	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares		
<b>Balance at January 1, 2017</b>	\$ 3,692,500	11,741,399	719,690	239,802	973,790	1,933,282	(1,592,477)	-	-	(1,592,477)	-	15,774,704	
Net income for the year	-	-	-	-	5,274,723	5,274,723	-	-	-	-	-	5,274,723	
Other comprehensive income for the year	-	-	-	-	418,516	418,516	(477,092)	-	112,663	(364,429)	-	54,087	
Comprehensive income for the year	-	-	-	-	5,693,239	5,693,239	(477,092)	-	112,663	(364,429)	-	5,328,810	
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	93,949	-	(93,949)	-	-	-	-	-	-	-	
Special reserve	-	-	-	110,833	(110,833)	-	-	-	-	-	-	-	
Cash dividends on ordinary shares	-	-	-	-	(768,992)	(768,992)	-	-	-	-	-	(768,992)	
Cash dividends distribution from capital surplus	-	(324,133)	-	-	-	-	-	-	-	-	-	(324,133)	
Capital increased by cash	680,000	13,355,424	-	-	-	-	-	-	-	-	-	14,035,424	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	115	-	-	-	-	-	-	-	-	-	115	
<b>Balance at December 31, 2017</b>	4,372,500	24,772,805	813,639	350,635	5,693,255	6,857,529	(2,069,569)	-	112,663	(1,956,906)	-	34,045,928	
Effects of retrospective application of new accounting standards	-	-	-	-	-	-	-	100,409	(112,663)	(12,254)	-	(12,254)	
Balance at January 1, 2018 after adjustments	4,372,500	24,772,805	813,639	350,635	5,693,255	6,857,529	(2,069,569)	100,409	-	(1,969,160)	-	34,033,674	
Net income for the year	-	-	-	-	13,630,673	13,630,673	-	-	-	-	-	13,630,673	
Other comprehensive income for the year	-	-	-	-	(183,277)	(183,277)	740,695	(132,834)	-	607,861	-	424,584	
Comprehensive income for the year	-	-	-	-	13,447,396	13,447,396	740,695	(132,834)	-	607,861	-	14,055,257	
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	527,472	-	(527,472)	-	-	-	-	-	-	-	
Special reserve	-	-	-	782,961	(782,961)	-	-	-	-	-	-	-	
Cash dividends on ordinary shares	-	-	-	-	(4,372,500)	(4,372,500)	-	-	-	-	-	(4,372,500)	
Increase in treasury stock	-	-	-	-	-	-	-	-	-	-	(576,779)	(576,779)	
Difference between the consideration and the carrying amounts of subsidiaries acquired or disposed	-	(197)	-	-	-	-	-	-	-	-	-	(197)	
<b>Balance at December 31, 2018</b>	\$ 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	

See accompanying notes to standalone financial statements.

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

GlobalWafers Co., Ltd.

Standalone Statement of Cash Flow

From January 1, 2017 to December 31, 2018

Expressed in thousands of New Taiwan dollars

	2018	2017
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 16,094,283	6,026,644
<b>Adjustments:</b>		
Income loss item		
Depreciation expense	149,974	93,875
Amortization expenses	317,931	317,931
Expected credit losses / Provisions for bad debt expense	411	383
Net gains on financial assets or liabilities at fair value through profit or loss	(71,962)	7,264
Interest expenses	188,224	286,465
Interest income	(50,068)	(26,920)
Dividend income	(1,077)	-
Shares of profit of associates and joint ventures accounted for using equity method	(12,098,939)	(4,820,925)
Gains on disposal of property, plant and equipment	(1,747)	-
Reversal of inventory valuation allowance	5,784	(10,263)
<b>Total net loss items</b>	<u>(11,561,469)</u>	<u>(4,152,190)</u>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related party)	(1,379,687)	(502,190)
Inventories	354,486	(293,997)
Prepayments for purchase of materials	66,828	113,307
Other operating assets	3,276	(3,522)
<b>Total net changes in operating assets</b>	<u>(955,097)</u>	<u>(686,402)</u>
Contract liabilities	440,485	-
Notes and accounts payable (including related parties)	969,254	513,994
Advance payments received	-	2,946,054
The net defined benefit liabilities	(16,085)	(6,127)
Other operating liabilities	438,096	418,254
<b>Total net changes in operating liabilities</b>	<u>1,831,750</u>	<u>3,872,175</u>
<b>Total net changes in operating assets and liabilities</b>	<u>876,653</u>	<u>3,185,773</u>
Total adjustments	<u>(10,684,816)</u>	<u>(966,417)</u>
Cash inflow generated from operations	5,409,467	5,060,227
Interest received	48,977	28,010
Dividend received	1,077	-
Interest paid	(189,412)	(276,939)
Income tax paid	(280,696)	(177,202)
<b>Net cash flows from operating activities</b>	<u>4,989,413</u>	<u>4,634,096</u>

(Continued on next page)

See accompanying notes to standalone financial statements.

<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(71,470)	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	8,732	-
Acquisition of financial assets at fair value through profit or loss	(98,853)	-
Acquisition of financial assets measured at cost	-	(49,896)
Acquisition of investments accounted for using equity method	(1,779)	(21,044,561)
Returned share payment and cash dividend of subsidiaries that reduce capital with the equity method	8,539,547	3,962,586
Cash dividends from investments accounted for using equity method	5,350	-
Acquisition of property, plant and equipment	(812,481)	(177,544)
Proceeds from disposal of property, plant and equipment	11,823	-
Increase in refundable deposits	(11)	(125)
Decrease in receivables from related parties	-	662,773
Acquired intangible assets	-	(1,631,850)
Decrease in other financial assets	84,869	(10,319)
<b>Net cash flows used in investing activities</b>	<b>7,665,727</b>	<b>(18,288,936)</b>
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	(5,079,350)	(1,623,650)
Increase in Long-term borrowings	430,000	2,273,000
Repayment of long-term borrowings	(4,276,333)	(6,450,473)
Increase in payables to related parties	3,380,400	5,114,600
Cash dividends paid	(4,372,500)	(1,093,125)
Capital increased by cash	-	14,035,424
Cost of increase in treasury stock	(482,609)	-
<b>Net cash flows used in financing activities</b>	<b>(10,400,392)</b>	<b>12,255,776</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,254,748</b>	<b>(1,399,064)</b>
<b>Cash and cash equivalents at beginning of period r</b>	<b>1,101,936</b>	<b>2,501,000</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 3,356,684</b>	<b>1,101,936</b>

See accompanying notes to standalone financial statements.



