



Stock Symbol : 6488

# **GlobalWafers Co., Ltd.**

## **2020 Annual Report**

The annual report may be accessed on the website at:

Information website: <http://mops.twse.com.tw>

Corporate website: <http://www.sas-globalwafers.com>

Prepared by GlobalWafers Co., Ltd.

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

**1. Company Spokesman:**

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Job title: Vice President of Logistics and Administration Dept.

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Email: GWCIR@sas-globalwafers.com

Name of deputy spokesman: Pao-Chuan Chen

Job title: Department Manager in Taisil branch

Tel.: (+886) 3- 578-3131

Email: GWCIR@sas-globalwafers.com

**2. Address and Telephone Number of The Company Headquarter, Subsidiaries, and Plants :**

**Headquarter**

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Tel: (+886)-3-577-2255

**Chunan Plant**

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Tel: (+886)-37-582533

**Taisil Branch**

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**Niigata**

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**Tokuyama**

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Tel: (+81) 834-41-3001

**Sekikawa**

Address: 278 Tatsutashin, Sekikawa, Iwafune District, Niigata Prefecture, Japan

Tel: (+81) 254-64-0254

**Oguni Silicon Crystal Center**

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#### Korea Subsidiary

##### Cheonan Plant

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331-831 Korea

Tel: (+82) 41 550 4114

#### China Subsidiary

##### Kunshan Plant

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#### Malaysia Subsidiary

##### Kuala Lumpur Plant

Address: Jalan SS 8/2, Sungai Way Free Industrial Zone, 47300 Petaling Jaya, Selangor Darul  
Ehsan, Malaysia

Tel: (+603) 7877 3277

#### Singapore Subsidiary

Address: Block D #01-41A, 11 Lorong 3 Toa Payoh, Singapore 319579

Tel: (+65) 6361 9720

#### US Subsidiary

##### Texas Plant

Address: 200 F.M. 1417 West Sherman, Texas, USA 75092

Tel: (+1) 903 957 1999

##### Missouri Plant

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Tel: (+1) 636 474 5000

#### Italy Subsidiary

##### Merano Plant

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Tel: (+39) 0473 333 333

##### Novera Plant

Address: SpA Viale Gherzi, 31, 28100 Novara, Italy

Tel: (+39) 0321 33 4444

#### Denmark Subsidiary

##### Copenhagen Plant

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Tel: (+45) 47 36 56 00

**3. Stock Transfer Agency**

Agency name: Stock Agency Department, Yuanta Securities

Address: B1, No. 210, Sec. 3, Chengde Rd., Taipei, Taiwan

Website: <http://www.yuanta.com.tw/>

Tel: +886-2-2586-5859

**4. External Auditor**

Name of Accounting Firm: KPMG Taiwan

Name of CPAs: An-Chih Cheng, Cheng-Chien Chen

Address: 68F, No. 7, Sec. 5, Hsinyi Rd., Taipei, Taiwan

Website: <http://www.kpmg.com.tw>

Tel: +886-2-8101-6666

**5. Global Depositary Receipt (GDR) Agency**

Luxembourg Stock Exchange

Website: <https://www.bourse.lu/security/US37891E1038/250465>

**6. Company Website**

<http://www.sas-globalwafers.com>

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**Attachment 1. 2020 Consolidated Financial Statements with Independent Auditors' Report**

**Attachment 2. 2020 Standalone Financial Statements with Independent Auditors' Report**

**Attachment 3. 2020 Affiliation Report**

## One. Letter to Shareholders

Dear Shareholders,

Thank you for sparing time in attending the Company's 2020 general shareholders' meeting. We also appreciate the care and support extended by you to the Company.

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

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

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

### I. Operating Results in 2020

#### (I) Business Plan Implementation Results

Unit: NT\$ thousands

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



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

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

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

### (III) Profitability Analysis

Items		2020	2019
Financial structure	Debt Ratio (%)	53.45%	53.33%
	Long-term funds to PPE (%) (PPE-plant, property, equipment)	176.55%	200.81%
Profitability analysis	ROA (%) (return on assets)	13.75%	14.69%
	ROE (%) (return on equity)	29.37%	30.91%
	Percentage in Paid-up Capital	Operating Profit(%)	349.61%
		Profit Before Tax (%)	409.31%
	Net Profit Margin (%)		23.67%
	EPS (NT\$)		23.47%
		30.11	31.35

### (II) Financial Income and Expenditure

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

(V) Research and Development Status

1. R&D Expenditure in 2020

Unit: NT\$ thousands

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

2. R&D Results in 2020

Name of Technology or Product

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

### 3. Future R&D Plan:

- (1) 300mm ultra low resistivity  $<1.8\text{m}\Omega\text{-cm}$  wafer with antimony doped
- (2) SiC wafer for next generation high power automotive electronic device application
- (3) Epi-substrate for GaN\_HEMT application
- (4) High strength and ultra thin silicon substrate with nano structure
- (5) SOI substrate for next generation RF device application
- (6) Development of 300mm diamond wire cutting manufacturing process
- (7) "ECAS<sup>®</sup>" wafer for next generation 3D memory device
- (8) 12" MCZ wafer with lower carbon and lower oxygen for power devices, memory devices, and mobile CIS
- (9) 6" Semi insulating SiC Crystal and the wafer
- (10) 8" GaN/Silicone normally open power application epi-wafer
- (11) 4"/6" GaN/S.I.-SiC RF application epi-wafer

## II. Summary of the Business Plan for 2021

### (I) Operating Philosophy

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

(II) Estimated sales volume and the basis:

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

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

(III) Important production and marketing policies:

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

#### (IV) Development Strategies of the Company in the Future

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

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

- (1) With the development and application of the semiconductor industry, its related products have penetrated people's daily life. The use of semiconductor products can be seen in food, clothing, housing, transportation, education and music. Therefore, the semiconductor industry boom has a considerable degree of links with the overall economy. Due to the Company's wide customer base, the end products spread across various industries and application areas, such as automotive products, power products, memory, etc., which can reduce the risk from the booming cycle of a single industry. So when the overall economy is not good, the Company can diversify risks and stabilize operations in this way.

- (2) The semiconductor wafer industry has undergone decades of development and has established a considerable degree of entry barriers in terms of technology and patents. However, in the face of new competitors with significant funds, we will closely observe the industry's development. In order to prevent the new manufacturers from actively joining and leading to the decline in product prices to affect sales and profit, we will continue to combine the technological advantages of the Company around the world to develop niche products with core technology capabilities. And we will also increase the added value of the product and minimize the cost to increase profit margins.
- (3) The drastic changes in the international circumstance, development of COVID-19, and regional trade conflicts have shocked the macroeconomics. However, GlobalWafers has production facilities around the world and thus is able to deploy the production flexibly to respond to the impacts from related regulations, lower duties, to the operational costs. Clients all over the world also effectively diversify the impacts from the pandemic to the revenue and lower the economic risks from a single area.

Looking ahead to 2021, the global economy will recover from the heavy hits brought by the pandemic, and the semiconductor industry is expected to grow faster. As the automotive market recovery is driven by the higher electrification and auto-driving penetration and acceleration of 5G, AI, and machine learning is also seen as the key drivers for the semiconductor industry in 2021. Major makers have contributed significant research resources and increased the capital expenses, which in turn will drive the next evolution for semiconductor technologies and the expansion of innovative technologies for the growth of the industry. Although the pandemic development and vaccine rollout still overshadow the future with uncertainties, GlobalWafers will take advantage of the Group's abundant domestic and overseas R&D energies to work on the next-generation technologies; with over 1,400 patents, we actively expand the niche products' landscape, and work on the third-generation semiconductors other than the existing complete product spectrum, as the opportunity of development, so that we will create more values for the employees, clients, and shareholders.

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



## Two. Company Profile

I. Date of Incorporation: October 18, 2011

II. Corporate History

October 2011	Official incorporation of GlobalWafers Co., Ltd. (carved out from SAS semiconductor business unit), with the paid-in capital of NT\$1,800,000 thousand.
April 2012	GlobalWafers acquired all the semiconductor silicon wafer-related business in the subsidiaries of the Japanese-based Company, Covalent Materials Corporation, with the paid-in capital of NT\$3,175,000 thousand.
August 2013	Passed the ISO14001 certification.
December 2013	Passed the Taiwan Intellectual Property Management System (TIPS) certification.
December 2013	Received the 2013 Occupational Health Initiation Mark certified by Health Promotion Administration, Ministry of Health and Welfare.
July 2014	TS16949: passed the 2009 certification
September 2014	IPO
October 2014	Emerging Stock Listing
January 2015	With the paid-in capital of NT\$3,492,500 thousand upon capital increase.
April 2015	Applied for listing on TPEX.
September 2015	With the paid-in capital of NT\$3,692,500 thousand upon capital increase.
September 2015	Listed on TPEX.
April 2016	2015 Best Supplier Award from Texas Instrument (TI)
July 2016	Completed the acquisition of the semiconductor business of Topsil Semiconductor Materials A/S in Denmark.
August 2016	Passed the Occupational Safety and Health System OHSAS 18001:2007 certification.
August 2016	Passed the ISO14001:2015 certification.
August 2016	Passed the TOSHMS/CNS 15506:2011 certification.
December 2016	Completed the acquisition of SunEdison Semiconductor Limited successfully.
April 2017	Ranking in the top 20% of all listed OTC companies in the 3rd corporate governance appraisal by Securities and Futures Institute
May 2017	With the paid-in capital of NT\$4,372,500,000 upon participation in the GDR issuance.
May 2017	Received the Excellent Vendor Award from HHGrace.
June 2017	Received the Front End Direct Materials Supplier of the Year Award from ON Semiconductor. (The Front End Direct Materials Supplier of the Year Award)
July 2017	Passed the IATF 16949:2016 certification.
December 2017	Received the 2017 M&A Outstanding Achievement Award from MAPECT.
January 2018	Received The Asset Triple A Country Award Taiwan–Best GDR in 2017. (The Asset Triple A Country Award Taiwan – Best GDR)
April 2018	Ranking in the top 20% of all listed OTC companies in the fourth corporate governance appraisal by Securities and Futures Institute
June 2018	Passed the Cleaner Production Assessment System of the Green Factory Label certification.
November 2018	Received the Golden Tower Award of the “QCC Taiwan Continuous Improvement

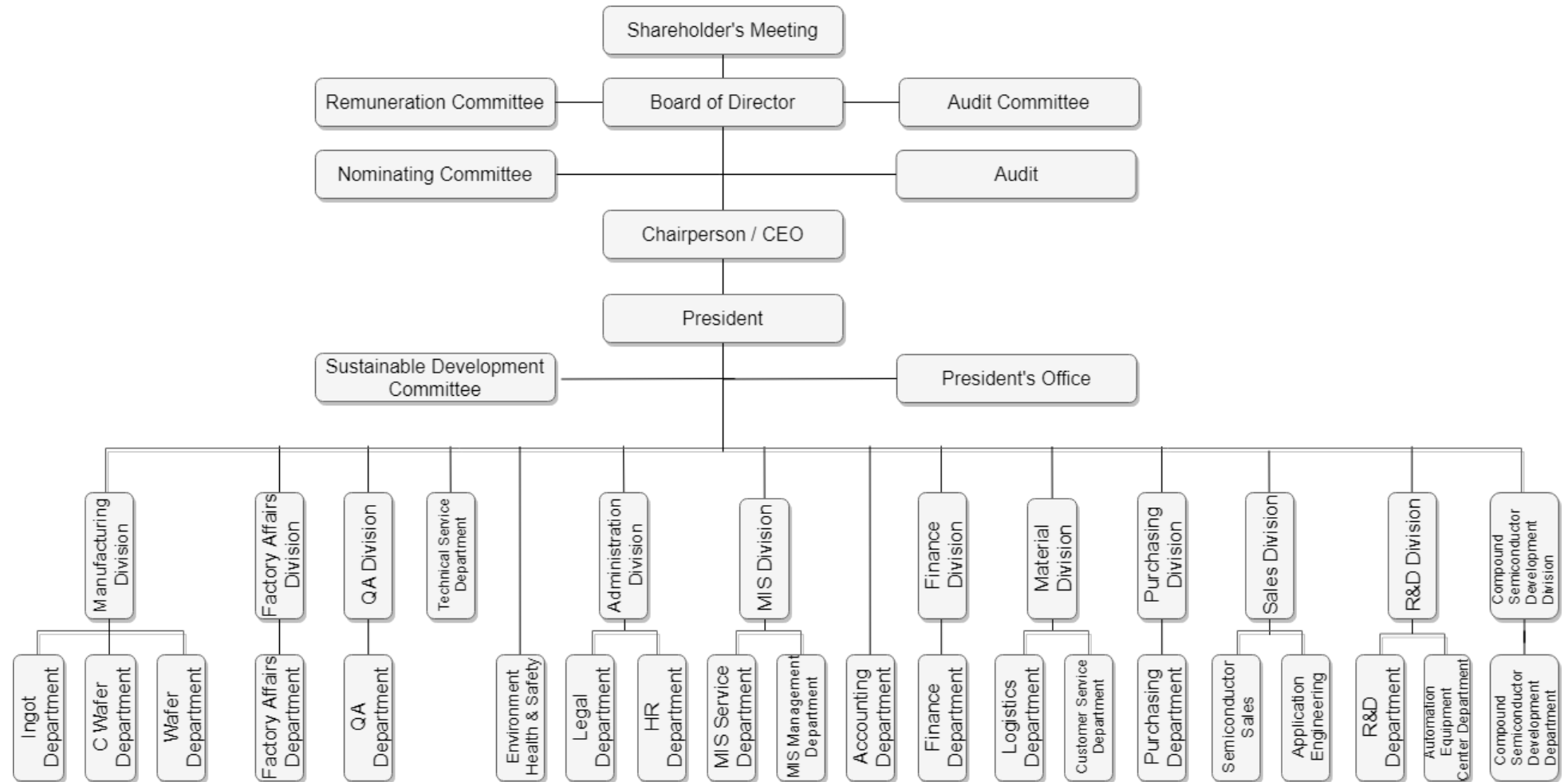
	Award of 31st term” organized by Corporate Synergy Development Center.
November 2018	The subsidiary, Taisil Electronic, received two silver top awards and one bronze top award of the “QCC Taiwan Continuous Improvement Award of 31st term” organized by Corporate Synergy Development Center.
December 2018	President of the subsidiary, Taisil Electronic, Yin-sheng Hsueh received the “National Manager Excellence Award-Excellent President” of the 36th term organized by the Chinese Professional Management Association.
January 2019	GlobalWafers Hsinchu Plant passed the golden award certification for Green Building (renovation).
April 2019	Ranking at Top 5% among TPEx-listed companies in the 2018 Corporate Governance Evaluation of fifth term organized by Securities and Futures Bureau.
May 2019	2019 Happy Enterprise Award of Technology Industries
July 2019	The Outstanding Cooperation Supplier Award ' From HHGrace
October 2019	Certified with the Green Factory Label by the Industry Development Bureau
November 2019	SGS ISO 45001 Plus Award
December 2019	Received the Golden Tower Award of the “2019 Taiwan Continuous Improvement Award” organized by Corporate Synergy Development Center.
December 2019	The materials from the subsidiary of GlobalWafers, Taisil Electronic, received the Golden Tower Award of the “2019 Taiwan Continuous Improvement Award” organized by Corporate Synergy Development Center.
April 2020	Ranking at Top 5% among TPEx-listed companies in the 2019 Corporate Governance Evaluation of sixth term organized by Securities and Futures Bureau.
September 2020	Both Hsinchu Plant and Zhunan Plant won the Extra Excellency Award of “2020 Outstanding Enterprise of Waste Reduction and Circular Economy” sponsored by the Science Park
December 2020	Received the Golden and Silver Tower Award in “2020 Taiwan Continuous Improvement” organized by the Corporate Synergy Development Center.
December 2020	GlobalWafers’ subsidiary, GlobalWafers GmbH, announced to publicly acquire all outstanding shares of Siltronic AG; the statutory public acquisition extension expired on March 1, 2021. The final stake acquired is 70.27%. The completion of the acquisition depends on the approval of the competent authorities. GlobalWafers expects the acquisition will complete the final delivery in the second half of 2021
March 2021	GlobalWafers is rated with long-term issuer's credit rating of "twAA-" and short-term issuer's credit rating of “twA-1+,” with the outlook “stable” by Taiwan Ratings.
April 2021	Ranking at Top 5% among TPEx-listed companies in the 2020 Corporate Governance Evaluation of sixth term organized by Securities and Futures Bureau.



