



GlobalWafers Co., Ltd.  
環球晶圓股份有限公司

Stock Code : 6488

# GlobalWafers Co., Ltd.

## 2022 Annual General Shareholders' Meeting Meeting Handbook

Time: Tuesday, June 21, 2022

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

Hsinchu, Taiwan, R.O.C

Science Park Life Hub/Darwin Hall

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

# Table of Contents

2022 ANNUAL GENERAL SHAREHOLDERS' MEETING PROCEDURE .....	1
2022 ANNUAL GENERAL SHAREHOLDERS' MEETING AGENDA .....	2
I.REPORT ITEMS.....	3
II.APPROVAL ITEMS .....	7
III.DISCUSSION ITEMS.....	8
IV.EXTEMPORARY MOTION .....	11
V.MEETING ADJOURNED.....	11
ATTACHMENTS	
ATTACHMENT 1	
FISICAL 2021 BUSINESS REPORT .....	12
ATTACHMENT 2	
AUDIT COMMITTEE'S REVIEW REPORT .....	19
ATTACHMENT 3	
CODES OF ETHICAL CONDUCT COMPARISON CHART .....	20
ATTACHMENT 4	
RULES FOR FIRST SHARES BUYBACK TO TRANSFER TO EMPLOYEE COMPARISON CHART	
.....	21
ATTACHMENT 5	
CORPORATE SOCIAL RESPONSIBILITY BEST PRACTICE PRINCIPLES COMPARISON CHART .....	22
ATTACHMENT 6	
INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS .....	34
ATTACHMENT 7	
EARNINGS DISTRIBUTION TABLE .....	52
ATTACHMENT 8	
ARTICLES OF INCORPORATION COMPARISON CHART .....	53
ATTACHMENT 9	
RULES AND PROCEDURES OF SHAREHOLDERS' MEETING .....	57
ATTACHMENT 10	
ACQUISITION OR DISPOSAL OF ASSETS PROCEDURE COMPARISON CHART .....	69
APPENDIXES	
APPENDIX 1	
RULES AND PROCEDURES OF SHAREHOLDERS' MEETING.....	81
APPENDIX 2	
ARTICLES OF INCORPORATION .....	85
APPENDIX 3	
ACQUISITION OR DISPOSAL OF ASSETS PROCEDURE .....	93
APPENDIX 4	
SHAREHOLDINGS OF DIRECTORS .....	107
APPENDIX 5	
OTHER STATEMENT .....	108

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

### **2022 Annual General Shareholders' Meeting Procedure**

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

# **GlobalWafers Co., Ltd.**

## **2022 Annual General Shareholders' Meeting Agenda**

Convening Method: Physical Meeting

Time: 9:00 AM, Tuesday, June 21, 2022

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

1. Call Meeting to Order
2. Chairperson's Address
3. Report Items
  - (1) 2021 business report
  - (2) Audit Committee's report on 2021 annual final accounting books and statements
  - (3) Report on 2021 remuneration distribution of employees & directors
  - (4) 2021 earning distribution
  - (5) Report on the public tender offering of Siltronic M&A
  - (6) Report on the issuance of domestic unsecured corporate bond
  - (7) Report on the issuance of the first unsecured overseas euro-convertible bonds
  - (8) Amendment to the "Codes of Ethical Conduct"
  - (9) Amendment to the "Regulations Governing of the First Share Repurchase and Transfer to the Employees"
  - (10) Amendment to the "Corporate Social Responsibility Best Practice Principles"
4. Approval Items
  - (1) 2021 business report, financial statements and earning distribution
5. Discussion Items
  - (1) Amendment to the "Articles of Incorporation"
  - (2) Amendment to the "Rules and Procedures of Shareholders' Meeting"
  - (3) Amendment to the "Acquisition or Disposal of Assets Procedure"
  - (4) Issuance of new shares through public offering in response to the Company's capital needs
6. Extemporary Motion
7. Meeting Adjourned

## I. Report Items

- Item 1** Fiscal 2021 Business Report submitted for review  
Please refer to the Fiscal 2021 Business Report on Attachment 1 (page 12) of this handbook.
- Item 2** Audit Committee's report on 2021 annual final accounting books and statements submitted for review  
For the Audit Committee's 2021 Review Report, please refer to Attachment 2 (page 19) of this handbook.
- Item 3** Distribution of remuneration to directors and employees in fiscal 2021, submitted for review
- (1) The company 2021 earning (Before deducting remuneration to employees and directors from Profit before Tax) is NTD 14,682,822,112. Pursuant to Article 31 of Articles of Incorporation, if the Company is profitable at the end of each fiscal year, 3~15% of the profit shall be appropriated for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration.
  - (2) The Company is proposed to distribute NTD 440,455,864 to employees (distribution ratio 3.00%) and NTD 45,000,000 to directors (distribution ratio 0.31%). Distribution to both employees and directors is made in cash.
  - (3) Employees entitled to receive remuneration is pursuant to Article 31 of Articles of Incorporation. Remuneration amount will be decided after consideration with seniority, position, performance, contribution or special dedication, and chairperson is fully authorized.
- Item 4** Report on 2021 earning distribution, submitted for review.  
Pursuant to the Articles of Incorporation, the Board of Directors is authorized to resolve to distribute earning and capital reserve in cash after the end of each half-year. The respective amounts and payment dates of 2021 cash dividends of each half year approved by the Board of Directors are demonstrated in the table below:

2021	Approval Date (year/month/date)	Payment Date (year/month/date)	Cash Dividends Per Share (NT\$)			Total Amount (NT\$)
			Earning	capital reserve	Total	
First Half	2021/12/07	2022/02/11	8.0	0	8.0	3,481,896,000
Second Half	2022/05/03	2022/08/05	6.7196	1.2804	8.0	3,481,896,000
Total			16.0			6,963,792,000

#### Item 5

Report on the public tender offering of Siltronic M&A case, submitted for review.

- (1) In accordance with the instruction from letter No. 1100342091 issued by the Financial Supervisory Commission (the approval letter of the Company's issuance of the first unsecured overseas euro convertible bonds), the Company has reported the purpose, synergy and necessity for the tender offering of Siltronic AG in 2021 shareholder meeting.
- (2) The Company did not obtain the approval from German Government for its all-cash tender offer for the outstanding ordinary shares of Siltronic AG by the transaction deadline (2022/1/31.) Therefore, the takeover offer and the agreements which came into existence as a result of the offer was not completed and lapsed.
- (3) This unsuccessful transaction does not impact the Company's operations. Europe remains an important market for the Company and it remains committed to the customers and employees in the region.

#### Item 6

Report on the issuance of domestic unsecured corporate bond, submitted for review.

- (1) In accordance with the Article 246 of the Company Act.
- (2) The Company issued two unsecured corporate bonds in 2021, details as below.

Bond	1st unsecured corporate bond issue in 2021	2nd unsecured corporate bond issue in 2021
Issue amount	NTD 6,500,000,000	Bond A: NTD 7,100,000,000 Bond b: NTD 5,400,000,000
Denomination	NTD 1,000,000	NTD 1,000,000
Tenor	5 years (2021/5/11~2026/5/11)	Bond A: 3 years (2021/8/19~2024/8/19) Bond B: 5 years (2021/8/19~2026/8/19)
Issue price	100% of the principal amount of the Bond	100% of the principal amount of the Bond
Coupon rate	Fixed Interest Rate 0.62% per annum	Bond A: Fixed Interest Rate 0.50% per annum Bond B: Fixed Interest Rate 0.60% per annum
Interest Basis	Use coupon rate and calculate with simple interest once per year and pay once a year	Use coupon rate and calculate with simple interest once per year and pay once a year

Principal Repayment Description	Principal Repaid in a Lump Sum at Maturity	Principal Repaid in a Lump Sum at Maturity
Trustee	Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd.
Agent for Repayment of Principal and Payment of Interest	Taipei Fubon Commercial Bank Co., Ltd. - City Hall Branch	Taipei Fubon Commercial Bank Co., Ltd.- City Hall Branch
Use of Proceeds	Debt repayment	Debt repayment

## Item 7

Report on the issuance of the first unsecured overseas euro convertible bonds, submitted for review.

The Company issued the first unsecured overseas euro convertible bonds for the procurement of raw materials in original currencies, details as below.

Bond	The first unsecured overseas euro convertible bonds
Approval Date	2021/5/19
Issue Date	2021/6/1
Maturity Date	2026/6/1
Aggregate principal amount	USD 1,000,000,000
Denomination	USD 200,000
Issue Price.	100.00 % of the principal amount of the Bonds.
Listing	Singapore Exchange Securities Trading Limited ("SGX-ST")
Initial Conversion Price	NTD 1,040.20 (conversion price adopts a fixed exchange rate of NT\$27.9120)
Conversion Period	2021/9/1~2026/5/22
Interest	0%
Redemption	Unless the Company early redeems, repurchases and cancels, or the bond holder exercises his/her conversion right, the bond shall be redeemed on the Maturity Date at a gross yield of negative 0.25% per annum (calculated on a semi-annual basis) in USD by the Company. The Mature Redemption Amount will be converted to New Taiwan Dollars at the fixed exchange rate of NT\$27.9120., and the amount in New Taiwan Dollars will be converted into USD in the exchange rate at that time for repayment.
Trustee	Citicorp International Limited
Principal Agent	Citibank, N.A., London Branch
Use of Proceeds	The gross proceeds from this offering is U.S.\$1,000,000,000, will be used for the procurement of raw materials in original currencies. The company has successively used the proceeds. For the current implementation, please refer to "Market Observation Post System /Fundraising Plan" section.
Converted Shares	No shares are converted by 2022/3/31

**Item 8** Report on the amendment to the “Codes of Ethical Conducts”, submitted for review.

The amendment of "the Code of Ethical Conducts" was approved by the board on November 2, 2021. In line with the Company's management need of public property, the reporting obligation of public property damage is added, and it stipulates the Company may claim compensation on the mischief causing damage whether a coincidence or on purpose pursuant to the regulation. In addition, it also adds the obligation of the custodian department to regularly inventory on the public property so the Company's property could be fully protected.

For the comparison chart, please refer to Attachment 3 (page 20) of this handbook.

**Item 9** Report on the amendment to the “Regulations Governing of the First Share Repurchase and Transfer to the Employees”, submitted for review.

In order to comply with the amendment of the regulation and increase the flexibility of the company's talent retention incentives, the board of directors approved on August 3, 2021 to amend partial articles of the company's “Regulations Governing of the First Share Repurchase and Transfer to the Employees”

For the comparison chart, please refer to Attachment 4 (page 21) of this handbook.

**Item 10** Report on the amendment to the “Corporate Social Responsibility Best Practice Principles”, submitted for review.

In order to comply with the amendment of the regulation, strengthen the implementation of the Company's sustainable development, and improve the quality of information disclosure of sustainable development, the board of directors approved the revision of partial articles in “Corporate Social Responsibility Best Practice Principles” on March 15, 2022. In line with the Corporate Governance Blueprint 3.0 published by Financial Supervisory Commission to expand the concept of corporate social responsibility to sustainable development, "Code of Practice on Corporate Social Responsibility" is renamed to “Corporate Social Responsibility Best Practice Principles”

For the comparison chart, please refer to Attachment 5 (page 22) of this handbook.



## II. Approval Items

### Item 1

(Proposed by the Board of Directors)

Motion: To approve FY 2021 business report, financial statements and earning distribution

- (1) 2021 Financial Statements were audited by KPMG CPAs, Cheng, An-Chih and Tseng, Mei-Yu. The aforementioned, FY 2021 Business Report and Earning Distribution Table have been approved by the board and the audit committee with review report.
- (2) For the Business Report, CPA Audit Report, Financial Statements and Earning Distribution Table, please refer to Attachment 1 (page 12), Attachment 6 (page 34) and Attachment 7 (page 52) of this handbook.
- (3) Approval requested

Resolution:

### III. Discussion Items

#### Item 1

(Proposed by the Board of Directors)

Motion: Amendment to the “Articles of Incorporation”

- (1) To comply with the provisions of laws and regulations, add operation items to satisfy the Company's operational needs, and have more flexibility in convening shareholders' meetings, the Company proposes to amend the "Articles of Association".

For the comparison chart, please refer to Attachment 8 (page 53) of this handbook.

- (2) Resolution requested

Resolution:

#### Item 2

(Proposed by the Board of Directors)

Motion: Amendment to the “Rules and Procedures of Shareholders' Meeting”

- (1) Pursuant to article 172-2 amendment in Company Act which stipulates the public offering companies may convene shareholder meeting by visual communication network, and refer to the sample template for Rules of Procedure for Shareholders Meetings announced by the competent authority, with many supplements and amendments, the Company proposes to re-legislate the “Rules and Procedures of Shareholders' Meeting” as Attachment 9 (page 57) and abolish the old version accordingly.

- (2) Resolution requested

Resolution:

#### Item 3

(Proposed by the Board of Directors)

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

- (1) To comply with the revision of laws and regulations in strengthening the management of related party transactions and improving the quality of fair opinions issued by external experts, the Company proposes to amend the “Acquisition or Disposal of Assets Procedure.”

For the comparison chart, please refer to Attachment 10 (page 69) of this handbook.