## Attachment 7

### GlobalWafers Co., Ltd.

#### Earnings Distribution Statement Year 2018

(Unit: NTD)

Items	Amount
Beginning unappropriated retained earnings	10,321,183
Minus: Net change in actuarial gains and losses.	(183,277,814)
Adjusted beginning unappropriated earnings	(172,956,631)
Plus : Net income of 2018	13,630,673,699
Minus: Provision as legal reserve	(1,345,771,707)
Earnings available for distribution	12,111,945,361
Item of distribution:	
Minus: Share dividends (NT\$25 cash/per share)	(10,880,925,000)
Ending unappropriated earnings	1,231,020,361

Chairperson:



President:



Chief Account:



## Attachment 8

### GlobalWafers Co., Ltd.

#### Articles of Incorporation Comparison Chart

Article	Before	After	Remark
2	<p>The Company shall engage in the following business:</p> <p>C01080 Electronic Parts and Components Manufacturing</p> <p>F401010 International Trade</p> <p>i. Research and development, design, manufacture and sell the following products:</p> <ul style="list-style-type: none"> <li>● Silicon-based semiconductor materials and their components</li> </ul> <p>ii. Import-export activities related to the above mentioned business.</p>	<p>The Company shall engage in the following business:</p> <p>CC01080 Electronic Parts and Components Manufacturing</p> <p><a href="#">C801990 Other Chemical Materials Manufacturing</a></p> <p><a href="#">F119010 Wholesale of Electronic Materials (only in areas outside Hsinchu Science Park)</a></p> <p><a href="#">F219010 Retail Sale of Electronic Materials (only in areas outside Hsinchu Science Park)</a></p> <p>F401010 International Trade</p> <p>Research and development, design, manufacture and sell the following products:</p> <ol style="list-style-type: none"> <li>1. Silicon-based semiconductor materials and their components</li> <li>2. <a href="#">Silicide</a></li> <li>3. <a href="#">Silicon carbide</a></li> <li>4. Import-export activities related to the above mentioned business.</li> </ol>	<p>Add new business items to be consistent with operational needs</p>
6	<p>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.</p> <p>Among the total capital stock indicated in the first paragraph, the amount of shares 20,000,000 should be reserved</p>	<p>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.</p> <p>Among the total capital stock indicated in the first paragraph, the amount of shares 20,000,000 should be reserved</p>	<p>Define qualification requirement for employee bonus in compliance with Company Act</p>

	<p>for issuing options for stock, preferred stock, or corporate bond.</p> <p>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.</p>	<p>for issuing options for stock, preferred stock, or corporate bond.</p> <p>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.</p> <p><u>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 Company Act.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p>	amendment
7	<p>The share certificates of the Company shall all be name-bearing share certificates and signed or sealed by no less than three directors.</p> <p>The share certificates shall be issued after being certified by authority concerned or its approved certificate organizations.</p> <p><u>After the company issued shares in public,</u> the Company may not print share certificates for the new issuance. Registers of share certificates shall contact the share certificates' depository and clearing organizations.</p>	<p>The share certificates of the Company shall all be name-bearing share certificates and signed or sealed by no less than three directors.</p> <p>The share certificates shall be issued after being certified by authority concerned or its approved certificate organizations.</p> <p>The Company may not print share certificates for the new issuance. Registers of share certificates shall contact the share certificates' depository and clearing organizations <u>and follow the regulations of that enterprise.</u></p>	Rephrase

<p>31</p>	<p><u>(31-1)</u></p> <p>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.</p> <p><u>The aforementioned employee remuneration could either be distributed via share or cash,</u> entitled employees include subsidiaries' employees who meet the conditions set by the Board.</p> <p>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.</p>	<p><u>(31)</u></p> <p>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.</p> <p><u>The entitled employees of the aforementioned employee remuneration</u> include the employees of <u>parents or</u> subsidiaries of the company who meet the conditions set by the Board.</p> <p>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.</p>	<p>Define qualification requirement for employee bonus in compliance with Company Act amendment ; adjust order and rephrase</p>
<p>32</p>	<p><u>(31)</u></p> <p>Where the Company has profit after tax at the end of each fiscal year, the Company shall allocate according to below priority:</p> <ol style="list-style-type: none"> <li>1. Compensating losses</li> <li>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</li> <li>3. Appropriating or transferred to special reserve in accordance with applicable laws and regulations or as requested by the competent authority.</li> <li>4. After the above 1~3 are deducted from profit after tax of the fiscal year, the balance (if any) together with accumulated inappropriate</li> </ol>	<p><u>(32)</u></p> <p>Where the Company has profit after tax at the end of each fiscal year, the Company shall allocate according to below priority:</p> <ol style="list-style-type: none"> <li>1. Compensating losses</li> <li>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</li> <li>3. Appropriating or transferred to special reserve in accordance with applicable laws and regulations or as requested by the competent authority.</li> <li>4. After the above 1~3 are deducted from profit after tax of the fiscal year, the balance (if any) together with accumulated inappropriate</li> </ol>	<p>Modify in compliance with Company Act amendment and adjust order</p>

	<p>retained earnings of previous years can be distributed after the distribution plan proposed by the Board <u>and approved by the shareholders' meeting.</u></p> <p>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.</p>	<p>retained earnings of previous years can be distributed after the distribution plan proposed by the Board. <u>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.</u></p> <p>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.</p>	
33		<p><u>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.</u></p> <p><u>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.</u></p>	Add new article in compliance with Company Act

34	<p><a href="#">(32)</a></p> <p>Relevant matters not provided for in these Articles shall be handled in accordance with the provisions of the Company Act.</p>	<p><a href="#">(34)</a></p> <p>Relevant matters not provided for in these Articles shall be handled in accordance with the provisions of the Company Act.</p>	Adjust order
35	<p><a href="#">(33)</a></p> <p>This articles of Incorporation is established on June 17<sup>th</sup>, 2011</p> <p>The 1st amendment on August 10<sup>th</sup>, 2011</p> <p>The 2nd amendment on January 12<sup>th</sup>, 2012</p> <p>The 3rd amendment on June 27<sup>th</sup>, 2012</p> <p>The 4th amendment on March 19<sup>th</sup>, 2013</p> <p>The 5th amendment on May 26<sup>th</sup>, 2014</p> <p>The 6th amendment on January 19<sup>th</sup>, 2015</p> <p>The 7th amendment on June 23<sup>th</sup>, 2015</p> <p>The 8th amendment on June 22<sup>nd</sup>, 2016</p> <p>The 9th amendment on June 25<sup>th</sup>, 2018</p> <p>Implement after approvals from the meeting of stockholders</p>	<p><a href="#">(35)</a></p> <p>This articles of Incorporation is established on June 17<sup>th</sup>, 2011</p> <p>The 1st amendment on August 10<sup>th</sup>, 2011</p> <p>The 2nd amendment on January 12<sup>th</sup>, 2012</p> <p>The 3rd amendment on June 27<sup>th</sup>, 2012</p> <p>The 4th amendment on March 19<sup>th</sup>, 2013</p> <p>The 5th amendment on May 26<sup>th</sup>, 2014</p> <p>The 6th amendment on January 19<sup>th</sup>, 2015</p> <p>The 7th amendment on June 23<sup>th</sup>, 2015</p> <p>The 8th amendment on June 22<sup>nd</sup>, 2016</p> <p>The 9th amendment on June 25<sup>th</sup>, 2018</p> <p><a href="#">The 10th amendment on June 25<sup>th</sup>, 2019</a></p> <p>Implement after approvals from the meeting of stockholders</p>	Add amendment date and adjust order