### Three. Corporate Governance Report

#### I. Organization

##### (I) Organizational Structure



## (II) Business of Major Departments

Department	Business Item
Chairperson	Set the Company's target, make management strategies, make the Company's management policies, and execute matters handed over by Board of Directors' resolutions and matters decided by shareholders' meeting
Audit Office	Check and evaluate the soundness, rationality and effectiveness of the Company's internal control system. Responsible for the promotion, auditing and reporting of the internal control system.
President and President's Office	Execute matters handed over by Board of Directors' resolutions, promote management system and project business, draft and make business plans, manage and supervise head of the department to achieve planning objectives, and evaluate and analyze business performance
Manufacturing Division	Responsible for product production, yield and abnormal management, raw material use and scrap management, site maintenance and safety implementation, manpower planning and training, and planning and implementation of capacity expansion, assessing and introducing new equipment and instrument, responsible for improving, maintaining and servicing the production equipment.
Factory Affairs Division	Construction, maintenance, and service of the plants and facilities.
Quality Assurance Division	Responsible for the formulation and management of product quality standards and inspection specifications, feeding, instrumentation, process and product quality inspection, and promotion of quality improvement activities.
Technical Service Division	Provide technical consultations, assist in the integration of technical issues and customer complaints, participate in/conduct the development and experimental design of new technologies, and collect technical information from peers or related industries.
Environment, Health & Safety	<ol style="list-style-type: none"> <li>1. Define the labor safety &amp; health management plans, and instruct related departments to implement the same.</li> <li>2. Plan and supervise the labor safety &amp; health audit and management conducted by various departments.</li> <li>3. Plan and supervise the checkpoints and inspection on safety &amp; health facilities.</li> <li>4. Plan and implement the labor safety &amp; health educational training.</li> <li>5. Supervise the investigation, treatment, statistics and analysis on labors' occupational disasters.</li> <li>6. Provide the information and suggestions about labor safety &amp; health management.</li> <li>7. Plan and supervise the execution of environmental protection plans.</li> </ol>
Administration Division	<ol style="list-style-type: none"> <li>1. Plan, recruit and reserve human resources; implement personnel regulations and systems, educational training and welfare policies.</li> <li>2. Consultation about legal affairs and compliance.</li> </ol>
MIS Division	<ol style="list-style-type: none"> <li>1. Maintain software and hardware equipment related to information system.</li> <li>2. Plan and execute computerization.</li> </ol>
Accounting Department	<ol style="list-style-type: none"> <li>1. Establish, boost and control the preparation of the Company's annual budget, and review the results thereof.</li> <li>2. Plan, establish, execute and amend the accounting system.</li> <li>3. Preparation of financial structure, changes of income and accounting reports, and analysis and interpretation thereon.</li> <li>4. Tax planning.</li> </ol>
Finance Division	<ol style="list-style-type: none"> <li>1. Allocate the Company's financial capital and negotiate with financial institutions for credit facilities.</li> <li>2. Execute the plans related to any specific projects.</li> </ol>
Material Division	<ol style="list-style-type: none"> <li>1. Manage production schedules and arrange allocation of production capacity.</li> <li>2. Handle customers' order and shipment, communication and after-services.</li> </ol>
Purchasing Division	Execute the purchasing operations, evaluate new vendors, and manage raw materials and collaborative vendors.
Sales Division	<ol style="list-style-type: none"> <li>1. Make marketing strategy, expand sales market, make communication with customers and provide after-sales service.</li> <li>2. Responsible for collection of market information, customer service and product application, and assistance in the development and promotion of new products.</li> </ol>
R&D Division	Research, develop and test products; improve production technologies, yield rate and production capacity; work with academic units to research, develop and improve production equipment.
Compound Semiconductor Division	Forward-looking technology and equipment development for wide band gap compound semiconductor materials such as SiC and GaN.

## II. Directors, Supervisors, President, Vice President, Associates and Heads of Departments

### (I) Information of directors and supervisors

April 24, 2021; Unit: Share; %

Title	Nationality or Place of Registration	Name	Gender	Date of Election (Appointment)	Term of Office	Date of Initial Election	Shares Held at the Time of Election		Number of Shares Held Now		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Experience (Education Background)	Concurrent Position in the Company and Other Companies at Present	Other Heads, Directors or Supervisors with Relations Such as Spouses or Parents			Notes
							Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Title	Name	Relationship	
Chairperson	Taiwan R.O.C.	Hsiu-Lan Hsu	Female	June 25, 2018	Three years	October 1, 2011	847,879	0.19%	847,879	0.19%	—	—	—	—	MA in Computer Science from University of Illinois / President of Sino-American Silicon Products Inc.	Note 1	VP, R&D and Manufacturing	Wen-Ching Hsu	Sister and Brother	Note 7
Director	Taiwan R.O.C.	SAS Representative: Ming-Kuang Lu	Male	June 25, 2018 June 25, 2018	Three years Three years	October 1, 2011 October 1, 2011	222,293,000 1,002,560	50.84% 0.23%	222,727,000 1,000,000	51.17% 0.23%	— 290,000	— 0.07%	— —	—	Honorary Doctor of Engineering of National Chiao Tung University/Chairman of Sino-American Silicon/President of Lite-On Semiconductor Corp./President of Xuxing Science and Technology Corporation/Vice President of Xuli Corporation	Note 2	None None	None None	None None	—
Director	Taiwan R.O.C.	SAS Representative: Tan-Liang Yao	Male	June 25, 2018 June 25, 2018	Three years Three years	October 1, 2011 October 1, 2011	222,293,000 200,293	50.84% 0.05%	222,727,000 200,293	51.17% 0.05%	— 674	— 0.00%	— —	—	MA in Management from Tamkang University / President of Sino-American Silicon Products Inc./ Assistant Vice President of the Manufacturing Division of Xuxing Science and Technology Corporation	Note 3	None None	None None	None None	—
Director	Taiwan R.O.C.	Kuo-Chow Chen	Male	June 25, 2018	Three years	May 26, 2014	665,773	0.15%	665,773	0.15%	—	—	—	—	Tainan Nan Ying Senior Commercial & Industrial Vocational School / Chairman of Nan Hai Corp. / Board Director of COTA Bank	Note 4	None	None	None	—
Independent Director	Taiwan R.O.C.	Chi-Hsiung Cheng	Male	June 25, 2018	Three years	January 19, 2015	5	0.00%	1,005	0.00%	—	—	—	—	MA in Accounting and Information	Note 5	None	None	None	—

Title	Nationality or Place of Registration	Name	Gender	Date of Election (Appointment)	Term of Office	Date of Initial Election	Shares Held at the Time of Election		Number of Shares Held Now		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Experience (Education Background)	Concurrent Position in the Company and Other Companies at Present	Other Heads, Directors or Supervisors with Relations Such as Spouses or Parents			Notes
							Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Title	Name	Relationship	
															Technology from National Chung Cheng University / Deputy division chief of Yulon Motor / Audit Director of Yue Sheng Industrial Co., Ltd. / Cost Director of Yueki Industrial Co., Ltd. / Administration Manager of Rica Auto Parts Co., Ltd / Finance Division Director of Wafer Works Corp.					
Independent Director	Taiwan R.O.C.	Jeng-Ywan Jeng	Male	June 25, 2018	Three years	June 25, 2018	—	—	—	—	—	—	—	—	PhD in Mechanical Engineering of University of Liverpool / Dean of Engineering College of National Taiwan University of Science and Technology / Founder of Taiwan Tech 3D., Co, Ltd. / Chairman of Additive Manufacturing Association of Taiwan	Note 6	None	None	None	—
Independent Director	Taiwan R.O.C.	Hsien-Chin Chiu	Male	June 23, 2020	One years	June 23, 2020	—	—	—	—	—	—	—	—	PhD in Electrical Engineering of National Central University / Professor of Electronics Engineering Department in Chang Gung University / Senior Engineer of WIN Semiconductors Corp.	None	None	None	None	—

Note 1: CEO of GlobalWafers (concurrent), Chairperson and CEO of Sino-American Silicon Products Inc., Representative of Institutional Director of Actron Technology Corporation, Director of Crystalwise Technology Inc., Director of GlobalWafers Inc., Director of GlobalSemiconductor, Chairperson & CEO of GlobiTech Incorporated, Chairperson of GlobalWafers Japan Co., Ltd., Chairperson of MEMC Japan Limited, Vice Chairperson of Kunshan Sino Silicon Technology Co., Ltd., Chairperson of Topsil GlobalWafers A/S, Director of GWafers Singapore Pte., Ltd., Director of GlobalWafers Singapore Pte., Ltd., Director of GlobalWafers B.V., Director of MEMC Korea Company, Representative of Institutional Director of SAS Sunrise Inc., Representative of Institutional Director of SAS Sunrise Pte., Ltd., Chairperson of Sunrise PV Three Co., Ltd., Chairperson of Sunrise PV Four Co., Ltd., Representative of Institutional Chairman of Taiwan Specialty Chemicals Corporation, Representative of Institutional Chairman of Advanced Wireless Semiconductor Company, Chairman of GlobalWafers Holding Co., Ltd., Chairperson of SAS Holding Co., Ltd.

Note 2: Director of Sino-American Silicon Products Inc., Chairman and CEO of Actron Technology Corporation, Representative of Institutional Director of Formerica Optoelectronics Inc., Representative of Institutional Chairman of REC Technology Corporation, Representative of Institutional Chairman of Bigbest Solutions Inc., Representative of Institutional Chairman of Tatung Company, Director of GlobalWafers Holding Co., Ltd., and Director of SAS Holding Co., Ltd.

Note 3: Vice Chairman & President of Sino-American Silicon Products Inc. (concurrent), Representative of Institutional Director and Vice Chairman and Vice CEO of Actron Technology Corporation, Chairman & CEO of Crystalwise Technology Inc., Director of Shanghai Sawyer Shenkai Technology Material Co., Ltd., Director of SY Company LLC, Representative of Institutional Director of SAS Sunrise Pte., Ltd., Representative of Institutional Chairman of Sunrise PV Three Co., Ltd., Representative of Institutional Director of Taiwan Specialty Chemicals, Director of GlobiTech Incorporated, Director of GlobalWafers Japan Co., Ltd., Chairman of Kunshan Sino Silicon Technology Co., Ltd., and Director of GWafers Singapore Pte. Ltd., Director of GlobalWafers Holding Co., Ltd., and Director of SAS Holding Co., Ltd.

Note 4: Director of Nan-hai Photoelectric Co., Ltd.

Note 5: Remuneration Committee member of Kenly Precision Industrial Co., Ltd.

Note 6: Independent Director of Ant Precision Industry Co., Ltd., Independent Director of Actron Technology Corporation, Consultant to Lunghwa University of Science and Technology

Note 7: Where the chairperson of the board of directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

The Chairman of the Company also serves as the Chief Executive Officer. This is in consideration of the Company's operating scale and to improve overall operating efficiency. The Company has separately appointed the position of President. The division of authorities between CEO and President is different. The CEO is for planning (the major function is to formulate the Company's operation guidelines, annual budget plan, important customer relationship maintenance, strategic alliance planning, reinvestment positioning planning and tracking of the actual achievement of the annual plan); the President is responsible for the execution (responsible for the execution, coordination of the company's business, and commands and supervises subordinates to achieve operational goals, while implementing the Company's policies and the operational strategies and related operational matters planned by the CEO); both of them complement each other; The Company's Chairman currently serves as the CEO; this will effectively implement the Company's development blueprint planned by the Board of Directors to the planning and execution, as well as enable the Board of Directors to better grasp the Company's operation. More than half of the Board members of the Company do not serve concurrently as employees or managerial officers, and the Board of Directors has three independent director seats. Each functional committee member is held by independent directors, to fully discuss various important issues and make suggestions to the Board of Directors, for enhancing the supervisory function of the Board of Directors and implementing corporate governance.

Note 8: The shareholding is calculated based on the quantity of shares less the treasury stock.

1. Major shareholders of corporate shareholders:

Name of corporate shareholder	Major shareholder of corporate shareholder
Sino-American Silicon Products Inc.	Hong-Wang Investment Corporation(4.27%); The 1st Time in 2007 of Capital investment by Nomura Co., Ltd. from New Labor Pension Fund (2.31%); Nan Shan Life Insurance Co., Ltd. (2.27%); Wei-Lian Technology Co., Ltd. (2.24%); Ming-Kuang Lu (1.94%); Fubon Life Insurance Co. Ltd. (1.84%); Hong-Mao Investment Co., Ltd. (1.78%); Jpmorgan Chase Bank N.A. Taipei Branch In Custody For Jpmorgan Funds (1.50%); China Life Insurance Co., Ltd. (1.42%); Ching-Chao Chang (1.35%).

2. Major shareholders of corporate shareholders, who are juristic persons

Name of the juristic person	Major shareholder of the juristic person
Whole Global Investment Corporation	Wei-Lian Technology Co., Ltd. (39.02%), GlobalWafers (30.98%), Actron Technology Corporation (30.00%)
Wei-Lian Technology Co., Ltd.	Hong-Mao Investment Co., Ltd. (32.48%)
Hong-Mao Investment Co., Ltd.	Christian Chinese Trust, Hope and Love Foundation (17.50%), Peace Taiwan Trust, Hope and Love Culture and Education Foundation (17.50%), Social Welfare Charitable Trust Social Welfare Foundation (17.50%) and Weisheng Trust, Hope and Love Charity Foundation (17.50%).

### 3. Information of directors and supervisors' Independence

Name	Conditions (Note 1)	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note 2)												Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, CPA, or Other Professional or Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Director																	
Hsiu-Lan Hsu			✓				✓	✓		✓	✓	✓	✓	✓	✓	✓	None
Sino-American Silicon Products Corporation Representative: Ming-Kuang Lu			✓				✓	✓		✓	✓	✓	✓	✓	✓	✓	None
Sino-American Silicon Products Corporation Representative: Tang-Liang Yao			✓				✓	✓		✓	✓	✓	✓	✓	✓	✓	None
Kuo-Chou Chen			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None
Independent Director																	
Chi-Hsiung Cheng			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None
Jeng-Ywan Jeng	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Hsien-Chin Chiu	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None

Note: Please tick "✓" the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

- Not an employee of the Company or any of its affiliates.
- Not a director or a supervisor of the company or an affiliate (this restriction does not apply, however, when the person is an independent director independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- The director, or his or her spouse or minor child, does not hold, in his or her own name or in another name, more than 1% of the Company's total outstanding shares, nor is one of the Company's ten largest natural-person shareholders.
- Not a spouse, relative within the second degree of kinship, or direct blood relative within the third degree of kinship of a person listed in the three foregoing paragraphs.
- Is not a director, supervisor, or employee of an institutional shareholder directly holding more than 5% of the Company's total outstanding shares, one of the five largest institutional shareholders in terms of shareholdings, or is a director or supervisor assigned as representative according to Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply, however, when the person is an independent director appointed by the company, its parent company, or a subsidiary pursuant to Securities and Exchange Act or the local laws and regulations).
- Not a director, supervisor, or employee of that other company where majority of the company's director seats or voting shares and those of any other company are controlled by the same person (this restriction does not apply, however, when the person is an independent director independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- Not the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution (this restriction does not apply, however, when the person is an independent director independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (this restriction does not apply, however, when certain company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company, and when the person is an independent director independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).

- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company;
- (11) Not been a person of any conditions defined in Article 30 of the Company Act.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.