- (2) Resolution requested

Resolution:

**Item 4**

(Proposed by the Board of Directors)

Motion: Discussion on issuance of new shares through public offering

Description:

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

**(2) Principles and Conducting of Raising Funds****1. The issuance of new common shares for capital increase in cash**

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

**I. Book Building**

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

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

**II. Public Application Offering**

Pursuant to the Article 267 of Company Act, 10%-15% of the new share issuance will be reserved for employees' preemptive subscription and 10% will be reserved for public offer. The remaining 85%-90% of the share issuance will be reserved for preemptive purchase of original shareholders based on the shareholder's name and his/her shares registered in the shareholders roster at the dividend record date. For the issuance not subscribed by employees and the original shareholders in proportion or as a whole, the chairperson of

the Board is to be authorized to negotiate with specific parties to purchase shares at issuing price. The issue price of new common shares from the cash capital increase may not be lower than 70% of the average closing prices of common shares of the Company for either the one, three, or five business days before either the date on which the application is filed with the Financial Supervisory Commission or the five business days before the ex-rights date. The average closing price mentioned above shall be after adjustment for any distribution of stock/cash dividends or capital reduction.

2. The issuance of GDR for the new common shares from cash capital increase:
  - I. Pursuant to the Article 267 of Company Act, 10%-15% of the share issuance will be reserved for employees' preemptive subscription. For those stocks not subscribed by employees in proportion or as a whole, the chairperson of the Board is to be authorized to negotiate with specific parties to purchase the unsubscribed share in common stock or GDR of subscription at the issuing price in accordance with the market development. For the remaining 85%-90% of issuance, based on the Article 28-1 of the Securities and Exchange Act, the board proposes to offer through public application offering for the issuance of GDR according to the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.
  - II. The issuing price of new common shares for capital increase in cash or the issuing price of GDR for the new common shares from cash capital increase is to be determined based on general practices worldwide and it shall not affect shareholder's interests. However, the final issuing price is to be determined by the lead underwriter and the Chairperson of the Board who is authorized by the Shareholders' Meeting by referring to market conditions at the time of issuance; also, it must be in compliance with related requirements of competent authorities.
    - a. According to the "Disciplinary Rules", the issuing price of the new common shares from cash capital increase may not be lower than 90% of the closing price of common shares at Taipei Exchange on the price determination day or 90% of average closing price of the common shares of the Company for either one, three, or five business days before the price determination date, after adjustment for any distribution of stock/cash dividends or capital reduction. The aforementioned price may adjust when variation occurred in domestic requirements. Since domestic share price may vary excessively within a short period, the Chairman of the Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of international conventions, capital market, domestic share price and overall book building.
    - b. For the rights of original shareholders, the issuance of new shares for cash capital increase up to 50 million common shares will have the maximum dilution effect of at 10.30% which is calculated on the foundation of outstanding 435,237,000 shares

as of 2022/2/28. The funds raised from the capital increase in cash shall generate sustainable growth in Company's business; reinforce competitiveness, and surely benefit shareholders. GDR issue price is determined according to fair value domestically. Original shareholders may purchase common stock in domestic market at Taipei Exchange for the price close to GDR price, exempting from currency and fluidity risks. There is no huge impact on original shareholders.

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

Resolution:

#### **IV. Extemporary Motion**

#### **V. Meeting Adjourned**

## Attachment 1

### GlobalWafers Co., Ltd.

#### Fiscal 2021 Business Report

The strong growth of consumer products and the remote patterns brought by the pandemic drove the demands for semiconductors; with the contributions from the technology trends like AI, 5G, EV, GlobalWafers has produced with full capacity in the whole year. By actively allocating the capacities around the world, utilizing the flexible deployment of locations in each country, the Company has continuously delivered safely and steadily, to meet customers' needs and outperformed. The full year consolidated revenue for 2021 of GlobalWafers is NT\$61.13 billion, or a 10.4% annual growth; the gross profit is NT\$23.29 billion, and the operating profit is NT\$17.69 billion; the profit before tax is NT\$16.45 billion, and the net profit is NT\$11.87 billion, with EPS after tax of NT\$27.27 (EURO 50 million termination fee for the Siltronic acquisition was recognized in Q4, 2021, so the EPS of the quarter decreased by NT\$3.5. Without this expense, the Company assumes the original EPS would have been NT\$30.77). The full year revenue of 2021 breaks the threshold of NT\$60 billion, a historic high. The full year gross margin is 38.1%, the second highest record; and the full year net profit margin is 28.9%, the third highest record!

The following is a summary report on the 2021 operation results, the 2022 business plan summary, future company development, external competition, regulatory environment and overall economic environment:

#### I. Operating Results in 2021

##### (I) Business Plan Implementation Results

Unit: NT\$ thousands

Year Item	2021 (IFRSs)	2020 (IFRSs)	Percent Change (%)
Revenue	61,130,592	55,358,788	10.4%
Cost of goods sold	37,844,704	34,790,674	8.8%
Gross Profit	23,285,888	20,568,114	13.2%
Operating Expenses	5,592,496	5,281,265	5.9%
Operating Income	17,693,392	15,286,849	15.7%
Profit Before Tax	16,445,453	16,614,967	-1.0%
Net Profit	11,870,037	13,103,631	-9.4%

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

(II) Budget Implementation: The Company had not announced its financial forecast for 2021.

(III) Profitability analysis

Items		2021	2020	
Financial Structure	Debt to Asset Ratio	69.71%	53.45%	
	Long-term Funds to PPE (PPE-plant, property, equipment) Ration	352.31%	176.55%	
Profitability Analysis	Return on Assets Ratio	9.85%	13.75%	
	Return on Equity Ratio	26.44%	29.37%	
	Percentage in Paid-in capital	Operating Profit	404.65%	349.61%
		Profit Before Tax	376.11%	379.99%
	Net Profit Margin	19.42%	23.67%	
	NPS (NT\$)	27.27	30.11	

(IV) Financial Income and Expenditure

The Company's 2021 operating revenue is NT\$61,130,592 thousands, the cost of goods sold is NT\$37,844,704 thousands, the operating expenses is NT\$5,592,496 thousands. The non-operating revenue and expenditure is net expenditure NT\$1,247,939 thousands and profit before tax is NT\$16,445,453 thousands, net profit after tax is NT\$11,870,037,000, financial income and expenditure are normal.

(V) Research and Development Status

1. R&D expenditure in 2021		Unit: NT\$ thousands	
Item/Year	2021	2020	
R&D Expenses	2,069,507	1,624,308	
Revenue	61,130,592	55,358,788	
R&D Expenses to Revenue (%)	3.39%	2.93%	

## 2. R&D results in 2021

### Name of technology or product

- (1) Ultra low resistivity ingot with Phosphorus doped
- (2) Ultra low resistivity ingot with Arsenic doped
- (3) Ultra low resistivity ingot with Boron doped
- (4) Ultra low resistivity ingot with Antimony wafers
- (5) 300mm(110) and (111) special crystal orientation
- (6) High off orientation wafering
- (7) SOI substrate for 5G RF device application
- (8) Low defects ultra-high flatness Silicon substrate for Advanced IC process
- (9) Ultra high resistivity wafers with low oxygen
- (10) Unpolished wafer and ultra thin wafer
- (11) High reflectivity etching wafer
- (12) SOI wafer and bounding wafer for high power electronic device
- (13) Diffusion wafer and deep diffusion polished wafer
- (14) High strength silicon substrate for GaN\_HEMT application
- (15) GaN Epi
- (16) N type SiC wafer
- (17) Semi insulating SiC Crystal and the wafer
- (18) Taiko wafer
- (19) 200 mm floating zone gas doped wafers

## 3. Future R&D plan:

- (1) SiC wafer high power automotive electronic device application
- (2) Epi-substrate for GaN\_HEMT application
- (3) High strength and ultra thin silicon substrate with nano structure
- (4) SOI substrate for next generation RF device application
- (5) 300mm EPI wafer
- (6) Semi insulating SiC Crystal and the Wafer
- (7) GaN on Si D mode power epi wafer
- (8) GaN on Si-SiC RF epi wafer
- (9) 200 mm floating zone gas doped wafers



## II. Summary of the Business Plan for 2022

### (I) Operating Guideline

- (1) Actively grasp the market trends and international events. Flexible allocation with stable shipment to meet customers' needs under the impact of politics and the pandemics.
- (2) Actively enhance the yield and debottleneck to maximize the existing capacities, prudently control capital expenditure to ensure the production expansion plan is completed as scheduled.
- (3) Actively develop the GaN/Si/SiC products, and work with strategic partners to maximize the complementary synergies in terms of materials.
- (4) Expand the collaboration among government, industry, and academy, deploy our advanced manufacturing process for niche applications and accelerate the development of new technologies.

### (II) Estimated sales volume and the basis:

Based on the analysis of World Semiconductor Trade Statistics (WSTS), in 2021, the scale of the global semiconductor market, including discrete semiconductors, optoelectronics, sensors, and ICs, would reach US\$552.961 billion, or grow 25.6% annually, reaching the new record-high. The outlook for 2022 is also optimistic. It is expected that the market scale will grow another 8.8% to US\$601.490 billion, the first time breaching the threshold of US\$600 billion and recording another new historic high.

By the product categories, in 2021, the global IC sales would reach US\$460.841 billion, and the annual growth rate would be revised upwardly from 20.8% to 27.6%. The sales amount of the discrete will grow 26.5% from the previous year to US\$30.100 billion, optoelectronics will grow 7.0% from the previous year to US\$43.229 billion, and the sensors will grow 25.6% from the previous year to US\$18.791 billion.

Although the production chain of electronics has been impacted by the material shortage recently, and the shipment momentum is slowing down, with the strong demands at the end-market, WSTS maintains the 2022 outlook that the global semiconductor market grows continuously; the market scale is revised upwardly from US\$573.440 billion previously to US\$601.490 billion, and the annual growth rate is maintained at 8.8%; in other words, the market breaches the threshold of US\$600 billion for the first time and records another new historic high.

The impacts from COVID-19 on the global semiconductors are still uncertain as the pandemic is

still developing, coupled with Russia-Ukraine war and global inflation, the abovementioned are the best forecasts that may be provided under the current circumstance.

(III) Important production and marketing policies:

- (1) Deepen the cross-country technology integration platform and enhance the overall quality and customer satisfaction to fulfill the market demands.
- (2) Actively engage in the development of compound semiconductors, and fully utilize the existing technologies to expand the leading advantages, to cut into the application of emerging technologies.
- (3) Prudentially control the rising costs resulting from the pandemic and inflation, secure the sources of key materials and parts supplies to ensure smooth production.
- (4) Utilize the broad presence around the world to flexibly allocate capacities, avoid transportation plights and supply customers locally.
- (5) Actively sign long-term agreements with key partners to enhance cooperation.

(IV) Future Strategies

- (1) Implement green manufacturing, fulfill corporate social responsibility, enhance the corporate governance to cement the foundation of sustainable operation.
- (2) By adopting renewable energies, enhancing the energy utilization efficiency, carbon removal and purchasing carbon offsetting goods to achieve the goal of 100% clean energy utilization by 2050.
- (3) Construct a resilient and flexible local supply chain and diversify suppliers to respond to the pandemic and geopolitics impact swiftly.
- (4) By applying the next-generation silicon and compound semiconductors developed with the Group's edge-cutting technologies to become the top global semiconductor wafer supplier in terms of scale, with the most comprehensive products.
- (5) Continuously research and develop patents and strategic positioning to enhance the core of the leading advantages.
- (6) Steadily augment operation scale via expansion to increase the competitiveness in the semiconductor wafer sector.

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

- (1) With the development and application of the semiconductor industry, its related products have penetrated people's life. The use of semiconductor products can be seen in daily activities. Therefore, the semiconductor industry boom links with macroeconomics considerably. Due to the Company's wide customer base, the end products spread across various industries and application areas, such as automotive products, power products, memory, etc., which can reduce the cyclical risk from the of a single industry. When the macroeconomics is not good, the Company can diversify risks and stabilize operations.
- (2) The semiconductor wafer industry has undergone decades of development and has established entry barriers built by technology and patents. However, in the face of new competitors with significant funds, we will closely observe the industry's development. In order to prevent the new manufacturers from actively joining and leading to declining product prices and affect sales and profit, we will continue to combine the technological advantages with our global presence around the world to develop niche products with core technology capabilities, and we will also increase the added value of the product and minimize the cost to increase profit margins.
- (3) The drastic changes in the international circumstance, emerging of COVID-19 variants, Russia-Ukraine war, global inflation and regional trade conflicts have shocked the macroeconomics. However, GlobalWafers has production facilities around the world and thus is able to allocate flexibly in responding to related regulations, lower taxes and operational costs. Our clients all over the world also effectively diversify the impacts from the pandemic to the revenue and lower the economic risks from overdependence on single area. GlobalWafers also keeps close relationships with customers and establishes a resilient local supply chain and business continuity plan (BCP) to cope with various challenges flexibly.
- (4) Carbon neutrality is an international key issue. The governmental regulations, investment institutions, customers and the national policies of trade partners have increasingly scrutinized specifications for energy saving and carbon reduction. The power costs and the carbon tariff at the export destinations are a severe test for the survival ability of enterprises. GlobalWafers owns multiple solar power plants, and the subsidiaries around the world use clean energies to adapt the local policies, plus the profound operation and maintenance experience of solar energy from the parent, Sino-American Silicon Products Inc., GlobalWafers continuously and comprehensively applies various green solutions, expands the ratio of green power utilization, while monitoring various impacts from the

extreme climate, to minimize the operating risks.