## Attachment 9

### GlobalWafers Co., Ltd.

#### Rules for Election of Directors Comparison Chart

Article	Before	After	Remark
4	<p><u>The Company's directors shall be elected by the shareholders' meeting from among the persons with disposing capacity. The appointment of independent directors</u> adopts candidate nomination system specified in Article 192-1 of the Company Act.</p>	<p><u>The Company's directors elections shall be conducted in accordance with the</u> candidate nomination system specified in Article 192-1 of the Company Act.</p>	Revise director election to candidate nomination system in consistence with Articles of Incorporation
14	<p>This Procedure was enacted on January 19<sup>th</sup>, 2015.</p>	<p>This Procedure was enacted on January 19, 2015. <u>First amendment on June 25<sup>th</sup>, 2019</u></p>	Add amendment date

## Attachment 10

### 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"> <li>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.</li> <li>Real property (including land, houses and buildings, investment property, <a href="#">rights to use land</a>, and construction enterprise inventory) and equipment.</li> <li>Memberships.</li> <li>Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</li> <li>Derivatives.</li> <li>Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</li> <li>Other major assets.</li> </ol>	<p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> <li>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.</li> <li>Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</li> <li>Memberships.</li> <li>Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li><a href="#">Right-of-use assets</a>.</li> <li>Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</li> <li>Derivatives.</li> <li>Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</li> <li>Other major assets.</li> </ol>	<p>Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>
Article 2-1	<p>Terms used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> <li>Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, <a href="#">and compound contracts combining the above products</a>, whose value is derived from <a href="#">assets</a>, interest rates, foreign exchange rates, indexes <a href="#">or other interests</a>. The term</li> </ol>	<p>Terms used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> <li>Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a <a href="#">specified</a> interest rate, <a href="#">financial instrument price</a>, <a href="#">commodity price</a>, foreign exchange rate, index of <a href="#">prices or rates</a>, <a href="#">credit rating or credit index</a>, <a href="#">or other variable</a>; or</li> </ol>	<p>Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>



	<p>"forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) <a href="#">agreements</a>.</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 <a href="#">Article 156, paragraph 8</a> of the Company Act.</p> <p>3 ~ 6. Omit</p>	<p><a href="#">hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives</a>. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) <a href="#">contracts</a>.</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 <a href="#">Article 156-3</a> of the Company Act.</p> <p>3 ~ 6. Omit</p> <p>7. <a href="#">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.</a></p> <p>8. <a href="#">Securities exchange:</a></p>	
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		<p><u>"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.</u></p> <p>9. <u>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.</u></p>	
Article 3	<p><b>Operating Procedures</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.</li> <li>3. Amount limits for investment in non-operational purpose fixed assets and securities are as below: <ol style="list-style-type: none"> <li>(1) The total amount of any real property 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 purchased by a subsidiary of the</li> </ol> </li> </ol>	<p><b>Operating Procedures</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.</li> <li>3. Amount limits for investment in non-operational purpose fixed assets <u>or right-of-use assets</u>, and securities are as below: <ol style="list-style-type: none"> <li>(1) The total amount of any real property <u>or right-of-use assets</u> purchased by the Company not for use in business operations may not exceed fifteen percent (15%) of the Company's net worth; the</li> </ol> </li> </ol>	Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

	<p>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 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.</p> <p>(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.</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>(omit)</p>	<p>total amount of any real property <u>or right-of-use assets</u> 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.</p> <p>(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.</p> <p>(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.</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>(omit)</p>	
Article 4	<p>1. <u>The Company shall proceed acquisition or disposal of assets according to Article 8 of the procedure.</u></p>	<p>1. <u>Authorization scope</u></p> <p>(1) Acquisition or disposal of long-term securities and</p>	<p>Modify based on FSC's latest "Regulations Governing the</p>

	<p>(1) Acquisition or disposal of long-term securities and fixed assets whose value under NT\$100 million shall be approved by Chairperson first.</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 of which amount is under NT\$ 100 million shall be approved by Chairperson first.</p> <p>2. Acquisition or Disposal of Assets shall proceed according to Article 8 of the Procedure.</p>	<p>fixed assets <u>or right-of-use assets</u> whose value under NT\$100 million shall be approved by Chairperson first.</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 <u>or right-of-use assets</u> of which amount is under NT\$ 100 million shall be approved by Chairperson first.</p> <p>2. Acquisition or Disposal of Assets <u>prices</u> shall proceed according to Article 8 of the Procedure.</p>	<p>Acquisition and Disposal of Assets by Public Companies”</p>
<p>Article 5</p>	<p><b>Public Disclosure</b></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 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 from or to a related party, or acquisition or disposal of assets other than real property 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,</p>	<p><b>Public Disclosure</b></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 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 <u>or right-of-use assets</u> from or to a related party, or acquisition or disposal of assets other than real property <u>or right-of-use assets</u> 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</p>	<p>Modify based on FSC's latest “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

	<p>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 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 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, and the amount the company expects to invest in the transaction is less than NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial</p>	<p>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 <u>domestic securities investment trust enterprises</u></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 <u>or right-of-use assets</u> 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 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, <u>furthermore the transaction counterparty is not a related party,</u> and the amount the company expects to invest in the transaction is less than NT\$500 million.</p>	
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	<p>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:</p> <ul style="list-style-type: none"> <li>i. Trading of government bonds.</li> <li>ii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> </ul> <p>2. The amount of transactions above shall be calculated as follows:</p> <ul style="list-style-type: none"> <li>(1) The amount of any individual transaction.</li> <li>(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.</li> <li>(3) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</li> <li>(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ul> <p>3. "Within the preceding year" as used in the preceding</p>	<p>(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:</p> <ul style="list-style-type: none"> <li>i. Trading of <u>domestic</u> government bonds.</li> <li>ii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> </ul> <p>2. The amount of transactions above shall be calculated as follows:</p> <ul style="list-style-type: none"> <li>(1) The amount of any individual transaction.</li> <li>(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.</li> <li>(3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property <u>or right-of-use assets</u> thereof within the same development project within the preceding year.</li> <li>(4) The cumulative transaction amount of acquisitions and</li> </ul>	
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	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	
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<p>Article 7</p>	<p>In acquiring or disposing of real property or equipment 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 government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment 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:</p> <p>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, <u>and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</u></p> <p>Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(Omit)</p>	<p>In acquiring or disposing of real property or equipment <u>or right-of-use assets thereof</u> 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 <u>domestic</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or <u>right-of-use assets thereof</u> 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:</p> <p>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; <u>the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</u></p> <p>Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(Omit)</p>	<p>Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>
<p>Article 9</p>	<p>Where the Company acquires or disposes of <u>memberships</u> or intangible assets and the transaction amount reaches twenty percent (20%) or more of paid-in capital or NT\$300 million or more,</p>	<p>Where the Company acquires or disposes of intangible assets <u>or right-of-use assets thereof or memberships</u> and the transaction amount reaches twenty percent (20%) or more of paid-in capital or</p>	<p>Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal</p>