## (II) President, assistant presidents, vice assistant presidents, and the supervisors of all the company's divisions and branch units:

April 25, 2019; Unit: Share, %

Title (Note 1)	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of Others		Experience (Education) (Note 2)	Concurrent Positions in Other Companies	Managers Who are Spouses or Within Two Degrees of Kinship			Notes
					Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Title	Name	Relationship	
CEO	Taiwan R.O.C.	Hsiu-Lan Hsu	Female	October 1, 2011	847,879	0.19%	—	—	—	—	MA in Computer Science from University of Illinois / President of Sino-American Silicon Products Inc.	Note 1	VP, R&D and Manufacturing	Wen-Ching Hsu	Sister and brother	Note 7
President	U.S.	Mark Lynn England	Male	October 1, 2014	—	—	—	—	—	—	University of Texas, Austin, Texas. BBA, Engineering Management/ GlobalWafers Co.Ltd. V.P., Sales & Marketing / Texas Instruments Manager, Product Engineering	Note 2	None	None	None	—
R&D Vice President Manufacturing Vice President	Taiwan R.O.C.	Wen-Ching Hsu	Male	September 2, 2014	17,778	0.00%	—	—	—	—	PhD, Institute of NanoEngineering and MicroSystems, National Tsing Hua University / Researcher, Chemical Engineering Institute, ITRI / VP, R&D Center, Sino-American Silicon	None	CEO	Hsiu-Lan Hsu	Sister and brother	—
Logistics Vice President	Taiwan R.O.C.	Wei-Wen Chen	Male	September 2, 2014	20,700	0.00%	—	—	—	—	Master of Finance, National Taiwan University / Master of Engineering, Cornell University / Senior Associate VP, Supply Chain Center, APAC, NXP Semiconductors	Note 3	None	None	None	—
Sales& Marketing Vice President	Taiwan R.O.C.	Sheng-Hsiung Hung	Male	March 19, 2015	—	—	—	—	—	—	Master, Manufacturing Engineering, Boston University / VP, Marketing and R&D, Kunshan Sino Silicon Technology Co., Ltd.	Note 4	None	None	None	—
Procurement Vice President	Taiwan R.O.C.	Jing-Wen Chou	Female	July 1, 2016	4,150	0.00%	—	—	—	—	MBA, Long Island University / Procurement Manager, Wistron NeWeb Corporation / Project Manager, Symbol Technologies	None	None	None	None	—
Corporate Development Vice President	Taiwan R.O.C.	Chung-Wei Lee	Male	March 21, 2017	—	—	—	—	—	—	Master of Business Administration, Meiji University, Japan/Executive Vice President and President of Covalent Materials Taiwan/Associate of MITSUI & CO. (Taiwan), LTD.	Note 5	None	None	None	—
Sales& Marketing Assistant Director	Taiwan R.O.C.	Tien-wen Yu	Male	March 20, 2018	8,510	0.00%	—	—	—	—	Department of Business Administration, Taipei Junior College of Business / Vice Director, Marketing, Sino-American Silicon	None	None	None	None	—
CFO	Taiwan R.O.C.	Ming-Huei Chien	Male	September 2, 2014	19,730	0.00%	—	—	—	—	Master, Institute of Business Administration, National Taipei University / Manager, Sales Management, JihSun International Bank / Finance Manager, Sunrise Global	Note 6	None	None	None	—
Accounting Manager	Taiwan R.O.C.	Yu-Ting Lo	Female	March 23, 2018	—	—	—	—	—	—	Department of Accounting, National Cheng Kung University / Audit Manager, KPMG / Accounting Assistant Manager, LITE-ON Technology / Accounting Assistant Manager, Sunplus Innovation Technology	None	None	None	None	—
President of Taisil Branch	Taiwan R.O.C.	Yin-Sheng Shueh	Male	January 2, 2020	—	—	—	—	—	—	PhD., Graduate School of Material Engineering, Ohio State University/Taisil Electronic Materials Corp.	None	None	None	None	—
R&D Vice President of Taisil Branch	Taiwan R.O.C.	Liang-Chin Chen	Male	February 1, 2020	—	—	—	—	—	—	PhD, Graduate School of Chemical Engineering and Materials, University of Minnesota / Technical Director, Siltronic AG / VP, Engineering Technology and R&D, Taisil Electronic Materials Corp.	None	None	None	None	—
QA/Product Integration Vice President of Taisil Branch	Taiwan R.O.C.	Yao-Yi Huang	Male	February 1, 2020	—	—	—	—	—	—	Development of Electrical Engineering, Tamkang University / VP, QA and Product Integration, Taisil Electronic Materials Corp.	None	None	None	None	—
Production Vice President of Taisil Branch	Taiwan R.O.C.	Chun-Jung Huang	Male	February 1, 2020	—	—	—	—	—	—	Master, Institute Mechanical Engineering, National Cheng Kung University / VP, Production, Taisil Electronic Materials Corp.	None	None	None	None	—
Projects Vice President of Taisil Branch	Taiwan R.O.C.	Chun-Wei Huang	Male	February 1, 2020	—	—	—	—	—	—	Department of Power Mechanical Engineering, National Tsing Hua University / Associate VP, Project, Taisil Electronic Materials Corp.	None	None	None	None	—

Note 1: CEO of GlobalWafers (concurrent), Director & President of Sino-American Silicon Products Inc., Director of Crystalwise Technology Inc., Director of GlobalWafers Inc., Director of GlobalSemiconductor, Chairman & CEO of GlobiTech Incorporated, Chairman of GlobalWafers Japan Co., Ltd., Chairman of MEMC Japan Limited, Vice Chairman of Kunshan Sino Silicon Technology Co., Ltd., Director of Shanghai Growfast, Chairman of Topsis GlobalWafers A/S, Representative of Corporate Chairman of Taisil Electronic Materials Corp., Director of GWafers Singapore Pte., Director of GlobalWafers Singapore Pte., Ltd., Director of GlobalWafers B.V., Director of MEMC Korea Company, Representative of Institutional Director of SAS Sunrise Inc., Representative of Institutional Director of SAS Sunrise Pte., Ltd., Representative of Institutional Director of Sunrise PV Three Co., Ltd., Representative of Institutional

- Chairman of Xuai Energy Corporation, Representative of Institutional Chairman of Taiwan Specialty Chemicals, Representative of Institutional Chairman of Advanced Wireless Semiconductor Company, Chairman of GlobalWafers Holding Co., Ltd., Chairman of SAS Holding Co., Ltd.
- Note 2: Director and President of GlobiTech Incorporated, Director of GlobalWafers Japan Co., Ltd., President of MEMC LLC, Director of GWafers Singapore Pte.Ltd., Director of GlobalWafers Singapore Pte., Ltd., Ltd., and Director of MEMC Korea Company.
- Note 3: Supervisor of GlobalWafers Japan Co., Ltd (concurrent), Supervisor of MEMC Japan Limited, Supervisor of Kunshan Sino Silicon Technology Co., Ltd., Director of Topsil GlobalWafers A/S, Independent Director of High Power Lighting Corp.
- Note 4: Director of Kunshan Sino Silicon Technology Co., Ltd.
- Note 5: Vice President of Corporate Development and Spokesperson of Sino-American Silicon Products Inc.
- Note 6: Corporate Governance Officer of Sino-American Silicon Products Inc., Director of Kunshan Sino Silicon Technology Co., Ltd., Director of MEMC Electronic Materials S.p.A., Director of GlobalWafers GmbH, Director of GlobiTech Incorporated, Director of MEMC Electronic Materials Sdn. Bhd., Representative of Institutional Director of Whole Global Investment Corporation, Representative of Institutional Supervisor of Sunrise PV Three Co., Ltd., Representative of Institutional Director of Sunrise PV Three Co., Ltd., Representative of Institutional Chairman of Xuai Energy Corporation, Representative of Institutional Chairman of Sunrise PV Electric Power Five; Supervisor of Taiwan Specialty Chemicals.
- Note 7: Where the chairperson of the board of directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.
- The Chairman of the Company also serves as the Chief Executive Officer. This is in consideration of the Company's operating scale and to improve overall operating efficiency. The Company has separately appointed the position of President. The division of authorities between CEO and President is different. The CEO is for planning (the major function is to formulate the Company's operation guidelines, annual budget plan, important customer relationship maintenance, strategic alliance planning, reinvestment positioning planning and tracking of the actual achievement of the annual plan); the President is responsible for the execution (responsible for the execution, coordination of the company's business, and commands and supervises subordinates to achieve operational goals, while implementing the Company's policies and the operational strategies and related operational matters planned by the CEO); both of them complement each other; The Company's Chairman currently serves as the CEO; this will effectively implement the Company's development blueprint planned by the Board of Director to the planning and execution, as well as enable the Board of Directors to better grasp the Company's operation. More than half of the Board members of the Company do not serve concurrently as employees or managerial officers, and the Board of Directors has three independent director seats. Each functional committee member is held by independent directors, to fully discuss various important issues and make suggestions to the Board of Directors, for enhancing the supervisory function of the Board of Directors and implementing corporate governance.
- Note 8: The shareholding is calculated based on the quantity of shares less the treasury stock.

(III) Remuneration of Directors, Supervisors, President, and Vice President Paid in the Most Recent Year (2020)

1. Remunerations to general and independent directors

December 31, 2020 Unit: NT\$ thousands

Title	Name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation paid to directors from an invested company other than the company's subsidiary or from the parent company
		Remuneration (A)		Severance Pay (B)		Director Remuneration (C)		Business Execution Cost (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Remuneration (G)						
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Director	Hsiu-Lan Hsu	0	0	0	0	40,000	42,800	120	120	0.31%	0.33%	3,537	3,537	0	0	45,000	0	45,000	0	0.68%	0.70%	60,287
	Sino-American Silicon Products Corporation Representative: Ming-Kuang Lu																					
	Sino-American Silicon Products Corporation Representative: Tang-Liang Yao																					
	Kuo-Chou Chen																					
Independent Director	Chi-Hsiung Cheng	1,910	1,910	0	0	4,500	4,500	90	90	0.05%	0.05%	0	0	0	0	0	0	0	0	0.05%	0.05%	0
	Jeng-Ywan Jeng																					
	Hsien-Chin Chiu																					
<div>1. Please specify the remuneration policies, standards, and packages, the procedure for determining remuneration for independent directors, and its linkage to operating performance and future risk exposure: In addition to the monthly fixed remuneration for independent directors and the transportation subsidies for attending the Board of Directors, the Company may consider the degree of participation and contribution of independent directors to the Company's operations, and take into account the results of the director's performance appraisal, to decide the distribution of director's remuneration to the independent directors from the director's remuneration appropriated from the annual profit, if any. The aforesaid remuneration allocated to the independent directors, shall be deliberated approved by the Remuneration Committee, and submitted to the Board of Directors for approval.</div> <div>2. Except as disclosed in the preceding table, the remuneration received by the directors of the Company in recent years for the services provided to all companies in the financial statements (e.g. as consultants to non-employees, etc.): None</div>																						

**Range of Remuneration**

Range of Remuneration Paid to Each Director of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Below NT\$1,000,000	—	—	—	—
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Independent director Hsien-Chin Chiu	Independent director Hsien-Chin Chiu	Independent director Hsien-Chin Chiu	Independent director Hsien-Chin Chiu
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Independent director Chi-Hsiung Cheng Jeng-Ywan Jeng	Independent director Chi-Hsiung Cheng Jeng-Ywan Jeng	Independent director Chi-Hsiung Cheng Jeng-Ywan Jeng	Independent director Chi-Hsiung Cheng Jeng-Ywan Jeng
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 ~ NT\$9,999,999	—	—	—	—
NT\$10,000,000 ~ NT\$14,999,999	General directors: Hsiu-Lan Hsu, Sino-American Silicon Products Inc. (Representatives: Ming-Kuang Lu and Tang-Liang Yao), Kuo-Chou Chen	General directors: Hsiu-Lan Hsu, Sino-American Silicon Products Inc. (Representatives: Ming-Kuang Lu and Tang-Liang Yao), Kuo-Chou Chen	General directors: Sino-American Silicon Products Inc. (Representatives: Ming-Kuang Lu and Tang-Liang Yao), Kuo-Chou Chen	General directors: Sino-American Silicon Products Inc. (Representatives: Ming-Kuang Lu and Tang-Liang Yao), Kuo-Chou Chen
NT\$15,000,000 ~ NT\$29,999,999	—	—	—	—
NT\$30,000,000 ~ NT\$49,999,999	—	—	—	—
NT\$50,000,000 ~ NT\$99,999,999	—	—	General directors: Hsiu-Lan Hsu	General directors: Hsiu-Lan Hsu
More than NT\$100,000,000	—	—	—	—
Total	A total of 7 persons	A total of 7 persons	A total of 7 persons	A total of 7 persons

2. Remunerations paid to president and vice presidents in the recent year (2020)

December 31, 2020 Unit: NT\$ thousands

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and allowances (C)		Employee compensation (D) (Note 2)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation paid to directors from an invested company other than the company's subsidiary or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
CEO	Hsiu-Lan Hsu	55,239	62,821	1,138	1,138	11,624	11,624	91,600	0	104,100	0	1.22%	1.37%	12,500
President	Mark Lynn England													
Vice President	Wen-Ching Hsu													
Vice President	Wei-Wen Chen													
Vice President	Sheng-Hsiung Hung													
Vice President	Jing-Wen Chou													
Vice President	Chung-Wei Lee													
President of Taisil Branch	Yin-Sheng Hsueh													
Vice President of Taisil Branch	Liang-Chin Chen													
Vice President of Taisil Branch	Yao-Yi Huang													
Vice President of Taisil Branch	Chun-Jung Huang													
Vice President of Taisil Branch	Chun-Wei Huang													

**Range of Remuneration**

Range of Remuneration Paid to Presidents and Vice Presidents of the Company	Name of Presidents and Vice Presidents	
	The Company	Companies in the consolidated financial statements
Below NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	C.W. Lee	C.W. Lee
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	—	—
NT\$5,000,000 ~ NT\$9,999,999	Wei-Wen Chen/Sheng-Hsiung Hong/Yao-Yi Huang/Chung-Jung Huang/Chun-Wei Huang	Wei-Wen Chen/Sheng-Hsiung Hong/Yao-Yi Huang/Chung-Jung Huang/Chun-Wei Huang
NT\$10,000,000 ~ NT\$14,999,999	Mark Lynn England/ Wen-Ching Hsu/Jing-Wen Chou/Liang-Chin Chen	Wen-Ching Hsu/Jing-Wen Chou/Liang-Chin Chen
NT\$15,000,000 ~ NT\$29,999,999	Yin-Sheng Hsueh	Mark Lynn England/Yin-Sheng Hsueh
NT\$30,000,000~ NT\$49,999,999	Hsiu-Lan Hsu	—
NT\$50,000,000 ~ NT\$99,999,999	—	Hsiu-Lan Hsu
More than NT\$100,000,000	—	—
Total	A total of 12 persons	A total of 12 persons

## 3. Name of managerial officers to whom distributing employee remuneration, and distribution

December 31, 2020 Unit: NT\$ thousands

	Title	Name	Stock	Cash amount	Total	The ratio of sum to net income after tax (%)
Managerial Officer	CEO	Hsiu-Lan Hsu	—	101,800	101,800	0.78%
	President	Mark Lynn England				
	Vice President	Wen-Ching Hsu				
	Vice President	Wei-Wen Chen				
	Vice President	Sheng-Hsiung Hung				
	Vice President	Jing-Wen Chou				
	Vice President	Chung-Wei Lee				
	Sales Assistant VP	Tien-Wen Yu				
	Financial Assistant VP	Ming-Huei Chien				
	Accounting Assistant Manager	Yu-Ting Lo				
	President of Taisil Branch	Yin-Sheng Hsueh				
	Vice President of Taisil Branch	Liang-Chin Chen				
	Vice President of Taisil Branch	Yao-Yi Huang				
	Vice President of Taisil Branch	Chun-Jung Huang				
	Vice President of Taisil Branch	Chun-Wei Huang				

(IV) Amount of remuneration paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, president, and vice presidents, and the respective proportion of such remuneration to the income after tax referred to in the entity or standalone financial statements, as well as the policies, standards, and packages by which it was paid, the procedures through which the remuneration was determined, and its association with business performance and future risks:

1. Analysis on the proportion of amount of remuneration paid in the last 2 years to the Company's directors, supervisors, president, and vice presidents to the income after tax:

Unit: %

Job title	2020 Proportion of remuneration to income after tax (%)		2019 Proportion of remuneration to income after tax (%)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	0.36%	0.38%	0.37%	0.40%
President and Vice President	1.22%	1.37%	0.76%	0.81%

2. The policies, standards, and packages by which the remuneration was paid, the procedures through which the remuneration was determined, and its association with business performance and future risks:

(1) The remuneration of the directors of the Company includes three major items: directors' compensation, directors' remuneration, and service expense; these are handled pursuant to the Company's Articles of Incorporation and relevant regulations. The president and vice president's remuneration includes of salary, bonus and employee remuneration, which are determined based on the company's Articles of Incorporation and approval authority.

(2) The procedures for determining remuneration

In accordance with the Articles of Incorporation of the Company, "if there is profit made by the Company in the year, the Company shall accrue 3%- 15% of the profit as employee's remuneration, and up to 3% as directors' remuneration." The determination of directors' remuneration is based on the degree of participation and contribution of the directors to the Company's operations, and taking into account the results of their directors' performance appraisal, pursuant to the Company's Articles of Incorporation and the "Allocation Rules of Directors' Remuneration." The remuneration received by the president and vice president is determined based on the Articles of Incorporation and the operational performance limit set forth in the annual budget approved by the Board of Directors each year, while taking into account their positions, responsibilities assumed and contributions to the Company, as well as the industry standards It is agreed. The remunerations are handled pursuant to the procedures of "Management Measures for Managers' Compensation" and "Employee Remuneration Distribution Procedures."

The Company established the Remuneration Committee on September 2, 2014. The Committee is engaged in reviewing the assessment on performance of directors and managerial officers, as well as the policies, standards, and packages by which the remuneration is paid, and reviewing the content and amount of directors and managerial officers' remunerations periodically, to report to the Board of Directors.