Looking to the future, while the outlook is promising, the challenges from the omicron variants, frictions from geopolitics, price hikes of raw materials and energies, and the clogged transportation system still remain. While the global trade diversifies, GlobalWafers actively enhances the local supplies, establishes multiple suppliers, and multiple production routes for better resilience to respond to the rapid evolvement with keen competition; meanwhile, GlobalWafers responds with agility to the drastically fluctuating macroeconomics, and innovates to lead the technology trends for continuously driving the growth momentum in this ever-evolving world.

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 2021 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 Cheng, An-Chih, CPA, and Tseng, Mei-Yu, 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:



---

Jeng-Ywan Jeng

May 3, 2022

### Attachment 3

#### Codes of Ethical Conduct Comparison Chart

Article	Before	After	Remark
8	<p>(Safeguarding and Proper Use of Company Assets)</p> <p>All the GWC staff has the responsibility to safeguard company assets and to ensure that these assets can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.</p>	<p>(Safeguarding and Proper Use of Company Assets)</p> <p>All the GWC staff has the responsibility to safeguard company assets and to ensure that these assets can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.</p> <p><a href="#">If GWC property is damaged, the user must, without deception, immediately report to his/her direct supervisor and the keeping unit for follow-up action; if the damage is caused by intention or negligence, GWC may seek compensation pursuant to the law. The keeping units shall also carry out periodical check on GWC property.</a></p>	<p>Incorporation of additional content.</p>
16	<p>The Procedures were enacted on March 20, 2014.</p> <p>The Procedures were revised on November 13, 2014.</p> <p>The Procedures were revised on March 19, 2019.</p>	<p>The Procedures were enacted on March 20, 2014.</p> <p>The first amendment was made on November 13, 2014.</p> <p>The second amendment was made on March 19, 2019.</p> <p>The third amendment was made on November 7, 2019.</p> <p><a href="#">The fourth amendment was made on November 2, 2021.</a></p>	<p>Adjustment on wordings and incorporating the date of latest amendment.</p>

## Attachment 4

### GlobalWafers Co., Ltd. Rules for First Shares Buyback to Transfer to Employee Comparison Chart

Article	Before	After	Remark
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 <u>three</u> 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.	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 <u>five</u> 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.	In line with the amendment to Article 28-2 of the Securities and Exchange Act, the period for transferring shares buyback to employees had been extended from three years to five years.
10	The Procedure was enacted on October 30th, 2018. The 1st amendment was made on December 11th, 2018.	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. <u><a href="#">The 2<sup>nd</sup> amendment was made on August 3<sup>rd</sup>, 2021.</a></u>	Incorporating the date of latest amendment.

## Attachment 5

### Corporate Social Responsibility Best Practice Principles Comparison Chart

Article	Before	After	Remark
Title	<a href="#">Corporate Social Responsibility</a> Best Practice Principles	<a href="#">Sustainable Development</a> Best Practice Principles	Rename this provision in line with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” to follow international development trends and implement the goal of sustainable development.
1	In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company promulgated the principles in accordance with the “ <a href="#">Corporate Social Responsibility</a> Best Practice Principles for TWSE/TPEX Listed Companies” to manage the economic, environmental, social risks and impacts of the Company and the group.	In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company promulgated the principles in accordance with the “ <a href="#">Sustainable Development</a> Best Practice Principles for TWSE/TPEX Listed Companies” to manage the economic, environmental, social risks and impacts of the Company and the group.	Amend and revise this provision in line with the name of the Code to expand the concept of corporate social responsibility to sustainable development.
2	The Principles apply to the Company and the group (hereinafter referred to as “the Company”), including the entire operations of each such company and its business group. The <a href="#">Principles</a> actively fulfill <a href="#">corporate social responsibility</a> in the course of business operations so as to follow	The Principles apply to the Company and the group (hereinafter referred to as “the Company”), including the entire operations of each such company and its business group. The <a href="#">Company</a> actively fulfills <a href="#">sustainable development</a> in the course of business operations so as to follow	Same as the remark mentioned in Article 1 and rephrase.



	international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <a href="#">corporate social responsibility</a> .	international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <a href="#">sustainable development</a> .	
3	In <a href="#">fulfilling corporate social responsibility</a> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of <a href="#">other</a> stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance.	In <a href="#">promoting sustainable development</a> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance. <a href="#">The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</a>	In accordance of the latest version of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and materiality principle, this provision is revised and processed risk management assessment and policy formulation.
4	To implement <a href="#">corporate social responsibility</a> initiatives, the Company is advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of <a href="#">corporate social responsibility</a> information.	To implement <a href="#">sustainable development</a> initiatives, the Company is advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of <a href="#">sustainable development</a> information.	Same as the remark mentioned in Article 1.
5	The Company <u>take</u> s into consideration the correlation between the development of domestic and international <a href="#">corporate social responsibility</a> issues and corporate core business operations, and the effect of the operation of individual company and of respective	The Company <u>shall</u> take into consideration the correlation between the development of domestic and international <a href="#">sustainable</a> issues and corporate core business operations, and the effect of the operation of individual company and of respective business groups as a	Same as the remark mentioned in Article 1 and rephrase.

	<p>business groups as a whole on stakeholders, in establishing its policies, systems or relevant management guidelines, and concrete promotion plans for <a href="#">corporate social responsibility</a> programs, which shall be approved by the board of directors <a href="#">and then reported to the shareholders meeting</a>.</p> <p>When a shareholder proposes a motion involving <a href="#">corporate social responsibility</a>, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	<p>whole on stakeholders, in establishing its policies, systems or relevant management guidelines, and concrete promotion plans for <a href="#">sustainable development</a> programs, which shall be approved by the board of directors.</p> <p>When a shareholder proposes a motion involving <a href="#">sustainable development</a>, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	
7	<p>The directors of the Company shall exercise the due care of good administrators to urge the company to perform its <a href="#">corporate social responsibility</a> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <a href="#">corporate social responsibility</a> policies.</p> <p>The board of directors <a href="#">shall include</a> the following matters <a href="#">while performing</a> of its <a href="#">corporate social responsibility</a> initiatives:</p> <ol style="list-style-type: none"> <li>1. Identifying the Company's <a href="#">corporate social responsibility</a> mission or vision, and declaring its <a href="#">corporate social responsibility</a> policy, systems or relevant management guidelines;</li> <li>2. Making <a href="#">corporate social responsibility</a> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for <a href="#">corporate social responsibility</a> initiatives;</li> </ol>	<p>The directors of the Company shall exercise the due care of good administrators to urge the company to perform its <a href="#">sustainable development</a> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <a href="#">sustainable development</a> policies.</p> <p>The board of directors <a href="#">of the Company is advised to give full consideration to the interests of stakeholders, including</a> the following matters, <a href="#">in the company's promotion</a> of its <a href="#">sustainable development</a> initiatives:</p> <ol style="list-style-type: none"> <li>1. Identifying the Company's <a href="#">sustainable development</a> mission or vision, and declaring its <a href="#">sustainable development</a> policy, systems or relevant management guidelines;</li> <li>2. Making <a href="#">sustainable development</a> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for <a href="#">sustainable development</a> initiatives; and</li> </ol>	<p>In accordance of the latest version of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, this provision is revised and specified processing procedures for relevant issues.</p>

	<p>and</p> <p>3. Enhancing the timeliness and accuracy of the disclosure of <u>corporate social responsibility</u> information.</p>	<p>3. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information.</p> <p><u>The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.</u></p>	
8	<p>The Company is advised to, on a regular basis, organize education and training on the <u>implementation of corporate social responsibility</u> initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>The Company is advised to, on a regular basis, organize education and training on the <u>promotion of sustainable development</u> initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>Same as the remark mentioned in Article 1 and rephrase.</p>
9	<p>For the purpose of managing <u>corporate social responsibility</u> initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>corporate social responsibility</u> policies or systems <u>when necessary</u>, and to report on the same to the board of directors on a periodic basis.</p>	<p>For the purpose of managing <u>sustainable development</u> initiatives, the Company <u>is advised to establish a governance structure to promote sustainable development, and</u> is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, <u>or relevant management guidelines, and concrete promotional plans</u> and to report on the same to the board of directors on a periodic basis.</p> <p><u>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.</u></p>	<p>In accordance of the latest version of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, this provision is revised to specify sustainable development framework establishment and application.</p>

10	The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <a href="#">corporate social responsibility</a> issues which they are concerned about.	The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section <a href="#">for stakeholders</a> on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <a href="#">sustainable development</a> issues which they are concerned about.	Same as the remark mentioned in Article 1 and rephrase.
12	The Company endeavors to <a href="#">utilize all resources</a> more efficiently and uses renewable materials which have a low impact on the environment to improve sustainability of natural resources	The Company <a href="#">is advised to</a> endeavor to <a href="#">consume energy</a> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	In accordance of the latest version of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, this provision is revised to focus on the management of energy use.
13	The Company <a href="#">establishes</a> proper environment management systems based on the characteristics of its industry.	The Company <a href="#">is advised to</a> establish proper environment management systems based on the characteristics of its industry. <a href="#">Such systems shall include the following tasks:</a> <ol style="list-style-type: none"> <li>1. <a href="#">Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.</a></li> <li>2. <a href="#">Establishing measurable goals for environmental sustainability, and examining whether the development of such goals shall be maintained and whether it is still relevant on a regular basis.</a></li> <li>3. <a href="#">Adopting enforcement measures such as concrete plans or action plans, and examining the results</a></li> </ol>	In accordance of the latest version of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, this provision is revised to establish proper environment management systems.

		<a href="#">of its operation on a regular basis.</a>	
14	The Company establishes <a href="#">an</a> unit for drafting, promoting, and maintaining relevant environment management systems and concrete <a href="#">s</a> action plans.	The Company <a href="#">is advised to</a> establish <a href="#">a dedicated</a> unit <a href="#">or assign dedicated personnel</a> for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, <a href="#">and shall hold environment education courses for its managerial officers and other employees on a periodic basis.</a>	Amendments to this provision in accordance with the latest version of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies".
17	<a href="#">The Company pays attention to the impact of climate change on operating activities, and formulates energy conservation, carbon reduction and greenhouse gas reduction strategies based on the operating conditions and the results of the greenhouse gas inventory, so as to reduce the impact of the company's operations on the natural environment.</a>	<a href="#">The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt relevant measures.</a> <a href="#">The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</a> <ol style="list-style-type: none"><li><a href="#">1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.</a></li><li><a href="#">2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally imported electricity, heating, or steam.</a></li><li><a href="#">3. Other indirect emissions: Emissions generated by corporate activities that are not indirect emissions from energy use, but come from emission sources owned or controlled by other companies.</a></li></ol> <a href="#">The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of</a>	In accordance of the latest version of "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", this provision is revised to specify relevant opportunities and risks assessment of climate change and inventory of the usage of various energy resources.

		<u>waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The Company's carbon reduction strategies shall include obtaining carbon credits and be promoted accordingly to minimize the impact of its business operations on climate change.</u>	
18	<p>The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.</p> <p>The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced</p>	<p>The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.</p> <p><u>The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:</u></p> <ol style="list-style-type: none"> <li>1. <u>Presenting a corporate policy or statement on human rights.</u></li> <li>2. <u>Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.</u></li> <li>3. <u>Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.</u></li> <li>4. <u>In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.</u></li> </ol> <p>The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced</p>	<p>In accordance of the latest version of "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", this provision is revised to specify relevant management policies and processes formulation for human rights.</p>

	<p>labor, eliminating recruitment and employment discrimination, and shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.</p> <p>The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.</p>	<p>labor, eliminating recruitment and employment discrimination, and shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.</p> <p>The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.</p>	
21	<p>The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.</p> <p>The Company appropriately reflects the <a href="#">corporate</a> business performance or achievements in the employee remuneration <a href="#">policy</a>, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</p>	<p>The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.</p> <p>The Company <a href="#">shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.)</a> and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</p>	<p>In accordance of the latest version of "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", this provision is revised to establish employee welfare measures.</p>
23	<p>The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall</p>	<p>The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall</p>	<p>Rephrase in accordance with the company's industry characteristics.</p>

	ensure the transparency and safety of its products and services. <a href="#">They</a> further shall <a href="#">establish and disclose policies on consumer rights and interests</a> , and enforce itself in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, <a href="#">health</a> , <a href="#">or safety</a> of <a href="#">consumers</a> .	ensure the transparency and safety of its products and services. <a href="#">The Company</a> further shall enforce itself in the course of business operations, in order to prevent the products or services from adversely impacting the rights <a href="#">or</a> interests of <a href="#">customers</a> .	
24	The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries. The Company shall follow relevant laws, regulations and international guidelines in regard to marketing and labeling of, its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray <a href="#">consumers'</a> trust or damage <a href="#">consumers'</a> rights or interests.	The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries. The Company shall follow relevant laws, regulations and international guidelines in regard to marketing and labeling of, its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray <a href="#">customers'</a> trust or damage <a href="#">their</a> rights or interests.	Rephrase in accordance with the company's industry characteristics.
25	The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on <a href="#">consumers and</a> society. <a href="#">TWSE/GTSM listed companies are</a> advised to provide a clear and effective procedure for accepting <a href="#">consumer</a> complaints to fairly and timely handle <a href="#">consumer</a> complaints, and shall comply with laws and regulations related to the Personal Information Protection Act for respecting <a href="#">consumers'</a> rights of privacy and <a href="#">shall protect</a> personal data <a href="#">provided by consumers</a> .	The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on society. <a href="#">The Company is</a> advised to provide a clear and effective procedure for accepting complaints to fairly and timely handle complaints, and shall comply with laws and regulations related to the Personal Information Protection Act for respecting <a href="#">litigants'</a> rights of privacy and personal data.	Rephrase in accordance with the company's industry characteristics.
26	The Company <a href="#">assesses</a> the impact its procurement has on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.	The Company <a href="#">is advised to</a> assess the impact its procurement has on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative. <a href="#">The Company is advised to establish</a>	In accordance of the latest version of "Sustainable Development Best Practice Principles for TWSE/TPEX



