



GlobalWafers Enters into Business Combination Agreement with Siltronic

- *Combination of GlobalWafers and Siltronic to create a global leader in semiconductor silicon wafer space*
- *Offer Price of EUR125 per share in cash for Siltronic ordinary shares, representing a 48% premium to the 90-day volume weighted average Xetra price as of Nov 27, 2020, prior to public disclosure of advanced discussions between GlobalWafers and Siltronic*
- *GlobalWafers will launch a Voluntary Takeover Offer with the intention to acquire all of Siltronic's outstanding shares*
- *Wacker Chemie, Siltronic's largest shareholder, has entered into an irrevocable undertaking agreement to tender all of its 30.8% stake in Siltronic*
- *Offer Price values 100% of Siltronic's equity at EUR3.75 billion*

Hsinchu, Taiwan — December 10, 2020 — GlobalWafers Co., Ltd. (6488.TWO) ("GlobalWafers") and Siltronic AG (FRA: WAF) ("Siltronic"), both leaders in the manufacture and sale of silicon wafers to the semiconductor industry, today announced the signing of a Business Combination Agreement ("BCA") and confirmation of GlobalWafers' intention to acquire all outstanding ordinary shares of Siltronic via a Voluntary Tender Offer (the "Tender Offer").

The BCA outlines a collaborative framework to deliver the joint strategic vision and a successful combination of GlobalWafers and Siltronic. GlobalWafers and Siltronic expect a number of strategic and operational benefits from this combination, including:

- Greater resources to invest in further capacity expansion
- Expanded production and technical capabilities to satisfy growing demand
- Diversity of combined resources to enable more nimble production
- Significantly increased financial and operational capabilities
- Potential for meaningful synergies and value creation for shareholders and customers
- Greater customer and geographic diversification

Siltronic shareholders who choose to participate in the Tender Offer will receive EUR125 in cash for each ordinary Siltronic share held, representing a 48% premium to the 90-day volume-weighted average Xetra price of Siltronic's ordinary shares prior to the public disclosure of advanced discussions between GlobalWafers and Siltronic, and a 10% premium to the closing price of Siltronic's ordinary shares as of November 27, 2020, Siltronic's last trading day prior to public disclosure of the discussion. Siltronic's Executive Board also intends to propose a dividend of approximately EUR 2 per Siltronic share for fiscal year 2020, in line with Siltronic's dividend policy, which is likely to be paid prior to the closing of the proposed transaction.

Completion of the Tender Offer will be subject to satisfaction of certain closing conditions, including a minimum acceptance threshold of at least 65% of Siltronic's issued and outstanding ordinary share capital at the end of the acceptance period, and customary regulatory approvals. The BCA has been approved by GlobalWafers' Boards of Directors and Siltronic's Executive Board and Supervisory Board.

As part of the transaction, Wacker Chemie AG, Siltronic's largest shareholder, has entered into an Irrevocable Undertaking Agreement with GlobalWafers, which precludes Wacker Chemie's ability to switch to a competing offer, to tender its entire 30.8% stake in Siltronic into the Tender Offer.

The acceptance period will begin as soon as the German Federal Financial Supervisory Authority ("BaFin") will have permitted the offer document. The acceptance period under the Tender Offer is



expected to commence still in December 2020, and to last for approximately five (5) weeks, subject to any extension of the acceptance period in accordance with the terms and conditions of the Tender Offer and applicable laws.

In recognition of the crucial role which Siltronic's technological capabilities and employees are expected to play in the combined business, GlobalWafers has agreed to commit to a number of measures in the BCA, including 1) maintenance of Siltronic's Burghausen site as the leading R&D hub for the Siltronic business, 2) ensuring adequate capex to support existing wafer production lines, and 3) refraining from undertaking any forced redundancies or closing any Siltronic sites in Germany at least until the end of 2024.

GlobalWafers will finance the transaction through committed acquisition financing from DBS Bank, and the pro forma leverage, net of cash on hand, immediately following closing of the Tender Offer will be approximately 2.6 times pro forma EBITDA (assuming 100% of Siltronic shares are tendered). The transaction is expected to be immediately accretive to GlobalWafers' adjusted EPS upon closing.

"We believe that this transaction would be beneficial not only to each GlobalWafers and Siltronic, but also to our customers, shareholders, and other stakeholders," said Doris Hsu, Chairperson and CEO of GlobalWafers. "The transaction would create a leading player in the industry with a comprehensive product portfolio that can offer technologically sophisticated products to all semiconductor customers globally, and brings together two companies with complementary skills and resources, which will enable the combined business to invest more in capacity expansion," Hsu concluded.

Advisors

Nomura Securities is acting as sole financial advisor to GlobalWafers, and Linklaters LLP and White & Case LLP are acting as legal advisors to GlobalWafers.

About GlobalWafers

Headquartered in Hsinchu, Taiwan, GlobalWafers is one of the five largest silicon wafer manufacturers in the world. Founded in 1981, it was the semiconductor business unit of SAS (Sino-American Silicon Product Inc.) and spun off as GlobalWafers Co., Ltd. in 2011. Specializing in 3" to 12" silicon wafer manufacturing, product applications extend through power management, automotive, IT and MEMS. GlobalWafers is listed on the Taipei Exchange.

Contacts

GlobalWafers

Spokesperson: William Chen +886-3-577-2255 (ext. 2280)

Important notice:

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Siltronic Shares. The terms and further provisions regarding the Takeover Offer by the Bidder to the shareholders of Siltronic AG will be set forth in the offer document which will be published following approval of its publication by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). Holders of Siltronic Shares are strongly recommended to read the offer document and to seek independent advice, where appropriate, in relation to the matters therein.



Moreover, this announcement is neither an offer to sell nor a solicitation of an offer to purchase shares in GlobalWafers Co., Ltd.

The release, publication or distribution of this announcement in certain jurisdictions other than the Federal Republic of Germany may be restricted by law. Persons who are resident in, or are subject to, other jurisdictions should inform themselves of, and observe, any applicable requirements.

The Takeover Offer will be made in the United States of America in reliance on, and compliance with, Section 14(e) of the US Securities Exchange Act of 1934 and Regulation 14E thereunder, as exempted thereunder by Rule 14d-1(d).

To the extent permissible under applicable law or regulation, and in accordance with German market practice, the Bidder, its affiliates and/or brokers acting on its behalf may, outside of the United States of America and in compliance with applicable law, from time to time make certain purchases of, or arrangements to purchase, directly or indirectly, Siltronic Shares or any securities that are immediately convertible into, exchangeable for, or exercisable for, Siltronic Shares, other than pursuant to the Takeover Offer, before, during or after the period in which the Takeover Offer will remain open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases would be disclosed as required by law or regulation in Germany or other relevant jurisdictions.

This announcement may contain statements about GlobalWafers Co., Ltd. and/or its subsidiaries (together “**GlobalWafers Group**”) or Siltronic AG and/or its subsidiaries (together “**Siltronic Group**”) that are or may be “forward-looking statements”. Forward-looking statements include, without limitation, statements that typically contain words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

GlobalWafers Co., Ltd. and the Bidder caution you that forward-looking statements are not guarantees of the occurrence of such future events or of future performance and that in particular the actual results of operations, financial condition and liquidity, the development of the industry in which GlobalWafers Group and Siltronic Group operate and the outcome or impact of the acquisition and related matters on GlobalWafers Group and/or Siltronic Group may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. Any forward-looking statements speak only as at the date of this announcement. Except as required by applicable law, GlobalWafers Co., Ltd. and the Bidder do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.