(3) The correlation with business performance and future risks

The performance appraisal and remuneration of the directors and managerial officers of the Company refer to their positions, participation in the Company's operations, personal performance contributions (including financial indicators such as revenue and profit achievement rate, and non-financial indicators such as laws and internal control compliance, or special achievement) and taking into account the usual standards of the peers, while comprehensively considering the amount of remuneration, payment methods, and future risks faced by the Company. It is are highly related to the Company's operating responsibilities and overall performance.



### III. Implementation of Corporate Governance

#### (I) Operation of the Board of Directors

The office of the directors for this term is from June 25, 2018 to June 24, 2021. the Board of Directors held seven meetings during 2020, and the attendance of directors is summarized as follows:

Title	Name	Attendance in Person	No. of presence by proxy	Actual presence (attendance) rate (%)	Notes
Chairperson	Hsiu-Lan Hsu	7	0	100%	4th term (elected on June 25, 2018)
Director	Sino-American Silicon Products Corporation Representative: Ming-Kuang Lu	7	0	100%	
Director	Sino-American Silicon Products Corporation Representative: Tang-Liang Yao	7	0	100%	
Director	Kuo-Chou Chen	7	0	100%	
Independent Director	Chi-Hsiung Cheng	7	0	100%	
Independent Director	Jeng-Ywan Jeng	7	0	100%	Elected on June 23, 2020
Independent Director	Hsien-Chin Chiu	5	0	100%	

Other mentionable items:

- I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors and the Company's resolution of said opinions:
  - (I) The circumstances referred to in Article 14-3 of the Securities and Exchange Act: Not applicable, as the Company has established the Audit Committee.
  - (II) Any documented objections or qualified opinions raised by independent directors against the Board's resolutions in relation to matters other than those described above: None.
- II. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:
  1. 15th Board Meeting, 4th Term, May 5, 2020
    - Proposal: Allocation of Directors' Remuneration of the Company of 2019
    - Recused directors: all directors recused separately
    - Reason of recusal and participation of vote: The proposal is voted one by one for each individual director; and each director recused him/herself for his/her own remuneration due to conflict of interest, not participating discussion and voting.
  2. 15th Board Meeting, 4th Term, May 5, 2020
    - Proposal: The Company's Allocation of Managers' Remuneration of 2019
    - Recused directors: Hsiu-Lan Hsu
    - Reason of recusal and participation of vote: Chairperson, Hsiu-Lan Hsu, also concurrently serves as the CEO, a managerial officer position. She recused herself due to conflict of interest, not participating discussion and voting.
  3. 16th Board Meeting, 4th Term, June 23, 2020
    - Proposal: The Company acquires the equity of Sunrise PV Electric Power Five from the parent company, Sino-American Silicon Products Inc.
    - Recused directors: Hsiu-Lan Hsu, Ming-Kuang Lu, Tang-Liang Yao
    - Reason of recusal and participation of vote: Chairperson Hsiu-Lan Hsu, and Director Ming-Kuang Lu and Tang-Liang Yao also serve as the director, Chairman and Vice Chairman of Sino-American Silicon

Products Inc.; they recused themselves due to conflict of interest, not participating discussion and voting.

### III. Implementation of the Board of Directors Appraisal

Evaluation cycles	Evaluation periods	Evaluation scope	Evaluation method	Evaluation method
Once a year	Evaluated the performance between January 1, 2020 to December 31, 2020	Board of directors Individual board member Functional committee	Self-evaluation within the Board of Directors Self-evaluation of board member Self-evaluation of functional committee	<p>Evaluation of the Board of Directors Performance</p> <ol style="list-style-type: none"> <li>1. The degree of participation in the company's operations.</li> <li>2. Improvement in the quality of decision making by the board of directors.</li> <li>3. The composition and structure of the board of directors.</li> <li>4. The election of the directors and their continuing professional education.</li> <li>5. Internal controls.</li> </ol> <p>Evaluation of the Individual Board Member Performance</p> <ol style="list-style-type: none"> <li>1. Their grasp of the company's goals and missions.</li> <li>2. Their recognition of director's duties.</li> <li>3. Their degree of participation in the company's operations.</li> <li>4. Their management of internal relationships and communication.</li> <li>5. Their professionalism and continuing professional education.</li> <li>6. Internal controls.</li> </ol> <p>Evaluation of the Functional Committee Performance</p> <ol style="list-style-type: none"> <li>1. The degree of participation in the company's operations.</li> <li>2. Their recognition of the duties of the functional committee.</li> <li>3. Improvement in the quality of decision making by the functional committee.</li> <li>4. The composition of the functional committee, and election and appointment of committee members.</li> <li>5. Internal controls.</li> </ol>

- IV. Objective of enhancing the Board's functions in the current and recent years and the assessment to the implementation:
1. Appoint independent directors and establish the Audit Committee to strengthen professional directors' independent functions to supervise the operation of the Board of Directors: The Company held the special shareholders' meeting on January 19, 2015 to reelect directors and also elect 3 independent directors. At the same time, the Company established the Audit Committee to replace supervisors.
  2. The Company established the Remuneration Committee to assist the Board of Directors in executing and evaluating the Company's entire remuneration and welfare systems, and reviewing whether the remuneration to directors and managerial officers is adequate periodically.
  3. Set up the Nomination Committee to assist the Company in finding, reviewing and nominating candidates for directors and senior managers, and constructing and developing the organizational structure of the Board of Directors and committees.
  4. Continue to upgrade the information transparency: The Company designates dedicated personnel to handle the disclosure of the Company's information and update the information on the Company's website, and sets up the investors section to provide business information, and the stakeholders section to provide the stakeholders with multiple unblocked and valid communication channels.
  5. Upgrade the competence and professional knowledge of Board of Directors: The Company has established the "Rules of Procedure for Board of Directors Meetings" to strengthen the competence of the Board of Directors. Meanwhile, the Company encourages the Board members to attend various professional courses and promotes related laws & regulations at the Board meetings to upgrade the Board's ability to make decision and satisfy related laws and regulations.
  6. Appoint the Corporate Governance Officer to help directors perform duties and upgrade the performance of the Board of Directors: The Company passed the motion for appointment of Corporate Governance Officer, and established the "Standard Operational Procedure to Handle Directors' Requests" at the Board Meeting on May 7, 2019. The corporate governance officer shall be responsible for dealing with the requirements by directors in a manner which may help the directors perform their duties timely and effectively, so as to enhance the Company's support to directors sand also strengthen the Company's compliance with corporate governance-related laws and regulations.

(II) Operations of Audit Committee or Supervisors' attendance to the Board meetings

Operations of Audit Committee:

The Company established the Audit Committee to replace supervisors on January 19, 2015.

The office of this term of Audit Committee members is from June 25, 2018 to June 24, 2021. During 2020, the Audit Committee had convened seven meetings, and the attendance of independent directors are as following:

Title	Name	Actual attendance no.	No. of presence by proxy	Actual attendance rate (%)	Notes
Independent Director	Chi-Hsiung Cheng	7	0	100%	2nd term (elected on June 25, 2018)
Independent Director	Jeng-Ywan Jeng	7	0	100%	
Independent Director	Hsien-Chin Chiu	5	0	100%	Elected on June 23, 2020

Formation and operations of Audit Committee:

The Company's Audit Committee consists of 3 independent directors, and operates primarily in order to supervise the following matters:

- (2) The fair expression of the Company's financial statements.
- (3) Selection (dismissal) of the external auditor and his competence, qualification, independence and performance.
- (4) Effective implementation of the Company's internal control.
- (5) The Company's compliance with related laws and rules.
- (6) Control over the Company's existing or potential risks.

Other mentionable items:

- I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, resolution of the Audit Committee and the Company's handling of said resolution:
  - (1) Circumstances referred to in Article 14-5 of the Securities and Exchange Act:  
All of the motions have been approved by all members present at the Committee meetings and then by all directors present at the Board meetings in 2020. The motions are stated as following (annual operations of the Audit Committee).
  - (2) Aside from said circumstances, resolution(s) not passed by the Audit Committee but receiving the consent of two-thirds of the whole directors: None.
- II. In instances where a director recuses himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of motions, reason for not voting and actual voting counts: None.
- III. Communication between independent directors and internal auditing officers as well as external auditors (such as items discussed, means of communication and results on the Company's finance and business, etc.):
  - (I) Communication between independent directors and internal auditing officers, as well as external auditors
    1. The Company's internal auditing officers communicate with the Audit Committee members for the audit report result and their follow-up report periodically.
    2. The Company's external auditors report to independent directors the result of their audit or review on the financial statements of the Company and its subsidiaries, as well as other matters to be communicated as required by laws, at the Audit Committee meetings each quarter.

(II) The summary of the communication between independent directors and internal auditing officers in 2020

Date	Focus of communication	Recommendations and results
March 17, 2020 Audit committee	2019 Internal audit report 2019 Statement of Declaration on Internal Control System	No objection.
May 5, 2020 Audit committee	Internal audit report of Q1 2020	No objection.
August 4, 2020 Audit committee	Internal audit report of Q2 2020	No objection.
November 3, 2020	Internal audit report of Q3 2020 2021 Internal audit plan	No objection.

Audit committee		
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(III) The summary of the communication between independent directors and external auditors in 2020

Date	Focus of communication	Recommendations and results
March 17, 2020 Audit committee	Report on the result of audit on 2019 consolidated financial statements and standalone financial statements, and review and communication about the effects of application of accounting principles and amendments to laws & regulations.	No objection.
May 5, 2020 Audit committee	Report on the result of audit on the consolidated financial statements of Q1 2020, and review and communication about the effects of application of accounting principles and amendments to laws & regulations.	No objection.
August 4, 2020 Audit committee	Report on the result of audit on the consolidated financial statements of Q2 2020, and review and communication about the effects of application of accounting principles and amendments to laws & regulations.	No objection.
November 3, 2020 Audit committee	Report on the result of audit on the consolidated financial statements of Q3 2020, and review and communication about the effects of application of accounting principles and amendments to laws & regulations.	No objection.

IV. Summarization of the annual major tasks of Audit Committee:

The Audit Committee held a total of seven meetings in 2020 to review the following motions:

1. Review on financial statements and accounting policies & procedures:  
Review on the 2019 financial statements, and Q1 to Q3 financial statements of 2020.

2. Appraisal on internal control system and validity thereof:  
Review on internal audit report and validity of 2019 internal control system;

3. Amendments to the procedures for acquisition or disposition of assets, derivatives trading, loaning of fund to others, endorsements or guarantees for others;

4. Transactions of substantial assets, derivatives, loaning of fund and endorsements or guarantees;

5. Appointment (dismissal), remuneration, competence, independence and performance of external auditors:  
Review on the competence, independence and performance of external auditors in 2019;

6. Appointment/dismissal of financial, accounting or internal audit managers;

7. Reviewing the Company’s acquisition of Siltronic AG’s equity

V. Annual operations of Audit Committee:

Board of directors of the Remuneration Committee	Content of motion	Matters listed in Article 14-5 of Securities and Exchange Act	Resolution results of the Audit Committee and the Company's Treatment of the Audit Committee's Opinions
4th term 14th Meeting March 17, 2020	1. Motion for report on Internal audit report.	V	Approved by all members present at the Audit Committee meeting and passed by all directors present at
	2. Motion for assessment report on independence and performance of the Company’s external auditors.	V	
	3. Motion for report on undertaking of derivatives trading.	V	
	4. The Company evaluates the capability to complete the preparation of financial statements	V	
	5. The Company’s business report and financial statements for 2019	V	
	6. The Company’s Earnings Allocation of 2019	V	
	7. Cash Dividend Distribution by Capital Reserve	V	
	8. Declaration of Internal Control System of 2019	V	

	9. Amendment to the Company's "Internal Control System"	V	the Board meeting.
	10. Amendment to the Company's "Procedures for Endorsement and Guarantee"	V	
	11. The Company's 2019 Certified Fees of CPAs	V	
	12. Improvement of loaning of funds among subsidiaries	V	
	13. Capital increase of the subsidiary, Sunrise PV Four Co., Ltd.	V	
4th term 15th Meeting May 5, 2020	1. Motion for the Company's consolidated financial statements of Q1 2020.	V	
	2. Motion for report on Internal audit report.	V	
	3. Motion for report on undertaking of derivatives trading.	V	
	4. Reappointment of the Company's audit officer	V	
	5. Investment in a venture capital	V	
4th term 16th Meeting June 23, 2020	1. The Company acquires the equity of Sunrise PV Electric Power Five from the parent company, Sino-American Silicon Products Inc.	V	
4th term 17th Meeting August 4, 2020	1. Motion for the Company's consolidated financial statements of Q2 2019.	V	
	2. Motion for report on Internal audit report.	V	
	3. Motion for report on undertaking of derivatives trading.	V	
	4. Approval of applying bank loan for the Company's subsidiary, and issuance of a letter of support (LOS).	V	
	5. Motion for the Company's acting as a guarantor in the application of the subsidiary, Topsil GlobalWafers A/S, for credit facility with the bank	V	
	6. Capital increase of the subsidiary, Sunrise PV Electric Power Five	V	
	7. Cancel the investment in a venture capital	V	
	8. The Company's intention to establish an investment company.	V	
	9. Whether transfer the Company and the subsidiaries' overdue receivable for over three months to loaning of funds to others.	V	
4th term 18th Meeting November 3, 2020	1. Motion for the Company's consolidated financial statements of Q3 2020.	V	
	2. Motion for report on Internal audit report.	V	
	3. Motion for report on undertaking of derivatives trading.	V	
	4. Approval of equity investments	V	
	5. The Company's 2021 audit plan.	V	
	6. Whether transfer the Company and the subsidiaries' overdue receivable to loaning of funds to others.	V	
4th term 19th Meeting November 28, 2020	1. Whether transfer the Company and the subsidiaries' overdue receivable for over three months to loaning of funds to others.	V	
	2. The Company's acquisition of Siltronic AG's equity	V	
4th term 20th Meeting December 9, 2020	1. Establish the 2021 business plan	V	
	2. The Company's earnings allocation for the first half of 2020	V	
	3. The Company's intention to publicly acquire Siltronic AG's equity through the German subsidiary, GlobalWafers GmbH	V	

(III) Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof:

Evaluation Item	Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established and disclosed the Corporate Governance Best-Practice Principles on the website based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”	No significant difference
II. Shareholding structure & shareholders’ rights of the Company				No significant difference
(I) Whether the Company has defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure?	V		(I) The Company entrusts Shareholders Service Dept. of Yuanta Securities Co., Ltd. to handle the problems posed by shareholders on behalf of it, and also establishes the spokesman system to deal with related matters, as well as the pages specifically for Investors and Stakeholders on the website dedicated to accepting any questions or suggestions.	
(II) Whether the Company controls the list of major shareholders and the controlling parties of such shareholders?	V		(II) The Company controls the status of directors, managerial officers, and major shareholders holding more than 10% shareholding. The Company declares related information monthly on the Market Observation Post System (MOPS) .	
(III) Whether the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliate?	V		(III) The Company’s internal control covers the corporate risk management activities and operating activities. The Company establishes the “Regulations Governing Supervision on Subsidiaries of GlobalWafers” to fulfill the risk control mechanism against subsidiaries. Meanwhile, the Company also establishes the “Regulations Governing Management of Investment” and “Operating Procedure for Transactions of Group Members and Specific Companies with Related Parties” to govern the purchases/sales, acquisition or disposition of assets, endorsements/guarantees and loaning of fund by the affiliates.	
(IV) Whether the Company has established internal policies that prevent insiders from trading securities based on non-public information?	V		(IV) The Company establishes the “Procedure for Prevention of Insider Trading” to prohibit insiders from trading securities based on non-public information.	
III. Composition and Responsibilities of the Board of Directors				No significant difference

Evaluation Item	Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(I) Whether the Board of Directors has diversified policies regulated and implemented substantively according to the composition of the members?	V		(I) The Company’s “Corporate Governance Best-Practice Principles” has expressly defined the formation of the Board members and ability to be held by the members. The Company has also established the diversified policy for the Board members. The Company’s 4th-term Board of Directors consists of 7 directors, including 3 independent directors. Apparently, the formation thereof has taken the diversification into consideration. They include one female director, and also hold abundant educational backgrounds and experience in business administration, professional technology, business and finance, namely the knowledge, skills and literacy required by their job duties. Of the seven current directors of the Company, 14% are directors with employee status, 43% are independent directors, and 14% are female directors. Two of the three independent directors have a term of less than three years, and one between three and six years. The Company values the Board members’ industrial experiences. The goal is to have the majority of directors have semiconductor related experience; among the current directors, 57% have semiconductor related experience. Further, the Company also values the proportion of the Board members’ genders. The Company aims to elect at least one female director, and for the time being, the Company has one female director, accounting for 14% of the whole directors. In the future, based on various considerations of directors, the Company will strive to increase female directors. The diversified policies applicable to the Company’s Board members and status of diversification of the individual Board member are disclosed on the Company’s website.	
(II) Whether the Company, in addition to establishing the Remuneration Committee and Audit Committee, pursuant to laws, is willing to establish any other functional committees voluntarily?	V		(II) The Articles of Incorporation expressly state that the Company may establish functional committees subordinated to the Board of Directors. Establishment and functions of the related committees shall comply with the regulations established by the competent authority. The functional committees which the Company have established are stated as following: The Remuneration Committee established in 2014 consists	