		<p><u>supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.</u></p> <p><u>When the Company enters into a contract with any of its major suppliers, the content shall include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</u></p>	Listed Companies”, this provision is revised to ensure the impact of suppliers on the environment and society.
27	<p>The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.</p> <p>The Company is advised to, through commercial activities, <u>in-kind</u> endowments, volunteering service or other charitable professional services, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.</p>	<p>The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.</p> <p>The Company is advised to, through commercial activities, endowments, volunteering service or other charitable professional services <u>etc.</u>, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.</p>	Rephrasing and amendments to this provision in accordance with the latest version of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies".
Chapter 5	Enhancing Disclosure of <u>Corporate Social Responsibility</u> Information	Enhancing Disclosure of <u>Sustainable Development</u> information	Rename the chapter.
28	The Company <u>shall</u> disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and	The Company <u>discloses</u> information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and	In accordance of the latest version of "Sustainable Development

	<p><u>shall</u> fully disclose relevant and reliable information relating to its <u>corporate social responsibility</u> initiatives to improve information transparency.</p>	<p>fully discloses relevant and reliable information relating to its <u>sustainable development</u> initiatives to improve information transparency.</p> <p><u>Relevant information relating to sustainable development which the Company discloses includes:</u></p> <ol style="list-style-type: none"> <li>1. <u>The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.</u></li> <li>2. <u>The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.</u></li> <li>3. <u>Goals and measures for realizing the sustainable development initiatives established by the Company, and performance in implementation.</u></li> <li>4. <u>Major stakeholders and their concerns.</u></li> <li>5. <u>Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</u></li> <li>6. <u>Other information relating to sustainable development initiatives.</u></li> </ol>	<p>Best Practice Principles for TWSE/TPEX Listed Companies”, this provision is revised to enhance information disclosure on issues related to sustainable development.</p>
29	<p>The Company shall adopt internationally widely recognized standards or guidelines when producing <u>corporate social responsibility</u> reports, to disclose the status of its implementation of the <u>corporate social responsibility</u> policy, and is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The report</p>	<p>The Company shall adopt internationally widely recognized standards or guidelines when producing <u>sustainable development</u> reports, to disclose the status of its implementation of the <u>sustainable development</u> policy, and is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The report is advised to</p>	<p>Same as the remark mentioned in Article 1 and rephrase.</p>

	<p>is advised to include:</p> <ol style="list-style-type: none"> <li>1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing <a href="#">corporate social responsibility</a> initiatives.</li> <li>2. Major stakeholders and their concerns.</li> <li>3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</li> </ol>	<p>include:</p> <ol style="list-style-type: none"> <li>1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing <a href="#">sustainable development</a> initiatives.</li> <li>2. Major stakeholders and their concerns.</li> <li>3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare, executive performance and review for promoting economic development.</li> <li>4. <a href="#">Future improvements and goals.</a></li> </ol>	
30	<p>The Company at all times monitors the development of domestic and foreign <a href="#">corporate social responsibility</a> standards and the change of business environment so as to examine and improve its established <a href="#">corporate social responsibility</a> framework and to obtain better results from the <a href="#">implementation</a> of the <a href="#">corporate social responsibility</a> policy.</p>	<p>The Company <a href="#">shall</a> at all times monitor the development of domestic and foreign <a href="#">sustainable development</a> standards and the change of business environment so as to examine and improve its established <a href="#">sustainable development</a> framework and to obtain better results from the <a href="#">promotion</a> of the <a href="#">sustainable development</a> policy.</p>	<p>Same as the remark mentioned in Article 1 and rephrase.</p>
31	<p>The principle shall be implemented after being approved by the Board of Directors <a href="#">and reported on the shareholder's meeting</a>, and shall be resolved by the Board of Directors when it is amended.</p>	<p>The principle shall be implemented after being approved by the Board of Directors, and shall be resolved by the Board of Directors when it is amended.</p>	<p>Amendments to this provision in accordance with the latest version of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies".</p>
32	<p>The Procedures were enacted on March 19, 2015.</p>	<p>The Procedures were enacted on March 19, 2015. <a href="#">The 1<sup>st</sup> amendment was made on March 15, 2022.</a></p>	<p>Add amendment date.</p>

## Attachment 6

# Independent Auditors' Report and Financial Statements

## Independent Auditors' Report

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

### Opinion

We have audited the consolidated financial statements of GlobalWafers Co., Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC"), and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

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

#### 1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Goodwill impairment assessment

Please refer to the note 4(13) "Impairment of non-financial assets" for accounting policy, note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" for goodwill impairment assessment, and note 6(9) "Intangible assets" for further details.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

**Other Matter**

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, 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 An-Chin Cheng and Mei-Yu Tseng.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

#### **Notes to Readers**

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

The 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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(1))	\$ 65,894,422	44	22,439,481	24	2100	Short-term borrowings (note 6(11))	\$ 6,264,000	4	9,871,000	10
1110	Financial assets at fair value through profit or loss — current (note 6(2))	3,450	-	5,656,668	6	2120	Financial liabilities at fair value through profit or loss — current (note 6(2))	198,479	-	45,953	-
1170	Notes and accounts receivable, net (note 6(4))	9,048,069	6	7,962,618	8	2130	Contract liabilities — current (note 6(19))	7,322,051	5	3,639,970	4
1180	Accounts receivable due from related parties, net (note 7)	69,645	-	74,812	-	2170	Notes and accounts payable	4,032,930	3	3,640,950	4
130X	Inventories (note 6(5))	7,295,021	5	7,207,731	8	2180	Accounts payable to related parties (note 7)	307,520	-	254,514	-
1476	Other financial assets — current (notes 8 and 9)	3,753,000	2	5,588,381	6	2201	Payroll and bonus payable	2,403,861	2	2,408,567	3
1479	Other current assets (notes 6(10) and 7)	2,600,908	2	656,678	1	2216	Dividends payable	3,481,896	3	3,481,896	4
	<b>Total current assets</b>	<b>88,664,515</b>	<b>59</b>	<b>49,586,369</b>	<b>53</b>	2230	Current tax liabilities	2,111,964	1	2,035,186	2
	<b>Non-current assets:</b>					2399	Other current liabilities (note 6(13))	4,935,594	3	3,953,350	4
1513	Financial assets at fair value through profit or loss — non-current (note 6(2))	18,368,712	12	117,204	-		<b>Total current liabilities</b>	<b>31,058,295</b>	<b>21</b>	<b>29,331,386</b>	<b>31</b>
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	185,073	-	101,475	-		<b>Non-Current liabilities:</b>				
1550	Investments accounted for using equity method (note 6(6))	1,691,344	1	1,202,176	1	2527	Contract liabilities — non-current (note 6(19))	21,312,889	14	13,088,058	14
1600	Property, plant and equipment (notes 6(7), 7 and 8)	33,943,256	23	37,111,052	39	2500	Financial liabilities at fair value through profit or loss — non-current (notes 6(2), (12) and 8)	178,637	-	-	-
1755	Right-of-use assets (note 6(8))	705,346	-	657,121	1	2530	Convertible bonds payable (note 6(12))	26,143,969	17	-	-
1780	Intangible assets (note 6(9))	2,365,551	2	2,797,463	3	2531	Ordinary bonds payable (note 6(12))	18,980,771	13	-	-
1840	Deferred tax assets (note 6(15))	1,887,241	1	2,230,787	2	2570	Deferred tax liabilities (note 6(15))	4,797,611	3	4,942,689	5
1980	Other financial assets — non-current (notes 8 and 9)	1,328,297	1	260,393	-	2670	Other non-current liabilities (note 6(13))	705,286	1	852,997	1
1900	Other non-current assets (note 6(10))	1,505,641	1	787,577	1	2640	Net defined benefit liabilities (note 6(14))	1,836,015	1	2,481,587	3
	<b>Total non-current assets</b>	<b>61,980,461</b>	<b>41</b>	<b>45,265,248</b>	<b>47</b>		<b>Total non-current liabilities</b>	<b>73,955,178</b>	<b>49</b>	<b>21,365,331</b>	<b>23</b>
							<b>Total liabilities</b>	<b>105,013,473</b>	<b>70</b>	<b>50,696,717</b>	<b>54</b>
							<b>Equity (note 6(16)):</b>				
							Equity attributable to shareholders of GlobalWafers Co., Ltd.:				
						3110	Ordinary share	4,372,500	3	4,372,500	5
						3200	Capital surplus	25,174,389	16	23,470,919	25
							Retained earnings:				
						3310	Legal reserve	5,349,684	4	4,060,325	4
						3320	Special reserve	1,734,138	1	2,291,256	2
						3350	Unappropriated retained earnings	15,713,128	10	12,270,817	13
								22,796,950	15	18,622,398	19
						3400	Other equity interest	(6,135,557)	(4)	(1,734,138)	(2)
						3500	Treasury shares	(576,779)	-	(576,779)	(1)
							<b>Total equity</b>	<b>45,631,503</b>	<b>30</b>	<b>44,154,900</b>	<b>46</b>
							<b>Total liabilities and equity</b>	<b>\$ 150,644,976</b>	<b>100</b>	<b>94,851,617</b>	<b>100</b>
	<b>Total assets</b>	<b>\$ 150,644,976</b>	<b>100</b>	<b>94,851,617</b>	<b>100</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 Comprehensive Income**

**For the years ended December 31, 2021 and 2020**

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

	2021		2020	
	Amount	%	Amount	%
4000 <b>Operating revenue</b> (notes 6(19) and 7)	\$ 61,130,592	100	55,358,788	100
5000 <b>Operating costs</b> (notes 6(5), (20) and 7)	37,844,704	62	34,790,674	63
<b>Gross profit from operations</b>	<u>23,285,888</u>	<u>38</u>	<u>20,568,114</u>	<u>37</u>
<b>Operating expenses</b> (notes 6(20) and 7):				
6100 Selling expenses	1,440,578	2	1,233,877	2
6200 Administrative expenses	2,082,733	4	2,431,832	4
6300 Research and development expenses	2,069,507	3	1,624,308	3
6450 Expected credit losses (gains) (note 6(4))	(322)	-	(8,752)	-
<b>Total operating expenses</b>	<u>5,592,496</u>	<u>9</u>	<u>5,281,265</u>	<u>9</u>
<b>Net operating income</b>	<u>17,693,392</u>	<u>29</u>	<u>15,286,849</u>	<u>28</u>
<b>Non-operating income and expenses:</b>				
7100 Interest income (note 6(21))	142,808	-	243,546	-
7020 Other gains and losses (notes 6(21) and 7)	(1,083,006)	(2)	1,158,228	2
7050 Finance costs (notes 6(12), (21) and 7)	(307,741)	(1)	(73,656)	-
	<u>(1,247,939)</u>	<u>(3)</u>	<u>1,328,118</u>	<u>2</u>
<b>Income before income tax</b>	16,445,453	26	16,614,967	30
7950 Income tax expense (note 6(15))	4,575,416	7	3,511,336	6
<b>Net income</b>	<u>11,870,037</u>	<u>19</u>	<u>13,103,631</u>	<u>24</u>
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	173,476	-	(248,547)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	537,528	1	617,826	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(15))	34,695	-	(38,521)	-
Total items that may not be reclassified subsequently to profit or loss	<u>676,309</u>	<u>1</u>	<u>407,800</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 (note 6(6))	(6,158,184)	(10)	(75,886)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(15))	1,219,237	2	15,178	-
Total items that may be reclassified subsequently to profit or loss	<u>(4,938,947)</u>	<u>(8)</u>	<u>(60,708)</u>	<u>-</u>
8300 <b>Other comprehensive income (after tax)</b>	<u>(4,262,638)</u>	<u>(7)</u>	<u>347,092</u>	<u>1</u>
<b>Total comprehensive income</b>	<u>\$ 7,607,399</u>	<u>12</u>	<u>13,450,723</u>	<u>25</u>
<b>Net income attributable to:</b>				
Shareholders of GlobalWafers Co., Ltd	\$ 11,870,037	19	13,103,614	24
Non-controlling interests	-	-	17	-
	<u>\$ 11,870,037</u>	<u>19</u>	<u>13,103,631</u>	<u>24</u>
<b>Total comprehensive income attributable to:</b>				
Shareholders of GlobalWafers Co., Ltd	\$ 7,607,399	12	13,450,706	25
Non-controlling interests	-	-	17	-
	<u>\$ 7,607,399</u>	<u>12</u>	<u>13,450,723</u>	<u>25</u>
<b>Earnings per share (NT dollars)</b> (note 6(18))				
Basic earnings per share	<u>\$ 27.27</u>		<u>30.11</u>	
Diluted earnings per share	<u>\$ 25.97</u>		<u>30.03</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, 2021 and 2020  
(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	Total other equity interest	Treasury shares			Total
<b>Balance at January 1, 2020</b>	\$ 4,372,500	24,776,630	2,686,883	1,133,596	14,965,441	18,785,920	(2,530,493)	239,237	(2,291,256)	(576,779)	45,067,015	6,235	45,073,250
Net income for the year	-	-	-	-	13,103,614	13,103,614	-	-	-	-	13,103,614	17	13,103,631
Other comprehensive income for the year	-	-	-	-	(210,026)	(210,026)	(60,708)	617,826	557,118	-	347,092	-	347,092
Comprehensive income for the year	-	-	-	-	12,893,588	12,893,588	(60,708)	617,826	557,118	-	13,450,706	17	13,450,723
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,373,442	-	(1,373,442)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	1,157,660	(1,157,660)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(13,057,110)	(13,057,110)	-	-	-	-	(13,057,110)	-	(13,057,110)
Cash dividends distribution from capital surplus	-	(1,305,711)	-	-	-	-	-	-	-	-	(1,305,711)	-	(1,305,711)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6,252)	(6,252)
<b>Balance at December 31, 2020</b>	4,372,500	23,470,919	4,060,325	2,291,256	12,270,817	18,622,398	(2,591,201)	857,063	(1,734,138)	(576,779)	44,154,900	-	44,154,900
Net income for the year	-	-	-	-	11,870,037	11,870,037	-	-	-	-	11,870,037	-	11,870,037
Other comprehensive income for the year	-	-	-	-	138,781	138,781	(4,938,947)	537,528	(4,401,419)	-	(4,262,638)	-	(4,262,638)
Comprehensive income for the year	-	-	-	-	12,008,818	12,008,818	(4,938,947)	537,528	(4,401,419)	-	7,607,399	-	7,607,399
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,289,359	-	(1,289,359)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(7,834,266)	(7,834,266)	-	-	-	-	(7,834,266)	-	(7,834,266)
Reversal of special reserve	-	-	-	(557,118)	557,118	-	-	-	-	-	-	-	-
Equity component of convertible bonds	-	1,703,470	-	-	-	-	-	-	-	-	1,703,470	-	1,703,470
<b>Balance at December 31, 2021</b>	<b>\$ 4,372,500</b>	<b>25,174,389</b>	<b>5,349,684</b>	<b>1,734,138</b>	<b>15,713,128</b>	<b>22,796,950</b>	<b>(7,530,148)</b>	<b>1,394,591</b>	<b>(6,135,557)</b>	<b>(576,779)</b>	<b>45,631,503</b>	<b>-</b>	<b>45,631,503</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, 2021 and 2020**