	<p>except in transactions with a 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.</p> <p>(Omit)</p>	<p>NT\$300 million or more, except in transactions with a <u>domestic</u> 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.</p> <p>(Omit)</p>	<p>of Assets by Public Companies”</p>
Article 11	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions <u>shall not be a related party of any party to the transaction.</u></p>	<p>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 <u>shall meet the following requirements:</u></p> <ol style="list-style-type: none"> <li>1. <u>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.</u></li> <li>2. <u>May not be a related party or de facto related party of any party to the transaction.</u></li> <li>3. <u>If the company is required to obtain appraisal reports from two or more professional</u></li> </ol>	<p>Modify based on FSC's latest “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

		<p><u>appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u></p> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <ol style="list-style-type: none"> <li><u>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></li> <li><u>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.</u></li> <li><u>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.</u></li> <li><u>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.</u></li> </ol>	
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	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	Modify based on FSC’s latest “Regulations Governing the Acquisition and

	<p>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> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9 herein.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered</p> <p>2. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property 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 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> <p>(1) The purpose, necessity and</p>	<p>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> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9, <a href="#">Paragraph 2</a> herein.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered</p> <p>2. When the Company intends to acquire or dispose of real property <a href="#">or right-of-use assets thereof</a> from or to a related party, or when it intends to acquire or dispose of assets other than real property <a href="#">or right-of-use assets</a> 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 <a href="#">domestic</a> 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</p>	<p>Disposal of Assets by Public Companies”</p>
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	<p>anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a trading counterparty.</p> <p>(3) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.</p> <p>(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.</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</p>	<p>Committee:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a trading counterparty.</p> <p>(3) With respect to the acquisition of real property <a href="#">or right-of-use assets</a> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.</p> <p>(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.</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"</p>	
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	<p>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>With respect to the acquisition or disposal of <u>business-use equipment</u> between the Company and its parent <u>or</u> subsidiaries, the Company's 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.</p> <p>3. The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means <u>(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)</u>:</p> <p>(1) Based upon the related</p>	<p>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>With respect to <u>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</u>, 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.</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. The Company that acquires real property <u>or right-of-use assets</u> 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):</p>	
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	<p>party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer.</p> <p>"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.</p> <p>(2) 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.</p>	<p>(1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer.</p> <p>"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.</p> <p>(2) 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.</p> <p><u>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.</u></p> <p><u>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</u></p>	
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	<p>4. Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with <a href="#">Article 2</a> and the <a href="#">preceding</a> three paragraphs do not apply:</p> <ol style="list-style-type: none"> <li>(1) The related party acquired the real property through inheritance or as a gift.</li> <li>(2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</li> <li>(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.</li> </ol> <p>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</p>	<p><a href="#">preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</a></p> <p>4. Where the Company acquires real property <a href="#">or right-of-use assets thereof</a> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with <a href="#">paragraph 2 of this Article</a> and paragraph <a href="#">3 here</a> do not apply:</p> <ol style="list-style-type: none"> <li>(1) The related party acquired the real property <a href="#">or right-of-use assets</a> through inheritance or as a gift.</li> <li>(2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property <a href="#">or right-of-use assets</a> to the signing date for the current transaction.</li> <li>(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.</li> <li>(4) <a href="#">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.</a></li> </ol> <p>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</p>	
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	<p>with Article 6. 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:</p> <p>(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:</p> <p>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.</p> <p>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</p>	<p>shall be handled in compliance with <a href="#">paragraph 6 of the</a> 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:</p> <p>(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:</p> <p>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.</p> <p>ii \ Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels</p>	
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	<p>area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p>iii \ <u>Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</u></p> <p>(2) Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>(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</p>	<p>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 <u>or leasing practices.</u></p> <p>(2) Where the Company acquiring real property, <u>or obtaining real property right-of-use assets through leasing,</u> from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>(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</p>	
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	<p>transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p> <p>6. Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with related regulations are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>(1) A special reserve shall be set aside in accordance with related regulations against the difference between the real property 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.</p> <p>(2) Audit Committee shall comply with Article 218 of the Company Act.</p> <p>(3) Actions taken pursuant to <a href="#">subparagraph 1 and subparagraph 2</a> shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual</p>	<p>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 <a href="#">or obtainment of the right-of-use assets thereof</a>.</p> <p>6. Where the Company acquires real property <a href="#">or the right-of-use assets thereof</a> from a related party and the results of appraisals conducted in accordance with <a href="#">the Paragraph 3~5 of the Article</a> are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>(1) A special reserve shall be set aside in accordance with related regulations against the difference between the real property <a href="#">or right-of-use assets thereof</a> 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.</p> <p>(2) Audit Committee shall comply with Article 218 of the Company Act.</p> <p>(3) Actions taken pursuant to <a href="#">preceding 2 subparagraphs</a> shall be reported to a shareholders meeting, and the details of the</p>	
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	<p>report and any investment prospectus.</p> <p>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 at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When the Company obtains real property from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	<p>transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>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 <u>or leased</u> at a premium, or they have been disposed of, or <u>the leasing contract has been terminated</u>, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When the Company obtains real property <u>or right-of-use assets thereof</u> from a related party, it shall also comply with the paragraphs <u>of this Article</u> if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	
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</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 fails to convene or pass a resolution due to lack of a quorum, insufficient</p>	Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

	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.	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	<p><u>The Company</u> 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.</p> <p>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.</p> <p>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:</p> <ol style="list-style-type: none"> <li>(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.</li> <li>(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</li> </ol>	<p><u>A company participating in a merger, demerger, or acquisition</u> 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.</p> <p>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.</p> <p>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:</p> <ol style="list-style-type: none"> <li>(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.</li> <li>(2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a</li> </ol>	Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

	<p>directors meeting.</p> <p>(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.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company 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 subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p> <p>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 so listed or traded shall sign an agreement with such company whereby the latter is required to abide <a href="#">by the provisions of paragraphs 3 and 4.</a></p>	<p>financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>(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.</p> <p>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.</p> <p>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 <a href="#">by the provisions of the preceding two paragraphs.</a></p>	
Article 25	<p>After the procedures have been approved by <a href="#">Audit Committee and the Board of Directors, they shall be submitted to a shareholders' meeting for approval</a>; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit <a href="#">the director's dissenting opinion</a> to shareholders' meeting for discussion.</p>	<p>After the procedures have been approved by <a href="#">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> a shareholders' meeting. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit <a href="#">his/her</a> dissenting opinion to shareholders' meeting</p>	<p>Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