Evaluation Item	Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>III) Does the company established the Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company perform a regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination, and additional office terms?</p>	V		<p>of 3 independent directors. The Audit Committee established in 2015 consists of 3 independent directors. The Corporate Sustainability Committee established in 2017 consists of the management team, and Chairman of Board acts as the Committee Chairman responsible for reporting the status and results to the Board of Directors periodically. In 2020, the Nomination Committee was established, consisting of the Chairman and two independent directors.</p> <p>(III) The Company has established the “Regulations Governing Performance Appraisal on Board of Directors and Functional Committees”. At the end of each year, according to the overall planning of President’s Office, the performance appraisal on the entire Board of directors, individual Board member and functional committees (including Audit Committee and Remuneration Committee) will be carried out in the form of the internal self-appraisal questionnaire. The appraisal result will be reported to the Board of Directors and served as the reference for remuneration of individual director, and election or nomination of directors, and also the suggestions about improvement on the operations and functions of the Board of Directors and functional committees. The scope of appraisal covers the level of participation in the Company’s operations, upgrading of the decision making of meetings, formation and structure of the Board of Directors and functional committees, election of directors and committee members, continuing education and internal control, et al.. The Company has completed the 2020performance appraisal on the Board of Directors and functional committees. The appraisal report was already reported to the Board meeting on March 19, 2019 and disclosed on the Company’s website.</p>	
<p>(IV) Whether the Company assesses the independence of the external auditor periodically?</p>	V		<p>(IV) The Company has established the “Regulations Governing Appraisal on Independence and Performance External Auditors”. The Company will assess the external auditors’ independence, competence and performance each year, and submit the assessment report to the Audit Committee and Board of Directors for approval. The Company has</p>	

Evaluation Item	Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>completed the 2020 appraisal on independence and performance of external auditors. The appraisal report was already reported to the Audit Committee meeting and the Board meeting on March 16, 2021.</p> <p>The scope of appraisal on independence covers the 15 indicators, including whether the external auditors hold the position as directors/supervisor or managerial officers of customers, or any other positions which may render material effect to the audited cases, whether the external auditors have direct or indirect material financial interest with the Company, whether the external auditors have significant business relations and employment relations with the Company, and whether the external auditors promote, or act as the broker for, the stock or other securities issued by the Company. The performance indicators include service quality, level of profession and timeliness.</p>	
IV. Do TWSE/TPEX Listed Companies appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors’ compliance of law, handling matters related to board meetings and shareholders’ meetings according to law, and recording minutes of board meetings and shareholders’ meetings)?	V		<p>The Company resolved at the Board meeting on May 7, 2019 that the Company’s financial officer, Director Ming-huei Chien, should hold the position as the Company’s corporate governance officer concurrently (who has the experience in the management of finance, shareholders’ service and parliamentary procedures for TWSE/TPEX-listed companies for more than three years), responsible for leading and guiding the President’s Office to process corporate governance-related affairs and provide directors with support. The functions to be performed by him include:</p> <ol style="list-style-type: none"> <li>1. Convention of the Board meetings and shareholders’ meetings under laws.</li> <li>2. Preparation of the Board meeting and shareholders’ meeting minutes.</li> <li>3. Helping directors with their duties and continuing education.</li> <li>4. Providing directors with the information needed to perform their duties.</li> <li>5. Helping directors comply with laws.</li> <li>6. Other requirements under the Articles of Incorporation.</li> </ol> <p>The status of business executed by the corporate governance officer this year:</p>	No significant difference

Evaluation Item	Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons												
	Yes	No	Abstract Illustration													
			<p>1. Set and plan the review on the corporate governance-related regulations, and add and amend the same to fulfill the compliance.</p> <p>2. Provide the directors with the information needed to perform their duties, and help the directors with their compliance.</p> <p>3. Help the new directors with their duties and provide related support.</p> <p>4. Arrange the continuing education courses for individual directors (each director shall attend the training for at least 6 hours each year, provided that each new director shall attend the training for at least 12 years in then year).</p> <p>5. Plan each Board meetings, notify all directors at least within 7 days prior to the meetings, provide sufficient parliamentary information, and send the Board meeting minutes within 20 days after the meetings.</p> <p>6. Pre-register the shareholders’ meetings pursuant to laws, produce the meeting notices, parliamentary handbook, annual reports and meeting minutes, and complete registration of changes (amendments to the Articles of Incorporation, and election of directors).</p> <p>The corporate governance officer should take at least twelve hours of continuing education courses per year. Status of the continuing education courses attended by the corporate governance officer until the date of publication of the annual report:</p> <table><tr><th>Training date</th><th>Sponsored by</th><th>Course Name</th><th>Number of Training Hours</th></tr><tr><td>April 17, 2020</td><td>Taiwan Corporation Governance Association</td><td>Case introduction of Corporate governance and compliance</td><td>3.0</td></tr><tr><td>April 24, 2020</td><td>Taiwan Corporation Governance Association</td><td>Effectiveness of the board of directors’ operations and decision-making</td><td>3.0</td></tr></table>	Training date	Sponsored by	Course Name	Number of Training Hours	April 17, 2020	Taiwan Corporation Governance Association	Case introduction of Corporate governance and compliance	3.0	April 24, 2020	Taiwan Corporation Governance Association	Effectiveness of the board of directors’ operations and decision-making	3.0	
Training date	Sponsored by	Course Name	Number of Training Hours													
April 17, 2020	Taiwan Corporation Governance Association	Case introduction of Corporate governance and compliance	3.0													
April 24, 2020	Taiwan Corporation Governance Association	Effectiveness of the board of directors’ operations and decision-making	3.0													

Evaluation Item	Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Abstract Illustration				
			August 6, 2020	Taiwan Corporation Governance Association	View the corporate governance from the latest operation right disputes	3.0	
			November 5, 2020	Taiwan Corporation Governance Association	Operation right battle and case analysis	3.0	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has appointed the spokesman and deputy spokesman, and also set up the stakeholder section on the Company’s website as the contact for various stakeholders. The dedicated personnel will be responsible for answering related questions. The Company also disclosed in its CSR report “Chapter One. Negotiation and Identification of Stakeholders” how to identify various stakeholders (including employees, customers, investors, suppliers, government entities and media, et al.), and the communication channels between the Company and various stakeholders, method of response, frequency of communication, and their concerns. The aforesaid information is disclosed in the Stakeholders Section of the Company’s website, and reported in the annual report of the “Corporate Sustainability Committee” to be submitted to the Board of Directors each year.				No significant difference
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company entrusts Yuanta Securities Co., Ltd. to act as the Company’s shareholders service agent to handle shareholders service affairs on behalf of the Company.				No significant difference
VII. Information Disclosure							
(I) Whether the Company has established a website that discloses financial, business, and corporate governance-related information?	V		(I) The Company has set up the website dedicated to providing financial, business, and corporate governance-related information.				No significant difference
(II) Whether there are other means for disclosure adopted by the Company (e.g. set up an English website, with the personnel dedicated to gathering	V		(II) The Company has set up an English website and designated dedicated personnel to collect and disclose the Company’s information. Since the Company was listed on TWSE, it has completed the publication and				No significant difference

Evaluation Item	Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>and disclosing relevant information, properly implement the spokesman system, and post the meetings minutes with institutional investors on the Company website, et al.)?</p> <p>(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?</p>		V	<p>regulatory filing of the relevant information pursuant to the requirements by the competent authority and related laws. The shareholders may access and learn the Company’s information and important messages (including the information about meetings with institutional investors) on the MOPS or the Company’s website. The Company does practice the spokesman and deputy spokesman systems.</p> <p>(III) The Company has many of overseas subsidiaries and the accounting firm takes a long time to audit the annual financial statements. Therefore, the Company announce and declare the annual statements within the statutory period of three months after the end of the fiscal year. Because the quarterly financial statements are reviewed by the CPAs, the Company may arrange for an early announcement and report of the first, second, and third quarter financial statements and monthly operating conditions before the prescribed deadline, to improve the transparency and timeliness of the company’s information disclosure.</p>	<p>Partial difference: The Company has many of overseas subsidiaries. Considering that the international financial statements taking longer time to prepare and audit the annual financial statements, the Company announce and declare the annual statements within the statutory period of three months after the end of the fiscal year.</p>
VIII. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of	V		<p>(I) Employee rights and employee care: The Company is used to valuing the labor-management relationship and treating the employees in good faith, and also protect the employees’ legal interests and rights pursuant to the Labor Standards Act. Meanwhile, the Company builds the fair relationship of mutual trust and reliance with the employees via various employee welfare policies and excellent educational training systems.</p> <p>(II) Investor relations: Disclose the information sufficiently via the MOPS</p>	No significant difference

Evaluation Item	Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
customer relations policies, and purchasing insurance for directors and supervisors)?			<p>and the Company’s website to enable the investors to understand the Company’s overview of operation, and communicate with investors via the shareholders’ meeting and spokesman.</p> <p>(III) Supplier relations: The Company maintains fair interactive relations with the suppliers, and conducts audits from time to time to ensure the suppliers’ quality.</p> <p>(IV) Stakeholders' interests: The Company has appointed the spokesman and deputy spokesman, and also set up the stakeholder section on the Company’s website to help the stakeholders communicate with the Company and provide suggestions to the Company to maintain the legal interests and rights deserved by them.</p> <p>(V) Continuing education of directors: All of the Company’s directors shall hold the related professional knowledge, attend the related courses pursuant to laws and satisfy the continuing education hours as required.</p> <p>(VI) Implementation of risk management policies and risk measurements: The Company is used to managing the risk stably, and establishes the related internal regulations and internal control system to prevent various risks. Meanwhile, the internal audit unit will audit the status of the internal control system, periodically or from time to time.</p> <p>(VII) Implementation of customer policy: The Company maintains the fair and stable relations with customers and adopts the policy taking customers as the priority, in order to create profit for the Company.</p> <p>(VIII) Maintenance of liability insurance for directors: The Company has taken out the liability insurance for its directors to enhance the protection on shareholders’ equity, and disclosed the relevant information in the corporate governance section on the MOPS.</p>	
<p>IX. Please specify the status of correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies:</p> <p>According to the Corporate Governance Evaluation of 2020, the Company ranked at Top 5% among TPEX-listed companies. The corrections and remaining deficiencies are stated as following:</p>				

Evaluation Item	Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(I) Improvements				
1. Established a functional committee (Nomination Committee) other than the statutory functional committees, where the majority is independent directors.				
2. To define the successor cultivation planning for the Board members and key management.				
(II) Remaining deficiencies				
1. Planned to set seats of independent directors more than required by laws				

#### (IV) Composition, functions, and operation of Remuneration Committee

##### 1. Information of Remuneration Committee Members

2. Information of Remuneration Committee Members																
Title	Name	Conditions	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience	Independence Criteria (Note 1)										Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Notes	
			An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8			9
Independent Director	Chi-Hsiung Cheng			V	V	V	V	V	V	V	V	V	V	V	1	-
Independent Director	Jeng-Ywan Jeng	V		V	V	V	V	V	V	V	V	V	V	V	2	-
Independent Director	Hsien-Chin Chiu	V		V	V	V	V	V	V	V	V	V	V	V	0	-

Note 1: Please tick "✓" the corresponding boxes that apply to the members during the two years prior to being elected or during the term of office.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (this restriction does not apply, however, when the person is an independent director independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (3) The director, or his or her spouse or minor child, does not hold, in his or her own name or in another name, more than 1% of the Company's total outstanding shares, nor is one of the Company's ten largest natural-person shareholders.
- (4) Not a spouse, relative within the second degree of kinship, or direct blood relative within the third degree of kinship of a person listed in the three foregoing paragraphs.
- (5) Is not a director, supervisor, or employee of an institutional shareholder directly holding more than 5% of the Company's total outstanding shares, one of the five largest institutional shareholders in terms of shareholdings, or is a director or supervisor assigned as representative according to Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply, however, when the person is an independent director appointed by the company, its parent company, or a subsidiary pursuant to Securities and Exchange Act or the local laws and regulations).
- (6) Not a director, supervisor, or employee of that other company where majority of the company's director seats or voting shares and those of any other company are controlled by the same person (this restriction does not apply, however, when the person is an independent director independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (7) Not the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution (this restriction does not apply, however, when the person is an independent director independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (this restriction does not apply, however, when certain company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company, and when the person is an independent director independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not been a person of any conditions defined in Article 30 of the Company Act.

##### 2. Duties of Remuneration Committee:

The Committee shall perform the following duties loyally with due diligence as a good administrator, and submit its suggestions to the Board of Directors for discussion.

- (1) Periodically review the performance appraisal on the Company's directors and managers, and remuneration policy, system, standard and structure.
- (2) Periodically evaluate and review the contents and amount of the Company's remuneration to directors and managerial officers.



The 2020 annual review and evaluation of the company's remuneration information is as follows:

Date	(Session)	Content of motion
March 17, 2020	The third session 4th	1. Employee Remuneration and Director Remuneration Distribution Plan of the Company of 2019
		2. Remuneration of Managerial Officers in Taisil branch.
May 5, 2020	The third session 5th	1. Amendment to the Company's "Management Measures for Managers' Compensation"
		2. Allocation of Directors' Remuneration of the Company of 2019
		3. The Company's Allocation of Managers' Remuneration of 2019
December 9, 2020	The third session 7th Meeting	1. Amendment to the Company's "Management Measures for Managers' Compensation"
		2. Amendment to the Company's "Allocation Rules of Directors' Remuneration"

### 3. Operations of Remuneration Committee

The office of this term of Remuneration Committee members is from June 25, 2018 to June 24, 2021. During 2020, the Remuneration Committee had convened four meetings, and the attendance of independent directors are as following:

Title	Name	Actual attendance no.	No. of presence by proxy	Actual attendance rate	Notes
Convener	Chi-Hsiung Cheng	4	0	100%	The third term (elected on June 25, 2018)
Board member	Jeng-Ywan Jeng	4	0	100%	
Board member	Hsien-Chin Chiu	4	0	100%	Appointed on November 7, 2019

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
2. For resolution(s) made by the Remuneration Committee with the committee members voicing opposing or qualified opinions on the record or in writing, please specify the meeting date and term, contents of motion, opinions of all members, and the Company's resolution of the members' opinions: None.
3. Operations of Remuneration Committee:

Session/Date of the Remuneration Committee	Content of motion	Resolution results	The Company's response to the Remuneration Committee's opinion
The third session 4th March 17, 2020	1. Employee Remuneration and Director Remuneration Distribution Plan of the Company of 2019	Agreed and approved by all the members present	Submitted to the Board meeting and passed upon approval of the whole present directors unanimously.
	2. Remuneration of Managerial Officers in Taisil branch		
The third session 5th May 5, 2020	1. Amendment to the Company's "Management Measures for Managers' Compensation"	Agreed and approved by all the members present	
	2. Allocation of Directors' Remuneration of the Company of 2019		
	3. The Company's Allocation of Managers' Remuneration of 2019		
The third session 6th Meeting June 23, 2020	1. Appointment of the Chief Director of the CZ 200mm and 300mm Plants.	Agreed and approved by all the members present	
The third session	1. The Company Intended to Establish a Saving Association	Agreed and	

7th Meeting December 9, 2020	of Employee Benefits.	approved by all the members present	
	2. Amendment to the Company's "Management Measures for Managers' Compensation"		
	3. Amendment to the Company's "Allocation Rules of Directors' Remuneration"		
	4. Motion for Promotion.		

(V) Composition, functions, and operation of Nomination Committee

1. Information of Nomination Committee Members

Title	Name	Notes
Convener	Hsiu-Lan Hsu	Appointed on November 9, 2020
Board member	Jeng-Ywan Jeng	
Board member	Hsien-Chin Chiu	

2. Function of Nomination Committee

The Committee shall perform the following duties loyally with due diligence as a good administrator, and submit its suggestions to the Board of Directors for discussion:

- (1) Find, review and nominate candidates for directors and senior managers based on the professional knowledge, skills, experience, gender and other diversified backgrounds and independence needs of the Company's Board members and senior managers.
- (2) Construct and develop the organizational structure of the Board of Directors and committees, conduct performance appraisals of the Board of Directors, committees, and directors, and assess the independence of independent directors.
- (3) Formulate and review directors' continuing education plans and succession plans for directors and senior managers.
- (4) Other matters resolved by the Board of Directors to be handled by the committee.