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

	2021	2020
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 16,445,453	16,614,967
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expenses	5,686,691	5,165,290
Amortization expenses	210,393	356,495
Expected credit losses (gains)	(322)	(8,752)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	341,769	(457,641)
Interest expense	307,741	73,656
Interest income	(142,808)	(243,546)
Dividend income	(284,293)	(2,210)
Shares of profit of associates accounted for using equity method	(68,396)	(36,809)
Loss on disposal of property, plant and equipment	(15,269)	5,559
Provisions for inventory valuation (reversal of gains)	(19,493)	144,385
<b>Total adjustments</b>	<b>6,016,013</b>	<b>4,996,427</b>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	(1,079,657)	110,868
Inventories	(18,577)	(490,308)
Prepayments for purchase of materials	(2,680,114)	-
Other operating assets	24,643	221,566
Other financial assets	(8,739)	(40,290)
<b>Total changes in operating assets</b>	<b>(3,762,444)</b>	<b>(198,164)</b>
Contract liabilities	12,544,383	(3,472,070)
Notes and accounts payable (including related parties)	382,470	57,983
Net defined benefit liabilities	(428,837)	(495,042)
Other operating liabilities	927,065	85,024
<b>Total changes in operating liabilities</b>	<b>13,425,081</b>	<b>(3,824,105)</b>
<b>Total changes in operating assets and liabilities</b>	<b>9,662,637</b>	<b>(4,022,269)</b>
<b>Total adjustments</b>	<b>15,678,650</b>	<b>974,158</b>
Cash inflow generated from operations	32,124,103	17,589,125
Interest received	120,737	242,694
Dividends received	284,293	2,210
Interest paid	(62,258)	(70,946)
Income taxes paid	(3,165,314)	(3,199,524)
<b>Net cash flows from operating activities</b>	<b>29,301,561</b>	<b>14,563,559</b>

(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, 2021 and 2020**

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

	<b>2021</b>	<b>2020</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	\$ -	(95,357)
Acquisition of financial assets at fair value through profit or loss	(13,579,261)	(5,611,917)
Proceeds from disposal of financial assets at fair value through profit or loss	124	2,103,746
Cash dividends from associates accounted for using equity method	33,158	18,270
Acquisition of property, plant and equipment	(5,590,544)	(8,167,167)
Proceeds from disposal of property, plant and equipment	64,104	97,282
Increase in refundable deposits	-	(1,288)
Acquisition of intangible assets	(6,256)	(3,631)
Increase in other financial assets	798,254	(1,811,690)
<b>Net cash flows used in investing activities</b>	<b>(18,280,421)</b>	<b>(13,471,752)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	(3,607,000)	(15,000)
Proceeds from issuing bonds	46,812,845	-
Decrease in guarantee deposits received	(35,031)	(156,249)
Payment of lease liabilities	(180,213)	(159,280)
Cash dividends paid	(7,834,266)	(10,880,925)
Change in non-controlling interests	-	(6,252)
<b>Net cash flows from (used in) financing activities</b>	<b>35,156,335</b>	<b>(11,217,706)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(2,722,534)</b>	<b>(256,132)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>43,454,941</b>	<b>(10,382,031)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>22,439,481</b>	<b>32,821,512</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 65,894,422</b>	<b>22,439,481</b>

## Independent Auditors' Report

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

### Opinion

We have audited the parent-company-only financial statements of GlobalWafers Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

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

### Key Audit Matters

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

#### 1. Revenue recognition

Please refer to note 4(15) “Revenue recognition” for accounting policy and note 6(18) “Revenue from contracts with customers” of the parent-company-only financial statements for further information.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

## 2. Evaluation of investments accounted for using equity method

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

Description of key audit matter:

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

How the matter was addressed in our audit:

Our audit procedures mainly included assessing triggering events identified by the 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's financial forecasts; reviewing the calculations of recoverable amounts of cash generating units; evaluating the assumptions used for calculating recoverable amounts and cash flow projections and performing sensitivity analysis based on key factors.

## **Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements**

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

#### **Notes to Readers**

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

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



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

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020				December 31, 2021		December 31, 2020	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(1))	\$ 40,106,096	32	3,304,352	5	2100	Short-term borrowings (note 6(10))	\$ -	-	9,871,000	12
1110	Financial assets at fair value through profit or loss — current (note 6(2))	-	-	2,957,622	4	2120	Financial liabilities at fair value through profit or loss — current (note 6(2))	195,715	-	45,482	-
1170	Notes and accounts receivable, net (note 6(4))	2,567,483	2	2,340,924	3	2130	Contract liabilities — current (note 6(18))	1,577,219	1	865,863	1
1180	Accounts receivable due from related parties, net (note 7)	3,397,107	3	2,491,420	3	2170	Notes and accounts payable	1,198,959	1	1,027,046	1
130X	Inventories (note 6(5))	2,188,280	2	1,899,662	2	2180	Accounts payable to related parties (note 7)	3,284,076	3	7,088,874	9
1476	Other financial assets — current (note 9)	2,854,984	2	5,484,056	7	2201	Payroll and bonus payable	1,333,407	1	1,330,764	2
1479	Other current assets (note 7)	1,985,947	1	102,801	-	2216	Dividends payable	3,481,896	3	3,481,896	4
	<b>Total current assets</b>	<b>53,099,897</b>	<b>42</b>	<b>18,580,837</b>	<b>24</b>	2399	Other current liabilities (note 6(12))	3,849,264	3	2,202,469	3
							<b>Total current liabilities</b>	<b>14,920,536</b>	<b>12</b>	<b>25,913,394</b>	<b>32</b>
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>					
1513	Financial assets at fair value through profit or loss — non-current (note 6(2))	3,074,802	3	117,204	-	2527	Contract liabilities — non-current (note 6(18))	3,926,623	3	153,535	-
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	185,073	-	101,475	-	2500	Financial liabilities at fair value through profit or loss — non-current (note 6(2), (11) and 8)	178,637	-	-	-
1550	Investments accounted for using equity method (note 6(6))	60,111,487	48	58,003,301	70	2530	Convertible bonds payable (note 6(11) and 8)	26,143,969	21	-	-
1600	Property, plant and equipment (notes 6(7) and 7)	5,633,883	5	4,370,269	5	2531	Ordinary bonds payable (note 6(11))	18,980,771	15	-	-
1755	Right-of-use assets (note 6(8))	494,122	-	459,356	1	2622	Long-term accounts payable to related parties (notes 7)	11,557,384	10	8,232,051	10
1780	Intangible assets (note 6(9))	184,082	-	360,228	-	2600	Other non-current liabilities (note 6(12), (13) and (14))	3,825,468	3	4,202,030	5
1980	Other financial assets — non-current (notes 8 and 9)	1,294,442	1	224,798	-		<b>Total non-current liabilities</b>	<b>64,612,852</b>	<b>52</b>	<b>12,587,616</b>	<b>15</b>
1900	Other non-current assets (note 6(14))	1,087,103	1	438,442	-		<b>Total liabilities</b>	<b>79,533,388</b>	<b>64</b>	<b>38,501,010</b>	<b>47</b>
	<b>Total non-current assets</b>	<b>72,064,994</b>	<b>58</b>	<b>64,075,073</b>	<b>76</b>		<b>Equity (note 6(15)):</b>				
						3110	Ordinary share	4,372,500	3	4,372,500	5
						3200	Capital surplus	25,174,389	20	23,470,919	28
							Retained earnings:				
						3310	Legal reserve	5,349,684	4	4,060,325	5
						3320	Special reserve	1,734,138	1	2,291,256	3
						3350	Unappropriated retained earnings	15,713,128	13	12,270,817	15
								22,796,950	18	18,622,398	23
						3400	Other equity interest	(6,135,557)	(5)	(1,734,138)	(2)
						3500	Treasury shares	(576,779)	-	(576,779)	(1)
							<b>Total equity</b>	<b>45,631,503</b>	<b>36</b>	<b>44,154,900</b>	<b>53</b>
<b>Total assets</b>		<b>\$ 125,164,891</b>	<b>100</b>	<b>82,655,910</b>	<b>100</b>	<b>Total liabilities and equity</b>		<b>\$ 125,164,891</b>	<b>100</b>	<b>82,655,910</b>	<b>100</b>

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

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

**Statements of Comprehensive Income**

**For the years ended December 31, 2021 and 2020**

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

		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Operating revenue</b> (notes 6(18) and 7)	\$ 25,572,294	100	22,506,100	100
5000	<b>Operating costs</b> (notes 6(5), (19) and 7)	<u>14,997,282</u>	<u>59</u>	<u>13,339,502</u>	<u>59</u>
	<b>Gross profit from operations</b>	<u>10,575,012</u>	<u>41</u>	<u>9,166,598</u>	<u>41</u>
	<b>Operating expenses</b> (notes 6(19) and 7):				
6100	Selling expenses	487,616	2	369,441	2
6200	Administrative expenses	683,158	3	1,183,086	5
6300	Research and development expenses	1,269,218	5	918,303	4
6450	Expected credit loss (gain) (note 6(4))	-	-	<u>(1,262)</u>	-
	<b>Total operating expenses</b>	<u>2,439,992</u>	<u>10</u>	<u>2,469,568</u>	<u>11</u>
	<b>Net operating income</b>	<u>8,135,020</u>	<u>31</u>	<u>6,697,030</u>	<u>30</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income (note 6(20) and 7)	95,815	-	90,551	-
7020	Other gains and losses (notes 6(20) and 7)	(1,424,292)	(5)	(394,846)	(2)
7050	Finance costs (notes 6(12), (20) and 7)	(399,228)	(1)	(263,675)	(1)
7375	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method (note 6(6))	<u>7,790,051</u>	<u>30</u>	<u>8,782,371</u>	<u>39</u>
	<b>Income before income tax</b>	<u>14,197,366</u>	<u>55</u>	<u>14,911,431</u>	<u>66</u>
7950	Income tax expense (note 6(14))	<u>2,327,329</u>	<u>9</u>	<u>1,807,817</u>	<u>8</u>
	<b>Net income</b>	<u>11,870,037</u>	<u>46</u>	<u>13,103,614</u>	<u>58</u>
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	8,242	-	(32,349)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	83,598	-	6,118	-
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method – components of other comprehensive income that will not be reclassified to profit or loss	619,164	2	395,510	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(14))	<u>34,695</u>	<u>-</u>	<u>(38,521)</u>	<u>-</u>
	Total items that may not be reclassified subsequently to profit or loss	<u>676,309</u>	<u>2</u>	<u>407,800</u>	<u>2</u>
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign operations	(6,158,184)	(24)	(75,886)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(14))	<u>(1,219,237)</u>	<u>(5)</u>	<u>(15,178)</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(4,938,947)</u>	<u>(19)</u>	<u>(60,708)</u>	<u>-</u>
8300	<b>Other comprehensive income (after tax)</b>	<u>(4,262,638)</u>	<u>(17)</u>	<u>347,092</u>	<u>2</u>
	<b>Total comprehensive income</b>	<u>\$ 7,607,399</u>	<u>29</u>	<u>\$ 13,450,706</u>	<u>60</u>
	<b>Earnings per share (NT dollars)</b> (note 6(17))				
	Basic earnings per share	<u>\$ 27.27</u>		<u>\$ 30.11</u>	
	Diluted earnings per share	<u>\$ 25.97</u>		<u>\$ 30.03</u>	