<p><u>When the procedures for the acquisition and disposal of assets are 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 agrees or objects, its opinion and reasons shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p><u>Where the Company has established the Audit Committee, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by more than half of all Audit Committee members and submitted to the board of directors for a resolution.</u></p> <p>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.</p> <p>The terms "all Audit Committee members" and "all directors" <u>in the preceding paragraph</u> shall be counted as the actual number of persons currently holding those positions.</p> <p>In accordance with the Securities and Exchange Act, the provisions of Article 14-3, paragraph 3, in regard to supervisors shall apply mutatis mutandis to Audit Committee members.</p> <p>In accordance with the Securities and Exchange Act, the provisions of Article 14-4, paragraph 4, shall apply mutatis mutandis to independent directors serving as audit committee members.</p>	<p>for discussion; <u>the same applies when the procedures are amended.</u></p> <p>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.</p> <p>The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</p>	
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<p>Article 28</p>	<p>The Company shall not give up capital increase in future years to GlobalSemiconductor Inc.(GSI), GlobalWafers Inc.(GWI) and GlobalWafers Japan Co., Ltd.</p> <p>GSI shall not give up capital increase in future years to Kunshan Sino Silicon Technology Co., Ltd. (SST)</p> <p>GWI shall not give up capital increase in future years to GlobiTech Incorporated</p> <p>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.</p>	<p>The Company shall not give up capital increase in future years to GlobalSemiconductor Inc.(GSI), GlobalWafers Inc.(GWI) and GlobalWafers Japan Co., Ltd.</p> <p>GSI shall not give up capital increase in future years to Kunshan Sino Silicon Technology Co., Ltd. (SST)</p> <p><u>The Company</u>, GWI and <u>the Company's subsidiaries</u> shall not give up capital increase in future years to GlobiTech Incorporated</p> <p>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.</p>	<p>GlobiTech Incorporated , the subsidiary, is restructured due to group reorganization, but it's still 100% holding subsidiary. Modify to reflect the above share structure</p>
<p>Article 29</p>	<p>The Procedures were enacted on May 26, 2014</p> <p>The 1<sup>st</sup> amendment was made on January 19, 2015</p> <p>The 2<sup>nd</sup> amendment was made on June 23, 2015</p> <p>The 3<sup>rd</sup> amendment was made on June 22, 2016</p> <p>The 4<sup>th</sup> amendment was made on June 19, 2017</p> <p>The 5<sup>th</sup> amendment was made on June 25, 2018</p>	<p>The Procedures were enacted on May 26, 2014</p> <p>The 1<sup>st</sup> amendment was made on January 19, 2015</p> <p>The 2<sup>nd</sup> amendment was made on June 23, 2015</p> <p>The 3<sup>rd</sup> amendment was made on June 22, 2016</p> <p>The 4<sup>th</sup> amendment was made on June 19, 2017</p> <p>The 5<sup>th</sup> amendment was made on June 25, 2018</p> <p><u>The 6<sup>th</sup> amendment was made on June 25, 2019</u></p>	<p>Add amendment date</p>

# Attachment 11

## GlobalWafers Co., Ltd.

### Policies and Procedures for Financial Derivatives Transactions Comparison Chart

Article	Before	After	Remark
Article 2	The term "derivatives" in these Procedures means products <u>such as forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts</u> whose value is derived from <u>assets</u> , interest rates, foreign exchange rates, indices, or other interests, and compound derivatives formed by combinations of the aforesaid products.	The term "derivatives" in these Procedures means products such as <u>forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts</u> , whose value is derived from a <u>specified</u> interest rate, <u>financial instrument price, commodity price</u> , foreign exchange rate, index of <u>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.</u>	Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"
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) <u>agreements</u> .	The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) <u>contracts</u> .	Rephrase
Article 16	(1~2 Omit) 3 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	(1~2 Omit) 3 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	Rephrase quotation for clear expression



	<p>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) 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.</p> <p>(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 <a href="#">subparagraph 2 of Article 8 and subparagraph 2 of this article</a> shall be recorded in detail in the log book.</p>	<p>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) 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.</p> <p>(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 <a href="#">subparagraph 1, 2 of this article</a> shall be recorded in detail in the log book.</p>	
Article 17	<p>An internal auditor shall <a href="#">regularly review the appropriateness of the derivatives transaction internal control system, conduct monthly checks on how well the trading unit is complying with these Procedures, analyze transaction cycles, and include their findings in an audit report. Where a material violation is discovered, they shall notify the audit committee in writing and the</a></p>	<p>An internal audit personnel shall <a href="#">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</a></p>	<p>Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

	<p><u>Company's persons-in-charge shall be subject to castigation.</u></p> <p>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.</p>	<p><u>committee shall be notified in writing.</u></p> <p>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.</p>	
Article 18	<p>After approved by Audit Committee <u>and</u> the board of directors, the procedures shall be submitted to a shareholders meeting for approval; the same applies when the Procedures are amended. If any director expresses dissent and it is on record or in a written statement, the director's dissenting opinion shall be delivered to shareholder meeting. <u>When these Procedures are submitted for deliberation by the board of directors, each independent director's opinions shall be taken into full consideration; the independent directors' specific opinions of assent or dissent and the reasons therefore shall be included in the minutes of the board of directors meeting.</u></p>	<p>After the procedures have been approved by <u>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</u> a shareholders' meeting. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit <u>his/her</u> dissenting opinion to shareholders' meeting for discussion; <u>the same applies when the procedures are amended.</u></p> <p><u>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.</u></p> <p><u>The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</u></p>	Modify based on FSC's latest "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"
Article 19	<p>The Procedure was enacted on October 25<sup>th</sup>, 2011.</p> <p>The 1<sup>st</sup> amendment was made on June 25, 2013.</p> <p>The 2<sup>nd</sup> amendment was made on January 19, 2015.</p> <p>The 3<sup>rd</sup> amendment was made on February 20, 2017.</p>	<p>The Procedure was enacted on October 25<sup>th</sup>, 2011.</p> <p>The 1<sup>st</sup> amendment was made on June 25, 2013.</p> <p>The 2<sup>nd</sup> amendment was made on January 19, 2015.</p> <p>The 3<sup>rd</sup> amendment was made on February 20, 2017.</p> <p><u>The 4<sup>th</sup> amendment was made on June 25, 2019.</u></p>	Add the amendment date