3. Operations of the Nomination Committee

The Company established the Nomination Committee on December 9, 2020. The office of this term of Nomination Committee is from December 9, 2020 to June 24, 2021. In 2020, no official meeting was convened by the Nomination Committee.

(VI) Fulfillment of Corporate Social Responsibility, and variance from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies , and the reason for any such variance

Evaluation Item	Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		<p>The Company has the "Risk Management Procedures" and "Risk Management Policies" approved by the Board of Directors. The President's Office coordinates the promotion and operation of the risk management plan, and various departments responsible for promoting the risk management for their own business. The annual risk assessment is conducted and the operation is report to the Board of Directors. The scope of risk management includes hazard risk, operational risk, financial risk, strategic risk, compliance risk/contract risk, and other risks. Through the effective implementation of risk management processes (including risk identification, risk measurement, risk monitoring, risk reporting and disclosure, and risk response), the Company's risk management strategy is realized.</p> <p>In response to international development trends, the company's "Corporate Sustainability Committee" also conducts risk assessments on environmental, social, corporate governance, climate change and other issues related to company operations based on the principle of materiality, and sets corresponding risks management strategy. For the detailed risk assessment and management strategy information, please refer to the Company's Corporate Social Responsibility Report "Chapter Two, Governance and Operation."</p>	No significant difference
II. Does the Company have a dedicated (or ad-hoc) CSR organization with Board of Directors authorization for senior management, which reports to the Board of Directors?	V		<p>The Company has established the “Corporate Sustainability Committee”. The Chairman of Board acts as the Committee chairman, and various functional organizations delegate their representatives to act as the Committee members. The Company also establishes the ESG (environment, society and corporate governance)-related policies and development strategies and review the effect of implementation thereof to pursue improvement continuously. The Committee chairman will report the status and performance of the implementation to the Board of Directors each year to pursue corporate sustainability and fulfill corporate social responsibility.</p>	No significant difference

Evaluation Item	Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>III. Environmental Topic</p> <p>(I) Has the Company set an environmental management system designed to industry characteristics?</p>	V		<p>(I) The Company insists the corporate social responsibility, seeks to take into account environmental protection while serving customers, and to provide a better and safer working environment; through commitments such as "compliance with laws and regulations, environmental protection, hazard prevention, continuous improvement, and awareness of all employees," the environmental safety and health policies are implemented. The Company has passed the certification of environmental management system (ISO 14001:2015), energy management system (ISO 50001:2018), and occupational safety and healthy management system (ISO 45001:2018). Meanwhile, the Company is responsible for boosting and execution of environmental protection problems, safety and health affairs for environmental management by promoting the environmental protection concept, strengthening the educational training, saving energy and reducing carbon internally, fulfilling the environmental management policies and establishing the unit dedicated to managing occupational safety and health affairs.</p>	No significant difference
<p>(II) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</p>	V		<p>(II) Through the promotion of the ISO 14001 environment management system, the Company introduces the concept of product life cycle to reduce the consumption of raw materials and waste output. Depending on the characteristics of the process, the Company uses recycled raw materials as much as possible, and by recycling silicon raw materials, cutting fluid (carrier), product packaging cartons and wafer boxes, it effectively reduces new purchases, lower waste output, and improve the efficiency of utilization of various resources. For information on the reuse of various resources, please refer to the "Chapter Four, Sustainable Environment" of the Company's Corporate Social Responsibility Report.</p>	
<p>(III) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?</p>	V		<p>(III) The Company follows the structure recommended in The Task Force on Climate-Related Financial Disclosures (TCFD) announced by the Financial Stability Board (FSB), to disclose information about climate change,</p>	

Evaluation Item	Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?			<p>identify potential risks and opportunities of climate change to the Company's operations, as well as related response measures and goals. For relevant information, please refer to the Company's Corporate Social Responsibility Report "Chapter Two, Governance and Operation."</p> <p>(IV) The Company boosts various energy-saving measures subject to the effect produced by operating activities, in order to mitigate the impact posed by the Company's operation to the natural environment. The Company established the energy management system (ISO 50001:2018) for the energy saving and carbon reduction and the greenhouse gas inspection (ISO 14064:2018) for greenhouse gas reduction, conducted the water footprint assessment (ISO 14046:2014) for reduction of water consumption and assessed the clean production. All of said operations passed the certification by a third party contracted by the Company. The Company inventories and tracks greenhouse gas emissions, total water consumption, recycled water volume, waste treatment volume, and use of recycled raw materials every year. For relevant inventory information, please refer to the Company's Corporate Social Responsibility Report Chapter Four, Sustainable Environment."</p> <p>The Company's policies and annual targets for energy saving and carbon reduction, greenhouse gas reduction, water reduction or other waste management are as follows:</p> <p>(1) Consumption of energy and resources and GHS emission reduction: the main source of greenhouse gas emissions of the Company is electricity. Therefore, the reduction of electricity use and the improvement of energy efficiency are the top priorities of the Company at present. In Taiwan, through the introduction of ISO 50001 energy management system, the Company monitors and measures significant energy utilization equipment, proposes improvement action plan and conduct regular tracking on performance of improvement measures, as well as promotion energy saving internally, in order to achieve the goals of continued improvement, energy saving and carbon reduction.</p>	

Evaluation Item	Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>→The management target for 2021: reduction of unit energy consumption of electricity <math>\geq 1\%</math>; reduction of unit emission of greenhouse gas <math>\geq 1\%</math></p> <p>(2) Reduce water consumption: The Company's water-saving measures management process in Taiwan is mainly divided into plant system and process equipment for itemized management. It is continuously improving the efficiency of the process wastewater recycling system, and regularly holding internal water-saving discussion and improvement meetings and promoting water-saving.</p> <p>→2021 annual management target: water consumption unit reduction <math>\geq 1\%</math></p> <p>(3) Waste management: The Company values waste management, from process improvement and source reduction to reduce the output of waste (including air pollution source emissions), and recycles and reuses in the plants, to reduce the volume of newly purchased raw materials, while reducing the generation of waste.</p> <p>→The management goal for 2021: waste management (recycling and reusing treatment accounted for the total waste volume) cumulatively increased to 80%</p> <p>(4) Pollution prevention: The Company aggressively promote green product and green production, and reduce raw material consumption through manufacturing process and technology enhancement. We not only reduce pollution discharge at the source, we also lower operation costs, reduce resource consumption and mitigate impact to environment.</p> <p>→The management target for 2021: <math>\leq 1</math> of abnormal events reported to the competent authorities</p>	
IV. IV. Social Topic (I) Whether the Company establishes the related management policies and procedures in accordance with the relevant laws and international human rights	V		(I) The Company complies with all human rights disclosed by the United Nation conventions, such as the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the	No significant difference

Evaluation Item	Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>conventions?</p> <p>(II) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?</p>	V		<p>Global Compact, the International Labor Convention, the Convention on the Elimination of All Forms of Discrimination against Women, and the Employment Services Act, the Company has formulated personnel appointment methods, clearly expressed the prohibition of child labour and related remedial measures; and strictly prohibited any illegal discrimination of employees, including race, class, language, thought, religion, party, native place, place of birth, skin color, age, gender, sexual orientation, marriage, appearance, facial features, nationality, disability, pregnancy, trade union membership, and concealed veteran status in recruitment and actual work.</p> <p>The operation activities in respective countries comply with all local labor laws which include various acts preventing human trafficking and slavery systems. The Company implements safe working conditions, and will never tolerate any modern slavery, and insists that all commercial transactions, business relations, supply chain activities, personnel recruitment and appointment comply with ethical standards, with integrity as the top priority. It also provides relevant training courses for all employees to strengthen their awareness of human rights.</p> <p>The basic wages, working hours, vacations, pension payments, labor health insurance payments and occupational hazard compensation of employees in the Company comply with the relevant provisions of the Labor Standard Law. It has established the Staff Benefit Committee to handle various welfare matters through the Welfare Committee elected by the staffs. It regularly holds labor meetings to understand the ideas of both sides, in order to achieve a win-win situation.</p> <p>(II) The Company establishes the procedures of attendance, specifies the paid leaves entitled by employees. All employees of the Company are entitled to labor insurance, health insurance, group insurance, pension contribution and other fringe benefits. The fringe benefits include year-end bonus, gifts for birthday and festivities, year-end banquet, subsidies for matrimony, bereavement, and other celebration, tourist</p>	

Evaluation Item	Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(III) Whether the Company provides its employees with a safe and healthy work environment, and regularly implements employee safety and health education measures?	V		traveling in home country and abroad, emergency relief fund, scholarship, paternal subsidy, meals, stock offering for the employees, and complete set of education and training. In addition, employee welfare plans has been set up, and an internal team is formed to continuously plan and improve overall employee welfare. The Company fairly decides and distributes employees’ remunerations from the annual profit based on the percentage set for in the Articles of Incorporation, and the performance of individual employee pursuant to the “Employee Remuneration Distribution Procedures.” It seeks to properly reflect the operating performance or results on the employees’ remunerations.	
(IV) Has the Company established effective career development training plans?	V		(III) The Company provides a comfortable, safe and healthy working environment. It also conducts inspections on the working environment on a regular basis, and annually organizes employee health checks as well as training on health and safety for its employees. In addition, the Company has acquired certifications including the environmental management (ISO 14001:2015) and occupational safety and healthy management system (ISO 45001:2018). (IV) Each year the Company establishes annual education training program based on our operation strategies and short/mid/long term goals, and consider talent cultivation and technology inheritance as our key task. We strengthen our talent database in order to keep track of the talent dynamics and development direction in the group. We host various types of training courses, academia-industry collaboration and research projects, in order for our employees to stay tuned to real-time global political and economic trends and status, technology updates, while supplementing the training with job substitutes, job rotation and on-the-job training to strengthen different professional capacity of our employees. The Company provides diversified training system encompassing the following five categories: competency training for new recruits, professional competency training, general management competency training, intellectual property training, and health and safety	



Evaluation Item	Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(V) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' rights and consumer appeal procedures?	V		management training. This system provides suitable training courses for employees in their different stages of career development, so that the Company and employees will be adaptive to the ever evolving world, and own the knowledge, skills, and capabilities go along with the time.	
(VI) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		(V) The Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling all comply with the related regulations and standards in the industry; a compliance unit is also established to ensure the observation of related regulations and standards. The Company has a confidentiality agreement with its major customers to protect the privacy and confidential information of both parties. At the same time, it also signs and observes the plant operation specifications required by the customers to maintain health and safety. The Company has established procedures for handling customer complaints to maintain good communications with its customers, as well as effective appealing procedures regarding products and service.  (VI) The Company has established the "supplier evaluation management process", including written reviews, on-site evaluations, monthly evaluations, process monitoring, qualification evaluation and continuous evaluation, and regularly or from time to time audits suppliers. There is also an annual evaluation mechanism for performance evaluation. The Company requires suppliers to sign the "Supplier's Code of Conduct and Supplier Commitment Letter," requiring suppliers to comply with relevant regulations in terms of anti-bribery and corruption, social and environmental responsibility, conflict-free minerals, compliance with trade laws and regulations, and non-infringement. In the "purchase order," suppliers are also required to comply with relevant policies and regulations on environmental protection and occupational safety and health, intellectual property rights, and labor human rights.	
V. Does the Company refer to international reporting rules or guidelines to publish CSR Report to disclose non-financial	V		The Company prepares the corporate social responsibility reports by referring to the "GRI Standards" issued by the Global Reporting Initiative	No significant difference

Evaluation Item	Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
information of the Company? Has the said Report acquire 3rd certification party verification or statement of assurance?			(GRI) and the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies." The Company's 2019 Corporate Social Responsibility Report was inspected by DNV GL Business Assurance Co., Ltd. It complies with the GRI Standards. The 2019 Corporate Social Responsibility Report and the verification agency's inspection statement are disclosed on the Company's website "Stakeholders Section" and MOPS.	
<p>VI. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and their implementation:</p> <p>The Company has established the "Corporate Social Responsibility Best-Practice Principles" and devoted to promote the corporate social responsibilities, which has no significant difference with the Rules.</p>				
<p>VII. Other important information to facilitate better understanding of the Company's corporate social responsibility practices:</p> <p>1. Environmental protection: It is everyone's responsibility to promote environmentally friendly and low-carbon activities. Therefore, in addition to improving the process of energy conservation and control, the Company actively implements waste separation and resource recycling, promotes energy conservation and carbon reduction, and invests in equipment related to energy conservation and emissions reduction.</p> <p>2. Social welfare: Social welfare activities participated by the Company in 2020 include</p> <p>(1) "Send Love to a Remote Countryside Activity: Helping Poor Children to Change Their Lives in Naluo Educational Classroom," "Send Love to a Remote Countryside Activity: Invest in Rich Life-Plum Blossom for Children's Painting, Children's Fun", shopping bag charity sale: "Disadvantaged Family and Children's Health and Pandemic Prevention Plan," and donation to Taiwan World Vision, totaling NT\$509,000.</p> <p>(2) The Mid-Autumn Festival moon cake donation charity event, donating to Shi-Guang Correctional Institution, Hua Guang Intelligent Development Center, and Private Xiang Yuan Memorial Correctional Institution, totaling NT\$68,000</p> <p>(3) The 2020 Hsinchu Family Support Center "Luckily We Have You" Warm Winter Charity Children Party, with donation to the Hsinchu Family Support Center, for total of NT\$10,000.</p> <p>(4) Organized the "Friendly Earth-You and Me, Hand in Hand" beach cleaning and forest protection activity at Zhunan Longfeng Fishing Port Beach, calling on 108 people to participate and cleaning up about 2,000 kilograms of garbage.</p> <p>(5) Hold the Nanliao Fishing Port beach cleaning activity, called on 41 people to participate, and clean up 18 large bags of garbage. The garbage included PET bottles, styrofoam chips, plastic baskets, fishing nets covered with seaweed, beverage cartons, and other man-made wastes that are extremely harmful to marine life.</p> <p>(6) Conduct blood donation activities on a regular basis, which contributed to a total of 54,000 c.c. of blood.</p> <p>3. Consumer rights: For customers, the Company has internally established the "Customer Complaint Management Procedure" to provide customers with a channel to express their complaints, and externally signed contracts such as supply contracts and quality contracts with its customers, in order to fully ensure customer's rights and interests.</p> <p>4. For human rights: The Company won the 2019 "Excellence Award for Promoting Work Equality in the Workplace" from the Ministry of Science and Technology Hsinchu Science Park. It has long been committed to promoting equal rights in the workplace, regardless of race, gender, and age, each employee is entitled the same right to work, and personal</p>				

Evaluation Item	Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>free expression and development opportunity is offered to achieve respect for personal dignity.</p> <p>5. Safety and health: The Company devoted its efforts to promote safety and health policy, continuously improve the production process and working environment in the aim of achieving zero disasters, and continue to improve occupational safety and health performance through joint efforts of all its employees.</p> <p>6. Employee Health Care: The Company conducts health checkups on a regular basis for employees to understand their health status in order to protect and improve their health. In addition to setting up detection and alarm equipment at appropriate locations, the Company also regularly conducts operating environment testing as a basis for improving the workplace environment, in order to control the physical working environment of employees and evaluate the exposure of hazardous factors.</p> <p>7. Plant pandemic prevention: In 2020, the global COVID-19 pandemic spread, Globalwafers initiated the plant pandemic prevention measures at once. Under the side-by-side cooperation of various departments, pandemic prevention operations in the plant area were fully undertaken; the pandemic prevention strategies were formulated, and the management of hierarchical measures and inventory of resources for pandemic prevention were carried out. The Company has regularly held meetings to formulate pandemic prevention measures, to ensure healthy and safe workplace. The relevant pandemic prevention measures are as follows:</p> <p>(1) Pandemic prevention information: in order to enable employees to correctly grasp the real-time information of pandemic prevention, the health management center regularly issues global pandemic information and in-plant pandemic prevention measures, so that employees may quickly receive correct pandemic prevention information.</p> <p>(2) Health monitoring: Full body temperature monitoring is carried out at the accesses of each plant. If there is a fever or a history of suspected contact, entry into the plant is completely prohibited, and an internal electronic questionnaire survey will be conducted simultaneously with the central command center to track the confirmed case's footprint, as implementing the initiative of employees’ report and voluntary health management.</p> <p>(3)Visitor management: use emails and hard-copy announcements to inform the supply chain vendors about the prevention measures for entering the plants, and require those who enter the plant to complete the entry health declaration form, and wear a mask for protection employee safety.</p> <p>(4) Office pandemic prevention: in order to avoid crowding of people that increases the risk of infection, office workers have taken a number of contingency measures, including: checkboard seating, isolation rooms, triage, working from home, among other measuers, to reduce population density and reduce frequency of contact among employees</p> <p>(5) Eat with peace of mind: in order to provide employees with a safe dining environment, pandemic prevention dining routes are planned, with plastic table partitions and disposable lunch boxes; the dining area are divided by unit to ensure that the safety of dining in the plants.</p> <p>(6) Disinfection in the plant area: formulate the disinfection and cleaning measures in public areas, increase internal ventilation and exhaust, encourage opening windows in confined spaces, and put plastic films on commonly used buttons, add partitions in canteens, add hand sanitizer dispensers, and post the correct hand-washing slogans in the restrooms.</p> <p>(7) Employee care: For high-risk groups , tracking is taken and the temperature re-examination and follow-up control is conducted. The outpatient services of psychologists is provided when necessary to help employees resolve negative emotions and stress.</p>				