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

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

**Statements of Changes in Equity**  
**For the years ended December 31, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Gains (losses) from equity instrument measured at fair value through other comprehensive income	Total	Treasury shares	Total equity
<b>Balance at January 1, 2020</b>	\$ 4,372,500	24,776,630	2,686,883	1,133,596	14,965,441	18,785,920	(2,530,493)	239,237	(2,291,256)	(576,779)	45,067,015
Net income for the year	-	-	-	-	13,103,614	13,103,614	-	-	-	-	13,103,614
Other comprehensive income for the year	-	-	-	-	(210,026)	(210,026)	(60,708)	617,826	557,118	-	347,092
Comprehensive income for the year	-	-	-	-	12,893,588	12,893,588	(60,708)	617,826	557,118	-	13,450,706
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	1,373,442	-	(1,373,442)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	1,157,660	(1,157,660)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(13,057,110)	(13,057,110)	-	-	-	-	(13,057,110)
Cash dividends from capital surplus	-	(1,305,711)	-	-	-	-	-	-	-	-	(1,305,711)
<b>Balance at December 31, 2020</b>	4,372,500	23,470,919	4,060,325	2,291,256	12,270,817	18,622,398	(2,591,201)	857,063	(1,734,138)	(576,779)	44,154,900
Net income for the year	-	-	-	-	11,870,037	11,870,037	-	-	-	-	11,870,037
Other comprehensive income for the year	-	-	-	-	138,781	138,781	(4,938,947)	537,528	(4,401,419)	-	(4,262,638)
Comprehensive income for the year	-	-	-	-	12,008,818	12,008,818	(4,938,947)	537,528	(4,401,419)	-	7,607,399
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	1,289,359	-	(1,289,359)	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(7,834,266)	(7,834,266)	-	-	-	-	(7,834,266)
Reversal of special reserve	-	-	-	(557,118)	557,118	-	-	-	-	-	-
Equity component of convertible bonds	-	1,703,470	-	-	-	-	-	-	-	-	1,703,470
<b>Balance at December 31, 2021</b>	<b>\$ 4,372,500</b>	<b>25,174,389</b>	<b>5,349,684</b>	<b>1,734,138</b>	<b>15,713,128</b>	<b>22,796,950</b>	<b>(7,530,148)</b>	<b>1,394,591</b>	<b>(6,135,557)</b>	<b>(576,779)</b>	<b>45,631,503</b>

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

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

**Statements of Cash Flows**

**For the years ended December 31, 2021 and 2020**

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

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 14,197,366	14,911,431
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expenses	860,633	875,757
Amortization expenses	180,963	317,949
Expected credit loss (gain)	-	(1,262)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	186,450	(320,759)
Interest expense	399,228	263,675
Interest income	(95,815)	(90,551)
Dividend income	(54,998)	(2,210)
Shares of profit of associates accounted for using equity method	(7,525,137)	(8,627,290)
Loss on disposal of property, plant and equipment	97	5,591
Provision for (reversal of) inventory valuation	(2,487)	(8,096)
<b>Total adjustments</b>	<u>(6,051,066)</u>	<u>(7,587,196)</u>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	(1,122,153)	(372,967)
Inventories	(286,131)	251,938
Other operating assets	<u>(2,637,852)</u>	<u>36,301</u>
<b>Total changes in operating assets</b>	<u>(4,046,136)</u>	<u>(84,728)</u>
Contract liabilities	4,484,443	(1,543,550)
Notes and accounts payable (including related parties)	513,120	387,370
Net defined benefit liabilities	(142,161)	14,708
Other operating liabilities	<u>1,094,096</u>	<u>661,358</u>
<b>Total changes in operating liabilities</b>	<u>5,949,498</u>	<u>(480,114)</u>
<b>Total changes in operating assets and liabilities</b>	<u>1,903,362</u>	<u>(564,842)</u>
<b>Total adjustments</b>	<u>(4,147,704)</u>	<u>(8,152,038)</u>
Cash inflow generated from operations	10,049,662	6,759,393
Interest received	78,728	125,826
Dividends received	54,998	2,210
Interest paid	(159,603)	(288,123)
Income taxes paid	<u>(1,427,652)</u>	<u>(1,828,302)</u>
<b>Net cash flows from operating activities</b>	<u>8,596,133</u>	<u>4,771,004</u>

(Continued)

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

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

GlobalWafers Co., Ltd.

Statements of Cash Flows(Continued)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities:</b>		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	(95,357)
Acquisition of financial assets at fair value through profit or loss	(27,819)	(2,829,152)
Acquisition of investments accounted for using equity method	(156,000)	(12,060,400)
Proceeds from disposal of investments accounted for using equity method	-	1,660,860
Cash dividends from subsidiaries accounted for using equity method	773	7,362,720
Cash dividends from associates accounted for using equity method	33,158	18,270
Acquisition of property, plant and equipment	(1,447,077)	(469,388)
Proceeds from disposal of property, plant and equipment	-	2,882
Decrease in refundable deposits	-	1,188
Increase in other receivables due from related parties	(10,000)	-
Acquisition of intangible assets	(4,292)	(120)
Net cash inflows from business combination	-	5,067,011
Decrease (increase) in other financial assets	1,577,090	(2,655,566)
Increase in other prepayments	(20)	-
<b>Net cash flows used in investing activities</b>	<u>(34,187)</u>	<u>(3,997,052)</u>
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	(9,871,000)	(15,000)
Proceeds from issuing bonds	46,812,845	-
Increase in payables to related parties	-	11,399,508
Decrease in payables to related parties	(819,167)	-
Payment of lease liabilities	(48,614)	(40,508)
Cash dividends paid	(7,834,266)	(10,880,925)
<b>Net cash flows from financing activities</b>	<u>28,239,798</u>	<u>463,075</u>
<b>Net increase in cash and cash equivalents</b>	36,801,744	1,237,027
<b>Cash and cash equivalents at beginning of period</b>	<u>3,304,352</u>	<u>2,067,325</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 40,106,096</u>	<u>3,304,352</u>

## Attachment 7

### GlobalWafers Co., Ltd.

#### Earnings Distribution Table Year 2021

(Unit: NTD)

Item	Amount	Total
<b>Beginning unappropriated retained earnings</b>	7,186,206,433	
Plus: Current change on defined benefits remeasurements.	138,780,735	
Plus: 2021 net income	11,870,037,024	
<b>Distributable earnings</b>		19,195,024,192
Less: Provision of legal reserve		
2021H accumulated provision	(664,501,677)	
2021 provision for discrepancy	(536,380,099)	(1,200,881,776)
Less: Provision of special reserve		
2021H accumulated provision	(2,653,585,135)	
2021 provision for discrepancy	(1,747,834,577)	(4,401,419,712)
Item of distribution :		
Share dividends-cash		
2021 interim earnings that were distributed (NTD 8.0 per share)	(3,481,896,000)	
2021 earnings to be distributed (NTD 6.7196 per share)	(2,924,618,545)	(6,406,514,545)
<b>Ending unappropriated earnings</b>		7,186,208,159

Note:

The amount of cash dividends to be distributed are calculated according to the proportion recorded in the shareholder registry on the record date of distribution and rounded up by the unit of NT\$1 (less than NT\$1 is excluded), and the total amount of the distributive payments less than NT\$1 are included in other income.

Chairperson:



President:



Chief Account:



## Attachment 8

### GlobalWafers Co., Ltd.

#### Articles of Incorporation Comparison Chart

Article	Before	After	Remark
7	<p>The Company shall engage in the following business:</p> <p>CC01080 Electronic Parts and Components Manufacturing</p> <p>C801990 Other Chemical Materials Manufacturing</p> <p>F119010 Wholesale of Electronic Materials (only in areas outside Hsinchu Science Park)</p> <p>F219010 Retail Sale of Electronic Materials (only in areas outside Hsinchu Science Park)</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. Silicon Compound</li> <li>3. Silicon Carbide Compound</li> <li>4. Import-export activities related to the above mentioned business.</li> </ol>	<p>The Company shall engage in the following business:</p> <p>CC01080 Electronic Parts and Components Manufacturing</p> <p>C801990 Other Chemical Materials Manufacturing</p> <p>F119010 Wholesale of Electronic Materials (only in areas outside Hsinchu Science Park)</p> <p>F219010 Retail Sale of Electronic Materials (only in areas outside Hsinchu Science Park)</p> <p><a href="#">CB01010 Mechanical Equipment Manufacturing</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. Silicon Compound</li> <li>3. Silicon Carbide Compound</li> <li>4. <a href="#">Semiconductor Equipment</a></li> <li>5. <a href="#">SiC crystal growth Equipment</a></li> <li>6. Import-export activities related to the above mentioned business.</li> </ol>	<p>Add new business for company's operational needs.</p>
12	<p>The shareholders' meeting shall be convened in two forms: a regular meeting or extraordinary meeting. The regular meeting shall be held once annually and convened by the Board of Directors within six months from the closing of each fiscal</p>	<p>The shareholders' meeting shall be convened in two forms: a regular meeting or extraordinary meeting. The regular meeting shall be held once annually and convened by the Board of Directors within six months from the closing of each fiscal</p>	<p>Pursuant to article 172-2 amendment in Company Act which stipulates the</p>

	<p>year in accordance with the relevant regulations. An extraordinary meeting, if necessary, shall be convened by Board of Directors in accordance with relevant regulations.</p> <p>Unless otherwise provided in the Company Act, the shareholders' meeting shall be convened by the Board of Directors.</p> <p>The notices for shareholders' meeting shall be served to all shareholders in written or electrical forms 30 days in advance in case of a regular meeting of shareholders or 15 days in advance in case of a extraordinary meeting of shareholders. The written or electrical notice shall bear date, location and subjects of the meeting.</p> <p>The shareholders may execute their voting right through written or electrical form, which shall be in accordance with the relevant regulations.</p>	<p>year in accordance with the relevant regulations. An extraordinary meeting, if necessary, shall be convened by Board of Directors in accordance with relevant regulations.</p> <p>Unless otherwise provided in the Company Act, the shareholders' meeting shall be convened by the Board of Directors.</p> <p>The notices for shareholders' meeting shall be served to all shareholders in written or electrical forms 30 days in advance in case of a regular meeting of shareholders or 15 days in advance in case of a extraordinary meeting of shareholders. The written or electrical notice shall bear date, location and subjects of the meeting.</p> <p>The shareholders may execute their voting right through written or electrical form, which shall be in accordance with the relevant regulations.</p> <p><a href="#">The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</a></p>	<p>shareholder meeting might be convened by visual communication network in order to have more flexibility in holding shareholder meeting</p>
18	<p>After issuing shares in public, if the Company would like to cease its public status, the procedure shall be in accordance with Article 156 of the Company Act, to attain approval by a resolution adopted, at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.</p>	<p>After issuing shares in public, if the Company would like to cease its public status, the procedure shall be in accordance with Article 156-2 of the Company Act, to attain approval by a resolution adopted, at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.</p>	<p>To specify the quotation details</p>
32	<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</li> </ol>	<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</li> </ol>	<p>In accordance with the letter No. 1090150022 issued by the Financial Supervisory Commission</p>



	<p>special reserve in accordance with applicable laws and regulations or as requested by the competent authority.</p> <p>4. After the above 1~3 are deducted from profit after tax of the fiscal year, the balance (if any) together with accumulated inappropriate retained earnings of previous years can be distributed after the distribution plan proposed by the Board. When the distribution is cash, pursuant to Article 240, subparagraph 5 of the Company Act, the Company authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If the distribution is new share issuance, it shall be approved by the shareholders' meeting and distribute.</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>special reserve in accordance with applicable laws and regulations or as requested by the competent authority.</p> <p>4. After the above 1~3 are deducted from profit after tax of the fiscal year, the balance (if any) together with accumulated inappropriate retained earnings of previous years can be distributed after the distribution plan proposed by the Board. When the distribution is cash, pursuant to Article 240, subparagraph 5 of the Company Act, the Company authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If the distribution is new share issuance, it shall be approved by the shareholders' meeting and distribute.</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><u>When the same amount of special reserve allocated from the beginning unappropriated retained earnings is insufficient to cover the accumulation of net deduction from other equity interest, to allocate special reserve from beginning unappropriated retained earnings plus net income and account from other comprehensive income.</u></p>	<p>on March 31, 2021, stated that the allocation method of special reserve for net deduction from equity in prior period.</p>
35	<p>This articles of Incorporation is established on June 17<sup>th</sup>, 2011 (Omit)</p>	<p>This articles of Incorporation is established on June 17<sup>th</sup>, 2011 (Omit)</p>	<p>Add amendme nt date</p>

	<p>The 9th amendment on June 25<sup>th</sup>, 2018</p> <p>The 10th amendment on June 25<sup>th</sup>, 2019</p> <p>The 11th amendment on June 23<sup>rd</sup>, 2020</p> <p>Implement after approvals from the meeting of stockholders</p>	<p>The 9th amendment on June 25<sup>th</sup>, 2018</p> <p>The 10th amendment on June 25<sup>th</sup>, 2019</p> <p>The 11th amendment on June 23<sup>rd</sup>, 2020</p> <p><a href="#">The 12th amendment on June 21<sup>st</sup>, 2022</a></p> <p>Implement after approvals from the meeting of stockholders</p>	
--	--	--	--

## **Attachment 9**

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

#### **Rules and Procedures of Shareholders' Meeting**

##### **Article 1**

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

##### **Article 2**

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

##### **Article 3**

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

Any change to the convention method of the Company's shareholders' meetings shall be resolved by the board of directors, and no later than mailing the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. However, where the Company's paid-in capital of NT\$10 billion or more as of the last day of the most recent fiscal year, or aggregate shareholding percentage of foreign investors and Mainland Chinese investors of 30% or more as recorded in the shareholders' register at the time a regular shareholders' meeting is convened in the most recent year, the electronic files shall be transmitted 30 days prior to the regular shareholders' meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The agenda handbook and meeting supplemental information in the preceding paragraph shall be provided to the shareholders for reference on the date of the shareholders' meeting in the

following manners:

- I. For the physical shareholders' meeting, such information shall be distributed at the site of the meeting.
- II. For the video-assisted shareholders' meeting, such information shall be distributed at the site of the meeting, and transmitted to the video conference platform as electronic files.
- III. Where a shareholders' meeting is convened in the manner of video conference, such information shall be transmitted to the video conference platform as electronic files.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform

the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### **Article 4**

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in the manner of video conference, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### **Article 5**

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

When the Company convenes the video shareholders' meetings, the restrictions of convention location in the preceding paragraph do not apply.