## Attachment 12

### GlobalWafers Co., Ltd.

#### Procedures for Lending Funds to Other Parties Comparison Chart Comparison Chart

Article	Before	After	Remark
Article 5	<p><b>Total Lending Amount and Financing Limit for Individual Entities</b></p> <p>The total loan fund lending amount to others should be varied according to the situations as follows.</p> <ol style="list-style-type: none"> <li>1 The total amount for lending to a company/firm having business relationship with the Company shall not exceed forty percent (40%) of the net worth of the Company. The amount lent to a single recipient may not exceed the amount of the business transacted between the two parties in the most recent year. The transaction amount shall mean the sales or purchasing amount between the parties, whichever is higher.</li> <li>2 The total amount for lending to a company/firm for funding for a short-term period shall not exceed forty percent (40%) of the net worth of the Company. The amount lent to a single recipient shall not exceed forty percent (40%) of the net worth of the Company.</li> </ol> <p>The total amount for fund-lending <u>between the Company and subsidiaries or between different subsidiaries of the Company whose voting shares are 100%</u></p>	<p><b>Total Lending Amount and Financing Limit for Individual Entities</b></p> <p>The total loan fund lending amount to others should be varied according to the situations as follows.</p> <ol style="list-style-type: none"> <li>1 The total amount for lending to a company/firm having business relationship with the Company shall not exceed forty percent (40%) of the net worth of the Company. The amount lent to a single recipient may not exceed the amount of the business transacted between the two parties in the most recent year. The transaction amount shall mean the sales or purchasing amount between the parties, whichever is higher.</li> <li>2 The total amount for lending to a company/firm for funding for a short-term period shall not exceed forty percent (40%) of the net worth of the Company. The amount lent to a single recipient shall not exceed forty percent (40%) of the net worth of the Company.</li> </ol> <p>The total amount for fund-lending <u>between the different subsidiaries of the Company whose voting shares are 100% owned, directly or indirectly, by the Company, or</u></p>	<p>Modify based on FSC's latest "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies"</p>

	<p><u>owned, directly or indirectly, by the Company</u> will not be subject to the limit of net worth described in item 2, <u>total loan amount to others shall not exceed 200% of the net worth of the Company.</u> <u>The amount lent to a single recipient shall not exceed forty percent (40%) of the net worth of the Company</u></p>	<p><u>between the Company and subsidiaries of the Company whose voting shares are 100% owned, directly or indirectly, by the Company,</u> will not be subject to the limit of net worth described in item 2, <u>nor the limit of one year period described in article 4, item 2.</u> However the Company shall <u>specify the total amount for fund-lending and the amount lent to a single recipient in the internal procedure, the fund lending period shall also be defined.</u></p>	
Article 6	<p><b>Term of Loan and Methods of Interest Calculation</b></p> <p>The term of each loan extended by the Company shall not exceed one (1) year since the lending date. The interest <u>rate shall</u> be determined on the basis of the Company's bank borrowing rate of same loan term period. The interests shall be calculated on a daily basis, and interest payment term and way should be decided by both parties.</p> <p><u>The loans of the company and subsidiaries or subsidiaries and subsidiaries shall be submitted to the Board of Directors for approval in accordance with aforesaid Article. Once the loans are approved by the Board, the chairman of the Board is authorized to allocate the fund within a year under approved limits in several installments or revolving allocations.</u></p> <p><u>The aforesaid loan amount shall be in accordance with Article 5. The loan amount of the Company or its subsidiaries' shall not exceed ten percent (10%) of the net worth of the latest financial report of the Company.</u></p>	<p><b>Term of Loan and Methods of Interest Calculation</b></p> <p><u>When doing fund lending, if it is under the circumstance described in article 4 item 1, the term of each loan extended by the Company shall be decided upon actual necessity, however it shall not exceed three (3) years since the lending date. If it is under the circumstance described in article 4 item 2,</u> the term of each loan extended by the Company shall not exceed one (1) year since the lending date.</p> <p>The interest rate <u>of the above fund lending</u> shall be determined on the basis of the Company's bank borrowing rate of same loan term period. The interests shall be calculated on a daily basis, and interest payment term and way should be decided by both parties.</p>	<p>Define respective fund lending period based on different circumstance to match operational needs</p> <p>Delete duplicate context with article 7 item 4</p>
Article 7	<p><b>Procedures for Fund Lending</b></p> <p>(1~3 omit)</p> <p>4. Loans <u>between the Company and subsidiaries</u> or between</p>	<p><b>Procedures for Fund Lending</b></p> <p>(1~3 omit)</p> <p>4. Loans <u>among the Company, the parent company,</u> and</p>	<p>Modify based on FSC's latest "Regulations</p>

	<p>different subsidiaries of the Company shall be decided by a resolution of the Board of Directors and authorization may also be given to the chairperson, within a certain capital limit resolved by the Board of Directors, for a specific borrowing counterparty and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. Unless as provided in <a href="#">the procedure</a>, the “capital limit” referred in the previous section provided by <a href="#">the</a> Company or its subsidiaries for any single enterprise shall not exceed ten percent (10%) of the net value of the Company based on its latest financial statements.</p> <p>(5~7 omit)</p>	<p>subsidiaries or between different subsidiaries of the Company shall be decided by a resolution of the Board of Directors and authorization may also be given to the chairperson, within a certain capital limit resolved by the Board of Directors, for a specific borrowing counterparty and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. Unless as provided in <a href="#">article 5</a>, the “capital limit” referred in the previous section provided by <a href="#">the fund-lending</a> Company or its subsidiaries for any single enterprise shall not exceed ten percent (10%) of the net value of the Company based on its latest financial statements.</p> <p>(5~7 omit)</p>	<p>Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”</p>
<p>Article 8</p>	<p><b>Internal Audit</b></p> <p>1 The Company shall establish and maintain a reference book to record all its fund-lending information, including the identity of the borrower, amount, the date on which the lending was approved by the Board of Directors, dates to advance the amount of the loan and related information regarding the assessment in accordance with the relevant regulations of the Procedures.</p> <p>2 The internal auditing personnel of the Company shall audit the execution of the operation of lending of funds of the Company at least every quarter and produce a written auditing report. During the</p>	<p><b>Internal Audit</b></p> <p>1 The Company shall establish and maintain a reference book to record all its fund-lending information, including the identity of the borrower, amount, the date on which the lending was approved by the Board of Directors, dates to advance the amount of the loan and related information regarding the assessment in accordance with the relevant regulations of the Procedures.</p> <p>2 The internal auditing personnel of the Company shall audit the execution of the operation of lending of funds of the Company at least every quarter and produce a written auditing report. During the</p>	<p>Modify based on FSC’s latest “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”</p>

	<p>auditing, the internal auditor shall immediately correct violation(s) upon finding any violation. If the violation found is material, the personnel who violate the Procedures shall be penalized in accordance with the related rules of the Company. Meanwhile, the auditor shall immediately report such violation in writing to <u>each of the Audit Committee member</u> of the Company.</p> <p>3 If the borrower no longer meets the requirements of the Procedures, or the total outstanding lending amount exceeds the lending limit approved by the Board of Directors due to unforeseeable changes of circumstances, the Company shall produce an improvement plan. In addition, the improvement plan shall be submitted to <u>each of the Audit Committee member</u> of the Company for review. The aforesaid improvement plan shall be accomplished according to the planned schedule thereof.</p>	<p>auditing, the internal auditor shall immediately correct violation(s) upon finding any violation. If the violation found is material, the personnel who violate the Procedures shall be penalized in accordance with the related rules of the Company. Meanwhile, the auditor shall immediately report such violation in writing to <u>the Audit Committee</u> of the Company.</p> <p>3 If the borrower no longer meets the requirements of the Procedures, or the total outstanding lending amount exceeds the lending limit approved by the Board of Directors due to unforeseeable changes of circumstances, the Company shall produce an improvement plan. In addition, the improvement plan shall be submitted to <u>the Audit Committee</u> of the Company for review. The aforesaid improvement plan shall be accomplished according to the planned schedule thereof.</p>	
<p>Article 9</p>	<p><b>Announcement</b></p> <p>1 The Company shall announce and report the previous month's balance of loans of funds made by itself and its subsidiaries by the 10th day of each month.</p> <p>2 If the Company's loans of funds reach one of the following levels, the Company shall announce and report such fact within 2 days commencing immediately from the date of occurrence of the event.</p> <p>(1) The balance of loans of funds</p>	<p><b>Announcement</b></p> <p>1 The Company shall announce and report the previous month's balance of loans of funds made by itself and its subsidiaries by the 10th day of each month.</p> <p>2 If the Company's loans of funds reach one of the following levels, the Company shall announce and report such fact within 2 days commencing immediately from the date of occurrence of the event.</p> <p>(1) The balance of loans of funds</p>	<p>Modify based on FSC's latest "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies"</p>