(VII) Fulfillment of Ethical Corporate Management, and variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies , and the reason for any such variance

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Establishment of ethical corporate management policies and programs				No significant difference
(I) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(I) The Company has the “Ethical Corporate Management Best Practice Principles” and the “Code of Conduct,” specifying the tangible content of ethical management policy and are approved by the Board of Directors. In addition, the "Operational Procedures and Guidelines for Ethical Corporate Management" and the “Procedures of Handling Reports of Illegal, Unethical, and Dishonest Conduct”, approved by the Chairman, to implement the ethical management policy. The Company’s standard contract clearly requires the counterparts of transactions to comply with the ethical management policy. The Board of Directors and senior management all have signed statement to actively implement the commitments in the ethical management policy. The Company also implements so in the internal management and business activities, including requiring employees to comply with the ethical management policy in the employment conditions.	
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?	V		(II) In the "Ethical Management and Guidelines for Conduct", the Company has established the risk assessment mechanism for the unethical conducts listed in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles,” including the data collection through the annual compliance self-assessment, qualitative interview, and tracking of emails by the IT department, for regular analysis and assessment, to identify these who with higher risks, with assistance of the audits from the internal audit units. So that the preventive programs to forbid offering and accepting bribery, providing illegal political donation or improper benefits, infringement of intellectual property rights, and unfair competition may be established. Within the scope of business activities, all employees are obliged to cooperate with the compliance office for the investigation related to the said unethical conducts.	
(III) Whether the company has established relevant policies	V		(III) Pursuant to the “Ethical Corporate Management Best Practice Principles,”	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and appealing procedures, and periodically reviews and revises such policies?			the Company has established the "Code of Ethical Conduct" and "Ethical Management and Guidelines for Conduct" and the “Procedures of Handling Reports of Illegal, Unethical, and Dishonest Conduct,” specifying that no improper benefit shall be accepted, nor anything unethical or illegal may be conducted. These regulations also require to promote the importance of ethical conducts to directors and employees. The said programs are regularly reviewed for its adequacy and effectiveness based on the methods determined by the assessing mechanism of unethical conduct risk, and adjusted or amended when needed.	
II. Fulfill operations integrity policy				
(I) Whether the company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		(I) The Company's Ethical Corporate Management Best-Practice Principles has clearly stipulated that before business contacts the legitimacy of counterparties in business transactions and the existence of records of unethical conducts should be taken into account, so as to avoid transaction with those involved in unethical conducts. In addition, pursuant to the "Operational Procedures and Guidelines for Ethical Corporate Management," before establish a business relationship with others, an ethical management assessment must be done. The Marketing Department uses the “Evaluation Chart for Client/Distributor/Agency’s Ethical Management,” and the Procurement Department uses the “Evaluation Chart for Suppliers’ (and Their Distributors/Agencies) Ethical Management” for quantified implementation in writing. The contracts to be signed with business counterparts shall specify the ethical management terms, to ensure the counterparts conform to the Company’s ethical management policy.	No significant difference
(II) Whether the company has set up a unit which is dedicated (or concurrent) to promoting the company’s ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters,	V		(II) The Company has established the Compliance Section under the Legal Department, in charge of promoting ethical management policy, establishing the programs to preventing unethical conducts, and supervising the implementation. The compliance officer reports the implementation to	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
and program to prevent unethical conduct and monitor its implementation?			<p>the Board of Directors once a year. The auditors may also supervise the implementation during the routine audit, and report to the Board of Directors if any abnormality is found.</p> <p>Implementation during the year.</p> <p>(1) Formulation and review of policies relating to ethical corporate management</p> <p>The Company has set up the "Ethical Corporate Management Best-Practice Principles", "Code of Ethical Conduct" and "Ethical Management and Guidelines for Conduct" and the “Procedures of Handling Reports of Illegal, Unethical, and Dishonest Conduct” which clearly stipulates that matters such as obtaining illegitimate interests, violations of integrity or unlawful behaviors may not be accepted. The above internal regulations are reviewed and updated on an irregular basis by the Compliance Office with reference to external regulations and internal implementation status, for adjustment and amendment from time to time.</p> <p>(2) Internal and external policy propaganda</p> <p>Relevant important internal regulations such as the "Ethical Corporate Management Best-Practice Principles", "Code of Ethical Conduct," "Ethical Management and Guidelines for Conduct," and “Procedures of Handling Reports of Illegal, Unethical, and Dishonest Conduct” have been announced on the Company’s official website and internal websites for inquiries from external and parties. The Company also requires its suppliers to sign a “Supplier Code of Conduct and Promise Note” for the compliance with the laws and regulations, ethic, environment and quality specifications, which include regulations relevant to good faith management.</p> <p>(3) Reporting channels, treatment, and protection of whistle-blowers</p> <p>The Company has set up the “Procedures of Handling Reports of Illegal, Unethical, and Dishonest Conduct”, which develop a disciplinary and appeal system for handling violations of the code of ethics in management,</p>	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		<p>and establishes and discloses the employee suggestion box, e-mail address and complaint hotline on in the plant, the Company's external and internal website to encourage internal and external personnel to report on unethical behavior or misconduct. Anonymous whistleblowing is permitted. The identity and content of whistleblowing are strictly kept confidential, and the HR unit will verify and handle. Any one violate the ethical management requirements will be treated based on the severity of the violation. Report may be made to the competent authorities or law enforcement if required.</p> <p>(4) Education and training The Company formulates and conducts training regularly. The attendees and hours of trainings in 2020 are listed as the following:</p> <ol style="list-style-type: none"> <li>1. New employees, “Ethical Education Training for New Employees,” for total 24.5 hours.</li> <li>2. Managers at section-level or above in the R&amp;D units, and the managers in the semiconductor business group, “Anti-Corruption Education” (centered at the FCPA of the U.S.) for total 1.5 hours.</li> <li>3. Newly elected directors, “Overview of Laws Regarding Insider Trading and Stake Changes of the Insiders,” for 1 hour.</li> <li>4. Newly elected directors, “Ethical Management Training,” for 2 hours.</li> <li>5. Supervisor-level staff, “Training on Prevention of Concerted Actions” (Lesson learnt from Quanta Storage), for 0.5 hour.</li> <li>6. Supervisors in marketing units, “Training of Compliance with Trading Laws and Regulations” (Competition Act, export restriction regulations, anti bribery and corruption), for 2 hours.</li> </ol> <p>The accumulated statistics in 2020 are: total 55 sessions, 217 attendees, and 31.5 class hours.</p> <p>(III) In the “Code of Ethical Conduct,” the Company specifies the employees shall deal with the business in an objective and efficient manner, refrain from obtaining improper benefits for him/herself, others, or other business by</p>	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(VI) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	V		exploiting his/her position in the Company, as the policy to prevent conflict of interest. In the "Operational Procedures and Guidelines for Ethical Corporate Management," it specifies the directors shall recuse themselves in the Board meetings if proposals involves their own interests. In addition, the Company prepares different channels to report conflicts of interest: directors or independent directors shall state such to the President or the corporate governance officer; managerial officers shall report to the compliance unit.	
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	V		<p>(IV) The Company has established the accounting system and internal control system to be implemented. The audit plans including subject, scope, items, frequencies are prepared based on the assessment of unethical conduct, to audit the compliance with the ethical conduct program. The audit outcome shall be reported to the senior management and the dedicated ethical management unit, with the audit report submitted to the Board of Directors. In addition, to ensure the continuous effectiveness of the design and execution of such system, the Company reviews and amends the system annually, as the basis to evaluate the effectiveness of the internal control system, and the preparation of statement of internal control system.</p> <p>(V) The Company regularly formulates and conducts trainings, including laws and regulations related to corporate governance, ethical management, and business conducts. For “ethical management” and “prevention of insider trading” courses, the current directors, managerial officers, or other employees deemed in need of such trainings shall attend at least every two years. New directors and managerial officers shall attend within three months upon taking positions. New employees shall attended in the consolidated orientation prepared by the human resources. In addition, pursuant to the “Operational Procedures and Guidelines for Ethical Corporate Management,” the Chairman and the corporate governance officers are arranged to communicate the importance of ethic to directors, managerial officers, and supervisors in the Board meetings or supervisors’</p>	



Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			meetings. The related trainings offered in 2020 including: “Ethical Education Training for New Employees,” “Anti-Corruption Education” (centered at the FCPA of the U.S.), “Overview of Laws Regarding Insider Trading and Stake Changes of the Insiders,” “Ethical Management Training,” “Training on Prevention of Concerted Actions” (Lesson learnt from Quanta Storage), and “Training of Compliance with Trading Laws and Regulations” (Competition Act, export restriction regulations, anti bribery and corruption). In total, 55 sessions were held with 217 attendees, and 31.5 class hours.	
III. Operation of the Company's reporting system				No significant difference
(I) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(I) In the “Procedures of Handling Reports of Illegal, Unethical, and Dishonest Conduct,” the Company specifies the system, including internal and external whistleblowing channels by establishing the suggestion box, email box, and complaint hotline, and the handling principles, to implement the ethical management policy. Whistleblowing is accepted by the spokesperson, HR officers, or legal staff. Once the case is established, the handling unit will investigate and handle pursuant to the “Procedures of Handling Reports of Illegal, Unethical, and Dishonest Conduct.” If the allegation is verified as truth, the whistleblower may be awarded if the case is material.	
(II) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	V		(II) In the “Procedures of Handling Reports of Illegal, Unethical, and Dishonest Conduct,” the Company specifies the investigation and handling process corresponding to the alleged parties and involvement. The whistle-blowing is strictly kept confidential, and all possible efforts are made to protect the whistleblowers, while giving counterpart chance to appeal, in order to secure the legal rights of both parties. If the allegation is verified as truth, the alleged party will be required to cease the conduct immediately and proper actions will be taken. The related units will be required to review and furnish corrective measures to prevent the incident from repeating. The Legal Department will review the whistleblowing, handling and follow up, and report to the Board of Directors.	
(III) Does the company provide proper whistleblower	V		(III) Pursuant to the “Procedures of Handling Reports of Illegal, Unethical, and	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
protection?			Dishonest Conduct,” the Company handles whistle-blowing in confidential. All possible efforts are made to protect the whistleblowers, to keep their identities absolutely confidential, so they will not be treated improperly due to whistleblowing. The staff handle whistleblowing will declare in writing that they will keep the content of whistleblowing and whistle-blower’s identity confidential.	
IV. Enhancing Information Disclosure (I) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		(I) The Company has a website to disclose the related corporate culture, operation guidelines, "Ethical Corporate Management Best-Practice Principles", "Code of Ethical Conduct," "Ethical Management and Guidelines for Conduct," and “Procedures of Handling Reports of Illegal, Unethical, and Dishonest Conduct” and implementation of ethical management.	No significant difference
V. If the company has established the ethical corporate management policies based on the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the policies and their implementation: The Company has established the “Ethical Corporate Management Best-Practice Principles” which clearly regulates the matters to be followed by the Company's staff. Other accusation cases and penalties are also clearly set out in relevant measures. There is no significant difference between the policies and the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”.				

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
VI. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (under situations such as review and revision of regulations):				
7.			The Company complies with the Company Act, the Securities and Exchange Acts, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, and other regulations for public companies and business related laws and regulations. Such compliance is the basic precondition to implement the ethical management. The Company all makes all possible efforts to comply with the environment and quality policy with high standards.	
8.			The Company has set up provisions related to avoidance of directors' conflicts of interests in the “Rules of Procedure for Board of Directors Meetings”. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, when the relationship is likely to prejudice the interests of the Company, the director may express their opinion and answer queries, but may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.	
9.			The Company has established the “Management Procedure to Prevent Insider Trading,” specifying that insiders, quasi-insiders, information receivers, upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, shall not purchase or sell, in the person's own name or in the name of another, shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company, or the non-equity-type corporate bonds of such company that are listed on an exchange or an over-the-counter market, so that anyone knowing material information will not violate the regulations of insider trading due no ignorance to laws.	
10.			The Company has established the “Procedures for Handling Material Inside Information,” for good internal material information handing and disclosing mechanism, while ensuring the consistency and accuracy of the information announced externally. The Procedures specifies that no director, supervisor, managerial officer, or employee of this Corporation may inquire about or collect any non-public material inside information of this Corporation not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.	
11.			Some clauses of the Company’s "Operational Procedures and Guidelines for Ethical Corporate Management" were amended to cope with the new version of the “Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct” issued by FSC, in order to established the operational procedures and guidelines of conducts in line with the competent authority’s “Ethical Corporate Management Best-Practice Principles.” Moreover, to conform to Article 17 of the Guidelines, specifying that “Before the Company establish a business relationship with others, the legitimacy and ethical management policy of the agencies, suppliers, clients, or other counterparties, and if they have records involving unethical conducts shall be assessed, to ensure that they run the business in fair and transparent manner, an the Company never request, provide, or accept briberies,” the Company has design the “Evaluation Chart for Client/Distributor/Agency’s Ethical Management” for the Marketing Department, and the “Evaluation Chart for Suppliers’ (and Their Distributors/Agencies) Ethical Management” for the Procurement Department. By communicating the weights and methods with the two departments, the evaluation is implemented. The Company assigns the compliance unit to ensure the legitimacy of any political donation, charity donation or sponsorship that they comply with the local laws of the place where we operated, before reported to the Chairman. The	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
amendment is made to the "Operational Procedures and Guidelines for Ethical Corporate Management". The contents above have been approved by the Chairman on September 30, 2020, to complete the fourth amendment.				

(VIII) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched: The company sets the “Corporate Social Responsibility Best-Practice Principles” according to the “Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies”, and such rules can be searched on MOPS or the Company’s official website (<http://www.sas-globalwafers.com>).

(IX) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed:

1. Company website: <http://www.sas-globalwafers.com> “Investors Area” and “Stakeholders Area”

2. Directors’ education and training

Name	Training date	Sponsored by	Training Course	Number of Training Hours
Hsiu-Lan Hsu	August 6, 2020	Taiwan Corporation Governance Association	View the corporate governance from the latest operation right disputes	3
	November 5, 2020	Taiwan Corporation Governance Association	Operation right battle and case analysis	3
Ming-Kuang Lu	August 6, 2020	Taiwan Corporation Governance Association	View the corporate governance from the latest operation right disputes	3
	November 5, 2020	Taiwan Corporation Governance Association	Operation right battle and case analysis	3
Tang-Liang Yao	August 6, 2020	Taiwan Corporation Governance Association	View the corporate governance from the latest operation right disputes	3
	November 5, 2020	Taiwan Corporation Governance Association	Operation right battle and case analysis	3
Kuo-Chou Chen	August 6, 2020	Taiwan Corporation Governance Association	View the corporate governance from the latest operation right disputes	3
	November 12, 2020	Taipei Exchange	2020 promotion seminar of corporate governance and ethics to directors and supervisors	3
Chi-Hsiung Cheng	August 6, 2020	Taiwan Corporation Governance Association	View the corporate governance from the latest operation right disputes	3
	October 16, 2020	Taipei Exchange	2020 promotion seminar of corporate governance and ethics to directors and supervisors	3
	November 5, 2020	Taiwan Corporation Governance Association	Operation right battle and case analysis	3
Jeng-Ywan Jeng	August 6, 2020	Taiwan Corporation Governance Association	View the corporate governance from the latest operation right disputes	3
	November 5, 2020	Taiwan Corporation Governance Association	Operation right battle and case analysis	3
Hsien-Chin Chiu	July 29, 2020	Taiwan Academy of Banking and Finance	Seminar of corporate governance and sustainable operation	3
	August 6, 2020	Taiwan Corporation Governance Association	View the corporate governance from the latest operation right disputes	3
	August 28, 2020	Taipei Exchange	The advocacy conference on Insider Shareholdings in TPEx Listed Companies	3
	November 5, 2020	Taiwan Corporation Governance Association	Operation right battle and case analysis	3

(X) Internal Control System Execution Status:

1. Declaration of Internal Control

Internal Control System Statement for the public company  
Design and implementation are both effective  
(This statement is applicable on the declaration of all statutes)

**GlobalWafers Co., Ltd.**

Declaration of Internal Control System

Report date: March 16, 2021

For the internal control system of 2020, based on the results of our inspection, we hereby declare as follows:

- I. The Company knows that it is the responsibility of the Board of Directors and managers to establish, implement and maintain the internal control system, which has been established by the Company. The purpose is to reasonably ensure the operation effectiveness and efficiency (including profit, performance and security of assets), and achieving the objectives such as reliability, timeliness, transparency and compliance with relevant norms and regulations of the reporting.
- II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to the change of environment and circumstances, the effectiveness of the internal control system may change accordingly. The Company's internal control system has a self-monitoring mechanism. Once the deficiencies are identified, the Company will take corrective action.
- III. The Company judges whether the design and implementation of the internal control system are effective according to the judgment item of the effectiveness of the internal control system stipulated in the Treatment Guidelines for the Establishment of Internal Control System for Public Issuing Companies (hereinafter referred to as "Treatment Guidelines"). According to the process of management control, the judgment item of the internal control system adopted by the Treatment Guidelines is divided into five elements: 1. control environment; 2. risk evaluation; 3. control operation; 4. information and communication; and 5. supervision operation. Each element also includes several items. For the above items, please refer to the provisions of the Treatment Guidelines.
- IV. The Company has adopted the above judgment item of internal control system to evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on results of the above evaluation, the Company believes that the internal control system (including the supervision and management of subsidiaries) in Note 2 of December 31<sup>st</sup>, 2020 including understanding the effect of operation, the extent to which the efficiency objectives have been achieved and reporting, is reliable, timely and transparent. The design and execution complying with relevant norms, decrees and regulations and following the relevant internal control system are effective and can reasonably ensure the achievement of the above objectives.
- VI. This declaration will be the main content of the annual report and the public instructions of the Company and made public to the outside world. If the above disclosure has anything false or concealed, it will involve the legal liability of Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. This declaration has been approved by the Board of Directors on March 16, 2021. Among the seven directors (zero proxy included) present, none of them has any objection. The rest of them agree with the content of this declaration and make this declaration.