#### **Article 6**

The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. The time during

which shareholder attendance registrations will be accepted at the video conference platform shall be at least 30 minutes prior to the time the meeting commences. The shareholders accepted are deemed to attend the shareholders' meeting in person.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company accepts the sign-in cards turned in by shareholders instead of the attendance book.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Where the Company convenes the video shareholders' meetings, and shareholders intend to attend in the manner of video conference shall register with the Company at least two days prior to the meeting date.

Where the Company convenes the video shareholders' meetings, the Company shall upload the agenda handbook, annual reports and other related information to the video conference platform for the shareholders' meeting, at least 30 minutes prior to the time the meeting commences, and retain the disclosure of such until the meeting ends.

#### **Article 6-1**

Where the Company convenes the video shareholders' meetings, the meeting notice shall specify the following matters:

- I. The method for shareholders to attend the video conference and exercise their rights.
- II. The handling method when the video conference platform or participation in the manner of video conference fails due to force majeure, such as natural disasters or incidents, and the follows shall be at least included:
  - (I) Time and date for the postponement or re-convention when the aforesaid continual failure cannot be eliminated and thus a postponement or re-convention is required.
  - (II) The shareholders who have not registered to attend the first shareholders' meeting via video conference must not attend the postponed or re-convened meeting.
  - (III) Where the Company convenes the video-assisted shareholders' meetings, and when the video meeting could not be continued, if the total attending shares still meet the statutory quorum for shareholders' meeting commencement after deducting these shares held by the shares attending the meeting via video conference, the meeting shall continue; the shares held by the shareholders attending the meeting via video conference shall be included in the total shares of

the attending shareholders, but deemed abstaining for all proposals in the concerned shareholders' meeting.

(IV) The handling method where the results of all proposals are announced but the extempore motions have not proceeded.

III. Where the Company convenes the video shareholders' meetings, the proper alternatives provided for the shareholders having difficulties attending in the manner of a video conference shall be specified.

## **Article 7**

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting.

## **Article 8**

The Company shall make an audio and video recording of the shareholders meeting.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where the Company convenes the video shareholders' meetings, the Company shall record and retain the records of the registration, enrollment, acceptance, inquiries, voting, and the results of vote calculation, and continuously record the video conference thoroughly, both audio and video.

The records and audio- and video recordings in the preceding paragraphs shall be properly retained during the Company's survival period, and the audio- and video recordings are provided to the organizer of the video conference for custody.

## **Article 9**

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in and shares registered at the video conference platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. Where the Company convenes the video shareholders' meetings, the Company shall announce the meeting adjournment on the video conference platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. Where the Company convenes the video shareholders' meetings, and shareholders intend to attend in the manner of video conference shall register again with the Company per Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

## **Article 10**

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on the proposals in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs, except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of



proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### **Article 11**

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where the Company convenes the video shareholders' meetings, the shareholders attending in the manner of video conference may inquire with text at the video conference platform of the meeting since the chair announces the meeting commencement till the adjournment. No more than two inquiries shall be raised for each proposal, and the maximum length is 200 words. Paragraphs 1 to 5 are not applicable.

#### **Article 12**

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending

shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

### **Article 13**

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or in visual communication network, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When voting, shareholders shall vote by poll. After the conclusion of the meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will

then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Where the Company convenes the video shareholders' meetings, the shareholders attending in the manner of video conference shall vote via the video conference platform for each proposal and election after the Chairman declares the meeting commencement. Such voting shall be completed before the Chairman declares the end of voting; anyone who misses the deadline is deemed giving up their right.

Where the Company convenes the video shareholders' meetings, the votes shall be calculated at once upon the end of voting declared by the chair, and announce the results of voting or elections.

Where the Company convenes the video-assisted shareholders' meetings, the shareholders who already have registered to attend the meeting in the manner of video conference pursuant to Article 6, but then intend to attend the off-line shareholders' meeting in person, shall withdraw the registration in the same manner of registration two days prior to the shareholders' meeting date; these who miss the deadline may only attend the shareholders' meeting in the manner of a video conference.

Those who exercise the vote in the manner of writing or electronic method, without withdrawing their expressions of intents, and attending the meeting in the manner of video conference, other than the extempore motions, must not exercise the votes to the original proposal, propose any amendment to the original proposal, or exercise the votes to the amendment to the original proposal.

#### **Article 14**

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

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

#### **Article 15**

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Where the Company convenes the video shareholders' meetings, other than the matters to be recorded as required in the preceding paragraph, the starting and ending time of the shareholders' meeting, convening method of the meeting, names of the chair and record-keeper, and the handling methods when the video conference platform or participation in the manner of video conference fails due to force majeure, such as natural disasters or incidents.

Where the Company convenes the video shareholders' meetings, other than complying with the preceding paragraph, the minutes shall also specify the alternatives for the shareholders having difficulties attending in the manner of video conference.

#### **Article 16**

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shares attended by shareholders in writing or electronic way and shall make an express disclosure of the same at the place of the shareholders meeting. Where the Company convenes the video shareholders' meetings, the Company shall upload aforementioned information to the video conference platform for the shareholders' meeting, at least 30 minutes prior to the time the meeting commences, and retain the disclosure of such until the meeting ends.

Where the Company convenes the video shareholders' meetings, the total shares held by the shareholders attending the meeting shall be disclosed on the video conference platform. If the total shares and voting rights of the attending shareholders are counted during the meeting, the same applies.

#### **Article 17**

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

## **Article 18**

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

## **Article 19**

Where the shareholders' meetings are convened in the manner of video conference, the Company shall, in real-time, disclose the voting result of each proposal and election results at the video conference platform for the shareholders' meeting, and retain the disclosure at least 15 minutes after the chair declares adjournment.

## **Article 20**

When the Company convenes the video shareholders' meetings, the chair and the record-keeper shall be at the same location in Taiwan.

## **Article 21**

Where the shareholders' meeting is convened in the manner of video conference, the chair, when declaring the meeting commencement, shall also declare the events not requiring postponement or re-convention specified in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies; before the chair declares the adjournment, in the event where the video conference platform or the participation in the video conference fails for 30 minutes or more due to natural disasters, incidents, or other force majeure, the date of the shareholders' meeting postponed to, or re-convened shall be within five days, and Article 182 of the Company Act shall not apply.

Where the meeting is to be postponed or re-convened as specified in the preceding paragraph, the shareholders who have not registered to attend the first shareholders' meeting via the video conference must not attend the postponed or re-convened meeting.

For the meeting is to be postponed or re-convened as specified in Paragraph 1, the shareholders who registered to attend the original meeting via the video conference, and have completed the acceptance, but do not attend the postponed or re-convened meeting, their attending shares at the original meeting, the exercised voting right and election right, shall be counted into the total shares, voting rights, and election rights of the attending shareholders in the postponed or re-convened meeting.

The postponement or re-convention of shareholders' meetings conducted per Paragraph 1 needs not again discuss and resolve the proposal that has completed voting and vote

calculation, with the announcement of voting results, or the list of elected directors.

Where the Company convenes the video-assisted shareholders' meetings, and when the video meeting is discontinued as specified in Paragraph 1 and the total attending shares still meet the statutory quorum for shareholders' meeting commencement, the postponement or re-convention of the meeting per Paragraph 1 is not required.

Under the circumstances to continue the meeting as specified in the preceding paragraph, the shares held by the shares attending the meeting via video conference shall be included in the total shares of the attending shareholders, but deemed abstaining from all proposals in the concerned shareholders' meeting.

Where the Company postpones or re-convenes any shareholders' meeting as specified in Paragraph 1, the pre-requisite operations shall be conducted based on the original shareholders' meeting date, and pursuant to Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For the periods specified in the latter part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall proceed on the date of the postponed or re-convened shareholders' meeting per Paragraph.

## **Article 22**

Where the Company convenes the video shareholders' meetings, the proper alternatives shall be provided for the shareholders having difficulties attending in the manner of video conference.

## **Article 23**

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effective in the same manner.

## **Article 24**

The Rules of Procedure for Shareholders Meetings is approved on June 21<sup>st</sup>, 2022

# Attachment 10

## GlobalWafers Co., Ltd.

### Acquisition or Disposal of Assets Procedure Comparison Chart

Article	Before	After	Remark
5	<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 or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the money market issued by domestic securities investment trust enterprises</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p>	<p><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 or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the money market issued by domestic securities investment trust enterprises</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p>	<p>In accordance with the latest version of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", this provision is revised to release the restrictions on information disclosure of partial transactions.</p>

	<p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is more than NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>i. Trading of domestic government bonds.</p>	<p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is more than NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>i. Trading of domestic government bonds <a href="#">or the foreign</a></p>	
--	---	---	--



	<p>ii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(Omitted Below)</p>	<p><a href="#"><u>government bonds with a credit rating not lower than our country's sovereign rating.</u></a></p> <p>ii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(Omitted Below)</p>	
7	<p>In acquiring or disposing of real property or equipment or right-of-use assets thereof where the transaction amount reaches twenty percent (20%) of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same</p>	<p>In acquiring or disposing of real property or equipment or right-of-use assets thereof where the transaction amount reaches twenty percent (20%) of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same</p>	<p>In accordance with the latest version of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", this provision stipulates that the reports or opinions issued by external experts shall follow the self-regulatory rules of their respective allied associations, and the relevant words that accountants shall abide by</p>

	<p>procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <a href="#">perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</a> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is twenty percent (20%) or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is ten percent (10%) or more</p>	<p>procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is twenty percent (20%) or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is ten percent (10%) or more</p>	<p>the Statement of Auditing Standards are deleted.</p>
--	---	--	---

	<p>of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
8	<p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty percent (20%) of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <a href="#">If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</a> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty percent (20%) of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>Same as the remark mentioned in Article 7.</p>

9	<p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches twenty percent (20%) or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>The calculation of the transaction amounts referred to in the preceding two articles and this paragraph shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches twenty percent (20%) or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>The calculation of the transaction amounts referred to in the preceding two articles and this paragraph shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	Same as the remark mentioned in Article 7.
11	<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 shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking</li> </ol>	<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 shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking</li> </ol>	Same as the remark mentioned in Article 7.

	<p>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.</p> <ol style="list-style-type: none"> <li>2. May not be a related party or de facto related party of any party to the transaction.</li> <li>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> <li>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>2. When <u>examining</u> 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.</li> <li>3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u></li> </ol>	<p>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.</p> <ol style="list-style-type: none"> <li>2. May not be a related party or de facto related party of any party to the transaction.</li> <li>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of their respective allied associations and</u> the following:</p> <ol style="list-style-type: none"> <li>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>2. When <u>conducting</u> 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.</li> <li>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and</li> </ol>	
--	--	---	--

	<p>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.</p> <p>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 <u>and accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>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 <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	
12	<p><b>Related Party Transactions</b></p> <p>1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9, Paragraph 2 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related</p>	<p><b>Related Party Transactions</b></p> <p>1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9, Paragraph 2 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related</p>	<p>In accordance with the latest version of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", this provision is revised to strengthen the management of related party transactions, and protect the rights of minority shareholders of public offering companies to express their opinions on transactions between the company and related parties.</p>

	<p>party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:</p> <ol style="list-style-type: none"> <li>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>(2) The reason for choosing the related party as a trading counterparty.</li> <li>(3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.</li> <li>(4) The date and price at</li> </ol>	<p>party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:</p> <ol style="list-style-type: none"> <li>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>(2) The reason for choosing the related party as a trading counterparty.</li> <li>(3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.</li> <li>(4) The date and price at</li> </ol>	
--	---	---	--

	<p>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.</p>	<p>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.</p> <p><a href="#"><u>If the Company or its subsidiary that is not a domestic public offering company conducts a transaction outlined in Article 12 paragraph 2, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the materials listed in Article 12 paragraph 2 to the shareholders</u></a></p>	
--	--	---	--



	<p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the Audit Committee need not be counted toward the transaction amount.</p>	<p><u>meeting for approval first, then it may sign the transaction contract and make payments. However, transactions between the Company and its parent or subsidiaries, or between its subsidiaries shall not be subject to this provision.</u></p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the Audit Committee, <u>shareholder meeting</u> need not be counted toward the transaction amount.</p>	
	(Below Omitted)	(Below Omitted)	
23	<p><b>Financial report disclosure</b></p> <p>The Company shall disclose the information of transaction of assets in financial statement and announce in shareholder's meeting if the acquisition or disposal transaction meets the disclosure requirements set forth in Article 5 and also the transaction is with related parties.</p>	Delete	In accordance with the latest version of "Regulations Governing the Acquisition and Disposal of Assets by Public

			Companies", this provision is deleted due to duplicate statement in Article 12 about the reporting standards on shareholders' meeting of transactions between related parties.
23 ~ 28	Article 24 ~ 29 from former version	Article 23 ~ 28	Reorder because of deletion in Article 23.
28	<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 6<sup>th</sup> amendment was made on June 25, 2019</p> <p>The 7<sup>th</sup> amendment was made on August 24, 2021</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 6<sup>th</sup> amendment was made on June 25, 2019</p> <p>The 7<sup>th</sup> amendment was made on August 24, 2021</p> <p><a href="#">The 8<sup>th</sup> amendment was made on June 21, 2022</a></p>	Add amendment date.