	<p>by the Company and the Company's subsidiaries to others reaches twenty percent (20%) or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of loans of funds by the Company and the Company's subsidiaries to a single enterprise reaches ten percent (10%) or more of the Company's net worth as stated in its latest financial statement.</p> <p>(3) The amount of new loans of funds by the Company or any of the Company's subsidiaries reaches NT\$ten million or more and also reaches two percent (2%) or more of the Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any of its subsidiaries that is not a domestic public company any matters that such subsidiary is required to announce and report pursuant to subparagraph (3) of the preceding paragraph.</p> <p>3 The financial department shall make sufficient provision according to generally accepted accounting principles based on the condition of its lending profile, adequately disclose information in the financial statements, and provide external auditors with necessary information for conducting due auditing.</p>	<p>by the Company and the Company's subsidiaries to others reaches twenty percent (20%) or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of loans of funds by the Company and the Company's subsidiaries to a single enterprise reaches ten percent (10%) or more of the Company's net worth as stated in its latest financial statement.</p> <p>(3) The amount of new loans of funds by the Company or any of the Company's subsidiaries reaches NT\$ten million or more and also reaches two percent (2%) or more of the Company's net worth as stated in its latest financial statement.</p> <p><a href="#"><u>The term "Date of occurrence" means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</u></a></p> <p>The Company shall announce and report on behalf of any of its subsidiaries that is not a domestic public company any matters that such subsidiary is required to announce and report pursuant to subparagraph (3) of the preceding paragraph.</p> <p>3 The financial department shall make sufficient provision according to generally accepted accounting principles based on the condition of its</p>	
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		lending profile, adequately disclose information in the financial statements, and provide external auditors with necessary information for conducting due auditing.	
Article 11	<p><b>Audit procedure on Fund Lending of Subsidiaries</b></p> <p>1~2 Omit</p> <p>3 If a subsidiary is a public company, its internal auditor personnel shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's audit department. The Company's audit department shall submit written report to <a href="#">each of the Audit Committee member</a></p> <p>4 The internal audit personnel of the Company shall audit the subsidiaries operational procedures regarding the implementation status of lending funds to others based on annual audit plan. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to the chairperson.</p>	<p><b>Audit procedure on Fund Lending of Subsidiaries</b></p> <p>1~2 Omit</p> <p>3 If a subsidiary is a public company, its internal auditor personnel shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's audit department. The Company's audit department shall submit written report to <a href="#">the Audit Committee.</a></p> <p>4 The internal audit personnel of the Company shall audit the subsidiaries operational procedures regarding the implementation status of lending funds to others based on annual audit plan. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to the chairperson.</p>	Modify based on FSC's latest "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies"
Article 13	<p><b>Implementation and Amendment</b></p> <p>After passage by the Audit Committee <a href="#">and the Board of Directors</a>, the Procedure shall be submitted to the shareholders meeting for approval. If any director expresses an objection and there is a record or written statement of the objection, the Company shall forward the director's objection to the shareholders meeting for discussion. The same procedures shall apply to any amendments to</p>	<p><b>Implementation and Amendment</b></p> <p>After passage by <a href="#">more than half of all audit committee members and submitted to the board of directors for a resolution</a>, the Procedure shall be submitted to the shareholders meeting for approval. If any director expresses an objection and there is a record or written statement of the objection, the Company shall forward the director's objection to the shareholders meeting for discussion. The same procedures</p>	Modify based on FSC's latest "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies"

	<p>the Procedure.</p> <p><u>If the Company has appointed an independent director(s), the opinions of each independent director shall be given full consideration when the matter is submitted for discussion by the Board of Directors, and each independent director's explicit assenting or dissenting opinion and reasons for dissent shall be recorded in the Board of Directors meeting minutes.</u></p>	<p>shall apply to any amendments to the Procedure.</p> <p><u>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.</u></p> <p><u>The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	
Article 14	<p>The Procedure was enacted on October 25, 2011</p> <p>The 1<sup>st</sup> amendment was made on December 20, 2011</p> <p>The 2<sup>nd</sup> amendment was made on June 25, 2013</p> <p>The 3<sup>rd</sup> amendment was made on January 19, 2015</p> <p>The 4<sup>th</sup> amendment was made on February 20, 2017</p>	<p>The Procedure was enacted on October 25, 2011</p> <p>The 1<sup>st</sup> amendment was made on December 20, 2011</p> <p>The 2<sup>nd</sup> amendment was made on June 25, 2013</p> <p>The 3<sup>rd</sup> amendment was made on January 19, 2015</p> <p>The 4<sup>th</sup> amendment was made on February 20, 2017</p> <p><u>The 5<sup>th</sup> amendment was made on June 25, 2019</u></p>	Add amendment date

## Attachment 13

### GlobalWafers Co., Ltd.

#### Procedures for Endorsement and Guarantee Comparison Chart

Article	Before	After	Remark
Article 8	<p><b>Announcement</b></p> <p>1 The Company shall make an announcement on the balance of endorsement and/or guarantee of itself and its subsidiaries in MOPS before the 10<sup>th</sup> of each month.</p> <p>2 In the event that the balance of endorsement and/or guarantee meets one of the following standards, the Company shall make an announcement in MOPS within 2 days commencing immediately from the date of occurrence of the event.</p> <p>(1) The aggregate balance of the Company and its subsidiaries' endorsements/guarantees reaches 50% or more of Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches 20% or more of Company's net worth as stated in its latest financial statement.</p> <p>(3) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>long-term orientated</u> investment in, and balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial</p>	<p><b>Announcement</b></p> <p>1 The Company shall make an announcement on the balance of endorsement and/or guarantee of itself and its subsidiaries in MOPS before the 10<sup>th</sup> of each month.</p> <p>2 In the event that the balance of endorsement and/or guarantee meets one of the following standards, the Company shall make an announcement in MOPS within 2 days commencing immediately from the date of occurrence of the event.</p> <p>(1) The aggregate balance of the Company and its subsidiaries' endorsements/guarantees reaches 50% or more of Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches 20% or more of Company's net worth as stated in its latest financial statement.</p> <p>(3) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>book value of equity-method</u> investment in, and balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial</p>	<p>Modify based on FSC's latest "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies"</p>