## **Appendix 1**

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

#### **Rules and Procedures of Shareholders' Meeting**

##### **Article 1**

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

##### **Article 2**

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

##### **Article 3**

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

##### **Article 4**

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

##### **Article 5**

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

##### **Article 6**

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

#### **Article 7**

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

#### **Article 8**

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

#### **Article 9**

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

#### **Article 10**

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

**Article 11**

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

**Article 12**

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

**Article 13**

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

**Article 14**

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

**Article 15**

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

**Article 16**

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

**Article 17**

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

**Article 18**

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

**Article 19**

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

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

**Article 20**

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

**Article 21**

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

**Article 22**

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

## Appendix 2

### GlobalWafers Co., Ltd.

### Articles of Incorporation

#### Chapter I. General Provisions

##### Article 1

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

##### Article 2

The Company shall engage in the following business:

CC01080 Electronic Parts and Components Manufacturing

C801990 Other Chemical Materials Manufacturing

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

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

F401010 International Trade

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

5. Silicon-based semiconductor materials and their components
6. Silicon Compound
7. Silicon Carbide Compound
8. Import-export activities related to the above mentioned business.

##### Article 3

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

##### Article 4

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

##### Article 5

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

## **Chapter II. Capital Stock**

### **Article 6**

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

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

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

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

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

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

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

### **Article 7**

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

### **Article 8**

Delete

### **Article 9**

Delete

### **Article 10**

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



## **Article 11**

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

## **Chapter III. Shareholders' Meeting**

### **Article 12**

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

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

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

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

### **Article 13**

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

### **Article 14**

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

### **Article 15**

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

## **Article 16**

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

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

## **Article 17**

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

## **Article 18**

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

## **Chapter IV. Directors and the Audit Committee**

### **Article 19**

1. The Company shall have seven to eleven directors. Director election is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, and that shareholders meeting shall elect directors from among the those listed in the slate of independent director candidates.

All directors shall serve for a term of three years and shall be eligible for re-election. The total shares held by all directors shall be in compliance with the relevant regulations provided by the securities authority.

2. The aforesaid directors shall have at least three independent directors, and furthermore shall be no fewer than one-fifth of the director seats. The professional qualification, shareholding, part-time job limitation, nomination and election method and other requirements for independent directors shall be handled in compliance with the relevant regulations provided by the securities authority.

### **Article 20**

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

### **Article 21**

In the case that vacancies on the Board of Directors reach one third of the total number of the

directors, the Board of Directors shall convene an extraordinary shareholders' meeting to fill such vacancies within 60 days. The new directors shall serve only the remaining term of the predecessors.

#### **Article 22**

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

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

#### **Article 23**

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

#### **Article 24**

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

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

#### **Article 25**

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

#### **Article 26**

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

#### **Article 26-1**

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

## **Chapter V. Management of the Corporation**

### **Article 27**

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

### **Article 28**

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

## **Chapter VI. Accountings**

### **Article 29**

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

### **Article 30**

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

#### **Article 30-1**

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

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

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

#### **Article 30-2**

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

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

### **Article 31**

If the Company has surplus at the end of each fiscal year, 3~15% of the profit shall be appropriated for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration. However, if there are accumulated losses, certain profits shall be reserved to cover first.

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

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

### **Article 32**

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

5. Compensating losses
6. 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
7. Appropriating or transferred to special reserve in accordance with applicable laws and regulations or as requested by the competent authority.
8. After the above 1~3 are deducted from profit after tax of the fiscal year, the balance (if any) together with accumulated inappropriate retained earnings of previous years can be distributed after the distribution plan proposed by the Board. When the distribution is cash, pursuant to Article 240, subparagraph 5 of the Company Act, the Company authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If the distribution is new share issuance, it shall be approved by the shareholders' meeting and distribute.

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

### **Article 33**

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

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

## **Chapter VII. Supplementary Provisions**

### **Article 34**

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

### **Article 35**

This articles of Incorporation is established on June 17<sup>th</sup>, 2011

The 1st amendment on August 10<sup>th</sup>, 2011

The 2nd amendment on January 12<sup>th</sup>, 2012

The 3rd amendment on June 27<sup>th</sup>, 2012

The 4th amendment on March 19<sup>th</sup>, 2013

The 5th amendment on May 26<sup>th</sup>, 2014

The 6th amendment on January 19<sup>th</sup>, 2015

The 7th amendment on June 23<sup>th</sup>, 2015

The 8th amendment on June 22<sup>nd</sup>, 2016

The 9th amendment on June 25<sup>th</sup>, 2018

The 10th amendment on June 25<sup>th</sup>, 2019

The 11th amendment on June 23<sup>th</sup>, 2020

Implement after approvals from the meeting of stockholders

## Appendix 3

### GlobalWafers Co., Ltd.

#### Acquisition or Disposal of Assets Procedure

##### Article 1

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

##### Article 2

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

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

##### Article 2-1

Terms used in these Regulations are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

### **Article 3**

#### **Operating Procedures**

1. Before any asset acquisition or disposal, responsible unit shall take into account the reasons, affecting objects, transaction parties, transfer price, terms of transaction, and references of price.
2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.
3. Amount limits for investment in non-operational purpose fixed assets or right-of-use assets, and securities are as below:
  - (1) The total amount of any real property or right-of-use assets purchased by the Company not for use in business operations may not exceed fifteen percent (15%) of the Company's net worth; the total amount of any real property or right-of-use assets purchased by a subsidiary of the Company not for use in business operations may not exceed five percent (5%) of the Company's net worth.
  - (2) The total amount of investment by the Company in all securities may not exceed six times of its net worth; the total amount of investment in all securities by a subsidiary of the Company may not exceed six times of the Company's net worth.
  - (3) The amount of the Company's investment in any single security may not exceed six times of its net worth; the amount of investment by a subsidiary of the Company in any single security may not exceed six times of the Company's net worth.
  - (4) The reinvestment of the Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed forty percent (40%) of the paid-in capital.

Any transaction involving major assets or derivatives outside the scope of Article 4 in the procedures shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.

If the aforesaid transaction of major assets or derivatives has not been approved by such Audit Committee with the consent of one-half or more than one-half of all members of the audit committee,



it may be undertaken upon the consent of at least two-thirds of all members of the Board of Directors, but the resolution adopted by the audit committee shall be recorded in the meeting minutes of the Board of Directors meeting.

The board of directors shall take into full consideration of each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

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

## **Article 4**

### **Authorization scope**

Acquisition or Disposal of the following Assets shall be determined by the authority within the scope of authorization:

1. Acquisition or disposal of long-term securities and fixed assets or right-of-use assets whose value under NT\$100 million shall be approved by Chairperson first.
2. Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under NT\$100 million shall be approved by President first.
3. The acquisition or disposal of equipment or right-of-use assets of which amount is under NT\$300 million shall be approved by Chairperson first.
4. With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the board chairperson may decide such matters when the transaction is under NT\$300 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting, not subject to the second section of Article 12 of this Procedure:
  - (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
  - (2) Acquisition or disposal of real property right-of-use assets held for business use.

## **Article 5**

### **Public Disclosure**

2. 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:
  - (7) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the money market issued by domestic securities investment trust enterprises
  - (8) Merger, demerger, acquisition, or transfer of shares.
  - (9) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual

contracts set out in the procedures adopted by the company.

(10) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.

(11) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is more than NT\$500 million.

(12) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

iii. Trading of domestic government bonds.

iv. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

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

(1) The amount of any individual transaction.

(2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.

(3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

4. "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.

5. 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.

6. 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.

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

## **Article 6**

### **Changes in Announcement and Reporting**

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

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

#### **Article 7**

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

5. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
6. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
7. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  - (3) The discrepancy between the appraisal result and the transaction amount is twenty percent (20%) or more of the transaction amount.
  - (4) The discrepancy between the appraisal results of two or more professional appraisers is ten percent (10%) or more of the transaction amount.
8. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

#### **Article 8**

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event,

obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty percent (20%) of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

#### **Article 9**

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

The calculation of the transaction amounts referred to in the preceding two articles and this paragraph shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

#### **Article 10**

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

#### **Article 11**

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

4. 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.
5. May not be a related party or de facto related party of any party to the transaction.
6. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

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

5. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
6. 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.
7. 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.
8. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

## **Article 12**

### **Related Party Transactions**

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

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

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

4. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:
  - (8) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
  - (9) The reason for choosing the related party as a trading counterparty.
  - (10) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.
  - (11) 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.
  - (12) 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.

(13) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.

(14) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the Audit Committee need not be counted toward the transaction amount.

5. The Company that acquires real property or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs by the following means (where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in below paragraph, and the Company shall also engage a CPA to check the appraisal and render a specific opinion):

(1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer.

(2) "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

(3) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

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

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

6. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 2 of this Article and paragraph 3 here do not apply:

(1) The related party acquired the real property or right-of-use assets through inheritance or as a gift.

(2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.

(3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

- (4) The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds one hundred percent (100 %) of the issued shares or authorized capital.
7. When the results of the Company's appraisal conducted in accordance with sub paragraph 1 and 2 under paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 6 of the Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
  - (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
    - i. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
    - ii. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
  - (2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
  - (3) Completed transactions for neighboring or closely valued parcels of land in the preceding two paragraphs in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than fifty percent (50%) of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
8. Where the Company acquires real property or the right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the Paragraph 3~5 of the Article are uniformly lower than the transaction price, the following steps shall be taken:
  - (1) A special reserve shall be set aside in accordance with related regulations against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under related regulations shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.

- (2) Audit Committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to preceding 2 subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

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

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

### **Article 13**

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

### **Article 14**

The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

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



## **Article 15**

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

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

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

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

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

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

## **Article 16**

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

## **Article 17**

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

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

## **Article 18**

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

- (1) Handling of breach of contract.
- (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
- (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- (4) The manner of handling changes in the number of participating entities or companies.
- (5) Preliminary progress schedule for plan execution, and anticipated completion date.
- (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

## **Article 19**

After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share

transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew

#### **Article 20**

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

#### **Article 21**

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

1. The Company's subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures.
2. If the acquisition or disposal of assets by the Company's subsidiary, which is not a domestic public company, reaches the reporting criteria specified in Article 5 of the Procedures, the Company shall make the reporting and public announcements on behalf of its subsidiary.
3. "Reaching twenty percent (20%) of paid-in capital or 10% of total assets" specified in the regulatory of subsidiary reporting and public announcements criteria in the preceding paragraph shall be the paid-in capital or total assets of the parent Company.

#### **Article 22**

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

#### **Article 23**

##### **Financial report disclosure**

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

#### **Article 24**

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

#### **Article 25**

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

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

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

#### **Article 26**

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

In the case of a company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.

#### **Article 27**

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

#### **Article 28**

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

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

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

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

#### **Article 29**

The Procedures were enacted on May 26, 2014

The 1<sup>st</sup> amendment was made on January 19, 2015

The 2<sup>nd</sup> amendment was made on June 23, 2015

The 3<sup>rd</sup> amendment was made on June 22, 2016

The 4<sup>th</sup> amendment was made on June 19, 2017

The 5<sup>th</sup> amendment was made on June 25, 2018

The 6<sup>th</sup> amendment was made on June 25, 2019

The 7<sup>th</sup> amendment was made on August 24, 2021

## Appendix 4

### GlobalWafers Co., Ltd.

#### Shareholdings of Directors

- 1 As of book closure date (2022/4/23), total issued shares are 437,250,000 shares, the minimum numbers of shares required to be held by all directors is equivalent to 16,000,000 shares in accordance with Article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”
- 2 The company has established audit committee, the regulation of supervisors’ shareholding numbers is not applicable.
- 3 The numbers of shares held by the directors individually as recorded as of the book closure date for that shareholders' meeting (2022/4/23) are shown as below table.

Position	Name	Shareholdings
Chairperson	Hsiu-lan Hsu	847,879
Director	Sino-American Silicon Products Inc. Representative: Ming-kuang Lu	222,727,000
Director	Sino-American Silicon Products Inc. Representative: Tan-liang Yao	222,727,000
Director	Kuo-chow Chen	665,773
Independent Director	Jeng-ywan Jeng	0
Independent Director	Chung-Yu Wang	0
Independent Director	Ming-Ren Yu	0
Total		224,240,652

## Appendix 5

### Other Statement

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

1. Pursuant to the Article 172-1 of Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed, matters more than one will not be included in the discussion proposal.
2. Submission period applicable to common shareholders of GWC starts from April 15 to April 25, 2022. The Company has made a public announcement on MOPS.
3. The Company has not received any proposal from shareholders yet.