	<p>statement.</p> <p>(4) The balance of the Company and its subsidiaries' new endorsements/guarantees reaches NT\$30 million or more and the aggregate amount of all endorsements/guarantees reaches 5% or more of Company's net worth as stated in its latest financial statement.</p> <p>3 The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the fourth subparagraph of the preceding paragraph.</p> <p>4 The Company shall designate manager and personnel to disclose information in accordance with Article 24 and 25 in "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies"</p>	<p>statement.</p> <p>(4) The balance of the Company and its subsidiaries' new endorsements/guarantees reaches NT\$30 million or more and the aggregate amount of all endorsements/guarantees reaches 5% or more of Company's net worth as stated in its latest financial statement.</p> <p><u>The term "Date of occurrence" means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</u></p> <p>3 The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the fourth subparagraph of the preceding paragraph.</p> <p>4 The Company shall designate manager and personnel to disclose information in accordance with Article 24 and 25 in "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies"</p>	
Article 9	<p><b>Internal Control</b></p> <p>1 Internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify <u>each of the Audit Committee</u></p>	<p><b>Internal Control</b></p> <p>1 Internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify <u>the Audit Committee.</u></p>	Modify based on FSC's latest "Regulations Governing Loaning of Funds and Making of Endorsemen

	<p><a href="#">member</a>.</p> <p>2 Any endorsement and/or guarantee to be provided by the Company shall be conducted in accordance with the procedures. Should there be any violation of related regulations or the Procedures, the Company’s managers and persons-in –charge shall be subject to castigation.</p>	<p>2 Any endorsement and/or guarantee to be provided by the Company shall be conducted in accordance with the procedures. Should there be any violation of related regulations or the Procedures, the Company’s managers and persons-in –charge shall be subject to castigation.</p>	<p>ts/Guarantees by Public Companies”</p>
Article 10	<p><b>Procedure</b></p> <p>1~4 Omit</p> <p>5 If, due to changes of circumstances, the amount and the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and the Procedures herein, a corrective plan shall be provided to <a href="#">each of the Audit Committee member</a> and the proposed corrections shall be implemented within the period specified in the plan.</p> <p>6 When the net value of endorsed or guaranteed companies lower than 50% of its paid-in capital, subsequent precautions of control shall be established by the financial department and be reported to the Board of Directors. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital shall be calculated with the sum of the share capital plus paid-in capital in excess of par shall be substituted</p>	<p><b>Procedure</b></p> <p>1~4 Omit</p> <p>5 If, due to changes of circumstances, the amount and the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and the Procedures herein, a corrective plan shall be provided to <a href="#">the Audit Committee</a> and the proposed corrections shall be implemented within the period specified in the plan.</p> <p>6 When the net value of endorsed or guaranteed companies lower than 50% of its paid-in capital, subsequent precautions of control shall be established by the financial department and be reported to the Board of Directors. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital shall be calculated with the sum of the share capital plus paid-in capital in excess of par shall be substituted</p>	<p>Modify based on FSC’s latest “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”</p>
Article 13	<p><b>Procedure of Subsidiary’s</b></p>	<p><b>Procedure of Subsidiary’s</b></p>	<p>Modify based on FSC’s latest</p>

	<p><b>Endorsement &amp; Guarantee</b>  1~2 Omit  3 Where the subsidiary is a public company, its internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's internal auditors. The Company's internal auditors shall submit written report to <u>each of the Audit Committee member</u></p> <p>4 The internal audit personnel of the Company shall regularly audit the subsidiaries operational procedures according to Yearly Auditing plan and understand the implementation status of providing endorsement or guarantees for others. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to Chairperson.</p>	<p><b>Endorsement &amp; Guarantee</b>  1~2 Omit  3 Where the subsidiary is a public company, its internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's internal auditors. The Company's internal auditors shall submit written report to <u>the Audit Committee.</u></p> <p>4 The internal audit personnel of the Company shall regularly audit the subsidiaries operational procedures according to Yearly Auditing plan and understand the implementation status of providing endorsement or guarantees for others. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to Chairperson.</p>	<p>“Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”</p>
<p>Article 15</p>	<p>The Procedures shall be submitted to the Audit Committee <u>and</u> the Board of Directors of the Company for approval and ratified by the Shareholders Meeting of the Company. Any written objection or statement from Directors of the Board of the Company shall be submitted to the Shareholders Meeting for discussion. Any amendment is subject to the same procedure.</p> <p><u>If the Company has independent Director(s), the opinions of objection or endorsement from the independent Director(s) of the Company shall be placed on record in the minutes of the Board of Directors of the Company.</u></p>	<p><u>After passage by more than half of all audit committee members and submitted to the board of directors for a resolution,</u> the Procedure shall be submitted to the shareholders meeting for approval. If any director expresses an objection and there is a record or written statement of the objection, the Company shall forward the director's objection to the shareholders meeting for discussion. The same procedures shall apply to any amendments to the Procedure.</p> <p><u>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</u></p>	<p>Modify based on FSC's latest “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”</p>

		<p><u>if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	
Article 16	<p>The procedure was approved on October 25, 2011.</p> <p>The 1<sup>st</sup> amendment was made on December 20, 2011.</p> <p>The 2<sup>nd</sup> amendment was made on June 25, 2013.</p> <p>The 3<sup>rd</sup> amendment was made on January 19, 2015.</p> <p>The 4<sup>th</sup> amendment was made on June 23, 2015.</p> <p>The 5<sup>th</sup> amendment was made on February 20, 2017.</p>	<p>The procedure was approved on October 25, 2011.</p> <p>The 1<sup>st</sup> amendment was made on December 20, 2011.</p> <p>The 2<sup>nd</sup> amendment was made on June 25, 2013.</p> <p>The 3<sup>rd</sup> amendment was made on January 19, 2015.</p> <p>The 4<sup>th</sup> amendment was made on June 23, 2015.</p> <p>The 5<sup>th</sup> amendment was made on February 20, 2017.</p> <p><u>The 6<sup>th</sup> amendment was made on June 25, 2019.</u></p>	Add amendment date

## Attachment 14

### GlobalWafers Co., Ltd.

#### Independent Director Candidates

Name	Kwang-Leei Young
Education	Ph.D., Electrical Engineering and Computer Sciences , University of California, Berkeley
Current Job	Director, Intention Intelligence Co., Ltd. Angel Investor Strategy Consultant, Bridgewell Co., Ltd. Columnist/Consultant, Digitimes
Experience	Director of Research and Development, Taiwan Semiconductor Manufacturing Company Limited Director of Engineering, WSMC Co., Ltd. Deputy Director of Research & Development division, Winbond Electronics Corp. Senior Manager, Chartered Semiconductor Singapore Senior Technical Staff, HP USA Research Staff , MIT Lincoln Lab. USA
Shares	0