GlobalWafers Co., Ltd.

Chairman: Hsiu-Lan Hsu Signature/Seal

President: Mark Lynn England Signature/Seal

Note 1: If there are significant deficiencies in the design and implementation of the internal control system of a public issuing company in the year, an explanatory paragraph should be added after Item 4 of the declaration of the internal control system, listing and explaining the major deficiencies found in the self inspection and the improvement actions taken and improvements made by the Company before the date of assets and liabilities.

Note 2: The date of declaration is "the ending date of the accounting year".

2. If accountants are entrusted to examine the internal control system on a project basis, the auditing report of accountants should be disclosed: None.

(XI) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None

(XII) Important resolutions of the shareholders' meeting and the Board of Directors in recent years and up to the date of publication of the annual report:

1. Important resolutions and its implementation status of the 2020 annual shareholders meeting (June 23, 2020):

Important resolutions	Implementation Status
1. The revision of the Company's "Articles of Incorporation".	Approved by the Hsinchu Science Park Bureau of the Ministry of Science and Technology on July 3, 2020 after the resolution of the shareholders' meeting, and implemented according to revised provisions.
2. Approved the amendment to "Procedures for Endorsement and Guarantee"	Implemented according to revised provisions after the resolution of the shareholders' meeting.
3. Election of one vacant seat of independent director	Approved by the Hsinchu Science Park Bureau of the Ministry of Science and Technology on July 3, 2020 after the resolution of the shareholders' meeting.
4. Approval of the Business Report and Financial Statements of 2019	Resolved by the Shareholders' meeting
5. Approval of the Company's earnings distribution for 2019.	Distributed cash dividends (NT\$25 per share, including distributing EPS NT\$ 22 and from capital reserve for NT\$ 3 per share; total amount of NT\$10,880,925,000) on August 7, 2020 after the resolution of the shareholders' meeting.

2. Important resolutions made by the board of directors' meeting

Date	Important resolutions
March 17, 2020	<ol style="list-style-type: none"> <li>2019 business report and financial statements</li> <li>2019 Employee and Director Remuneration Distribution Plan</li> <li>2019 Earnings Allocation</li> <li>Cash dividend by Capital Reserve</li> <li>Declaration of 2019 Internal Control System</li> <li>Amendment to the Company's "Internal Control System"</li> <li>Amendment to the Company's "Articles of Incorporation"</li> <li>Amendment to the Company's "Procedures for Endorsement and Guarantee"</li> <li>Amendment to the Company's "Measures for Compliance."</li> <li>Election of one vacant seat of independent director.</li> <li>Nomination of listed candidates for independent directors</li> <li>Approved matters relevant to the nomination of listed candidates for independent directors in the 2020 annual shareholders' meeting</li> <li>Approved the 2020 shareholders' meeting agenda and relevant matters.</li> <li>Approved the 2020 shareholders' meeting procedures, written proposals made by shareholders and relevant matters.</li> <li>Approved the credit lines and foreign exchange quotas provided by the financial institution</li> <li>2019 Certified Fees of CPAs</li> <li>Improvement of loaning of funds among subsidiaries</li> <li>Change of the Registered address of Taisil branch</li> <li>Remuneration of Managerial Officers in Taisil branch</li> <li>Motion for Promotion.</li> <li>Capital increase of the subsidiary, Sunrise PV Four Co., Ltd..</li> </ol>
May 5, 2020	<ol style="list-style-type: none"> <li>Approved the credit lines and foreign exchange quotas provided by the financial institution</li> </ol>

Date	Important resolutions
	<ol style="list-style-type: none"> <li>2. Amendment to the Company's "Management Measures for Managers' Compensation"</li> <li>3. Approval of non-profit distribution for the subsidiary MEMC Korea Company in 2019</li> <li>4. Reappointment of the Company's audit officer</li> <li>5. Investment in a venture capital</li> <li>6. Allocation of Directors' Remuneration of 2019</li> <li>7. Allocation of Managers' Remuneration of 2019</li> </ol>
June 23, 2020	<ol style="list-style-type: none"> <li>1. Approved the credit lines and foreign exchange quotas provided by the financial institution</li> <li>2. Appointment of the Chief Director of the CZ 200mm and 300mm Plants.</li> <li>3. The Company acquires the equity of Sunrise PV Electric Power Five from the parent company, Sino-American Silicon Products Inc.</li> </ol>
August 4, 2020	<ol style="list-style-type: none"> <li>1. Approved the credit lines and foreign exchange quotas provided by the financial institution</li> <li>2. Approval of applying bank loan for the Company's subsidiary, and issuance of a letter of support (LOS).</li> <li>3. Approval of applying bank loan for the Company's subsidiary, and the Company serves as the guarantor.</li> <li>4. Amendment of the Company's "Rules of Procedure for Board of Directors Meetings<sup>1</sup>"</li> <li>5. Amendments to the "Audit Committee Charter."</li> <li>6. Amendments to the "Remuneration Committee Charter".</li> <li>7. Amendments to the "Rules Governing the Scope of Powers of Independent Directors."</li> <li>8. Capital increase of the subsidiary, Sunrise PV Electric Power Five</li> <li>9. Cancel the investment in a venture capital</li> <li>10. Establish an investment company.</li> <li>11. Whether transfer the Company and the subsidiaries' overdue receivable for over three months to loaning of funds to others.</li> </ol>
November 3, 2020	<ol style="list-style-type: none"> <li>1. Approved the credit lines and foreign exchange quotas provided by the financial institution</li> <li>2. 2021 audit plan.</li> <li>3. Whether transfer the Company and the subsidiaries' overdue receivable for over three months to loaning of funds to others.</li> </ol> <p>Approval of no profit distribution for the subsidiary GlobalWafers Japan Co., Ltd in 2015</p>
November 28, 2020	<ol style="list-style-type: none"> <li>1. Acquisition of Siltronic AG's equity</li> </ol>
December 9, 2020	<ol style="list-style-type: none"> <li>1. 2021 business plan</li> <li>2. The Company's earnings allocation for the first half of 2020</li> <li>3. Establishment of the "Nomination Committee Charter."</li> <li>4. Establishment of the first term of the Nomination Committee</li> <li>5. The Company Intended to Establish a Saving Association of Employee Benefits.</li> <li>6. Amendment to the Company's "Management Measures for Managers' Compensation"</li> <li>7. Amendment to the Company's "Allocation Rules of Directors' Remuneration"</li> <li>8. Approved the credit lines and foreign exchange quotas provided by the financial institution</li> <li>9. Motion for Promotion.</li> <li>10. Publicly acquire Siltronic AG's equity through the German subsidiary, GlobalWafers GmbH</li> </ol>
January 19, 2021	<ol style="list-style-type: none"> <li>1. For the Company's acquisition of Siltronic AG's equity, it is intended to authorize the Chairperson to change the acquisition conditions based on the market changes and acquisition progress</li> </ol>



Date	Important resolutions
February 1, 2021	1. Funds lending to the subsidiary, GlobalWafers GmbH
March 16, 2021	2. 2020 Employee and Director Remuneration Distribution Plan 3. 2020 business report and financial statements 4. Amendments to the "Procedures for the Election of Directors" 5. Amendment to the Company's "Policies and Procedures for Financial Derivatives Transactions" 6. Amendment to the Company's "Acquisition or Disposal of Assets Procedure" 7. Re-election of the entire board of directors. 8. Approval of the lifting of non-competition restriction on the newly elected directors 9. Nomination and review of candidate list for directors 10. Approved matters relevant to the nomination of listed candidates for independent directors in the 2021 annual shareholders' meeting 11. Approved the 2021 shareholders' meeting procedures, written proposals made by shareholders and relevant matters. 12. Approved the 2021 shareholders' meeting agenda and relevant matters. 13. "Declaration of Internal Control System" of 2020 14. Amendment to the Company's "Internal Control System" 15. 2020 Certified Fees of CPAs 16. Approved the credit lines and foreign exchange quotas provided by the financial institution 17. Capital increase of the subsidiary, Sunrise PV Electric Power Five 18. The Company applies commercial paper underwriting limit from a financial institute 19. Motion for Promotion.
April 13, 2021	1. Provision of Credit Quota by Financial Institution 2. Apply for a credit line provide a guarantee for the subsidiary GlobalWafers GmbH
April 21, 2021	1. The Company applies commercial paper underwriting limit from a financial institute 2. Proposal to issue domestic unsecured common corporate bonds 3. The Company intends to issue the first batch of overseas unsecured convertible corporate bonds for 2021. 4. To meet the Company's financial needs, it is proposed to conduct public offerings of securities. 5. Proposal of capital increase for the Singaporean subsidiary, GWafers Singapore Pte. Ltd. 6. Determine the 2021 shareholders' meeting agenda and relevant matters (discussion items added)
May 4, 2021	1. The 2020 earning distribution table and the proposal of the earning distribution for the latter half of 2020. 2. Approved the credit lines and foreign exchange quotas provided by the financial institution 3. Approval of applying bank loan for the Company's subsidiary, and the Company serves as the guarantor. 4. Approval of non-profit distribution for the subsidiary MEMC Korea Company in 2020 5. Allocation of Directors' Remuneration of the Company of 2020 6. The Company's Allocation of Managerial Officers' Remuneration of 2020

(XII) As of the Date of this Annual Report, a Director or a Supervisor Has Expressed Disagreement to a Resolution Passed by the Board of Directors and Kept Document or a Written Statement: None.

(XIII) As Of The Date Of This Annual Report, Resignation Or Dismissal Of Personnel Responsible For Financial Report (Including Chairperson, President, Accounting And Audit Managers):

May 15, 2021

Title	Name	Date Assumed	Date of Dismissal	Reason for Resignation or Dismissal
Audit Officer	Chi-Ya Liu	April 1, 2014	June 1, 2020	Transferred to Sino-American Silicon Products Inc.

IV. Information Regarding Audit Fees: The Company shall disclose the information on CPA professional fees under the following circumstances

(I) Audit Fees

Accounting Firm	Name of accountant		Period Covered by CPA's Audit	Remarks
KPMG	Cheng-Chien Chen	An-Chih Cheng	January 1, 2020 ~ December 31, 2020	

Fee Range		Fee Items	Audit fee	Non-Audit fee	Total
1	Under NT\$ 2,000,000			V	
2	NT\$ 2,000,000 (included) ~ NT\$ 4,000,000				
3	NT\$ 4,000,000 (included) ~ NT\$ 6,000,000				
4	NT\$ 6,000,000 (included) ~ NT\$ 8,000,000				
5	NT\$ 8,000,000 (included) ~ NT\$ 10,000,000		V		
6	Over NT\$ 100,000,000				V

(II) Non-Audit Fee Paid to Auditors and the Accounting Firm Accounted for More Than One-Fourth of Total Audit Fee Shall Disclose the Amount and The Service Item:

Information on CPA professional fees

Unit: NT\$ thousands

Accounting Firm	Name of accountant	Audit fee (Note 1)	Non-Audit fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others (Note 2)	Subtotal		
KPMG	Cheng-Chien Chen	9,166	0	0	0	1,130	1,130	January 1, 2020 to December 31, 2020	Other fees include fees for transfer pricing certificates, global archives and country reports
	An-Chih Cheng								

Note 1: If the company changes its accountant or accounting firm in the current year, it shall separately list the auditing period, explain the reasons for change in the remarks column, and disclose information such as the audit and non-audit fees.

Note 2: Non-audit fees shall be listed separately according to the service item. If "other fees" in non-audit fees reaches 25% of the non-audit fees paid thereto, the details of non-audit services shall be disclosed in the remarks column.

(III) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not applicable.

(IV) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefore shall be disclosed: Not applicable.

V. Information on Replacement of Independent Auditors in the Last Two Years and Thereafter: None.

VI. The Chairperson, President, Finance or Accounting Manager Who Has Worked in the Accounting Firm or Affiliates in the Most Recent Year, the Name, Position and the Service Period Shall Be Disclosed: None.

VII. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders in Last Year and as of the Date of this Annual Report:

(I) Net Change in Shareholding and Net Change in Shares Pledged by Directors, Management and Shareholders with 10% Shareholdings or More

Unit: Shares

Title	Name	2020		Current year to April 24, 2021		Remarks
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	
Chairperson	Hsiu-Lan Hsu	—	—	—	—	Took the office on January 19, 2015
Director	Sino-American Silicon Products Inc.	—	—	—	—	
	Representative: Ming-Kuang Lu	(22,560)	—	—	—	Took the office on January 19, 2015
	Representative: Tang-Liang Yao	—	—	—	—	Took the office on January 19, 2015
Director	Chen Kuo-Chou	—	—	—	—	Took the office on January 19, 2015
Independent Director	Chi-Hsiung Cheng	—	—	—	—	Took the office on January 19, 2015
Independent Director	Jeng-Ywan Jeng	—	—	—	—	Took the office on June 25, 2018
President	Mark Lynn England					Took the office on October 1, 2014
Manager	Wen-Ching Hsu	—	—	—	—	Took the office on September 2, 2014
Manager	Wei-Wen Chen	—	—	—	—	Took the office on September 2, 2014
Manager	Sheng-Hsiung Hung	—	—	—	—	Took the office on September 2, 2014
Manager	Jing-Wen Chou	—	—	(4,000)	—	Took the office on July 1, 2016
Manager	Chung-Wei Lee	—	—	—	—	Took the office on March 21, 2017

Title	Name	2020		Current year to April 24, 2021		Remarks
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	
Manager	Tien-wen Yu	—	—	—	—	Took the office on March 20, 2018
Financial manager	Ming-Hui Chien	—	—	—	—	Took the office on September 2, 2014
Accounting Manager	Yu-Ting Lo	—	—	—	—	Took the office on March 23, 2018
President of Taisil branch	Yin-Sheng Hsueh	—	—	—	—	Took the office on January 2, 2020
Manager of Taisil branch	Liang-Chin Chen	—	—	—	—	Took the office on February 1, 2020
Manager of Taisil branch	Yao-Yi Huang	—	—	—	—	Took the office on February 1, 2020
Manager of Taisil branch	Chun-Jung Huang	—	—	—	—	Took the office on February 1, 2020
Manager of Taisil branch	Chun-Wei Huang	—	—	—	—	Took the office on February 1, 2020

Note: The change in shareholding is disclosed within the service period.

(II) Shares Trading with Related Parties: None.

(III) Shares Pledge with Related Parties: None.

VIII. Relationship Information of the Top 10 Shareholders among who are Related Parties:

Date: April 24, 2021, Unit: Share; %

Name	Shareholding		Shareholding under spouse or underage children		Shareholding under other		Top 10 shareholders among who are related parties		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relationship	
Sino-American Silicon Products Inc.	222,727,000	51.17%	—	—	—	—	None.	None.	
Representative: Ming-Kuang Lu	1,000,000	0.23%	290,000	0.07%	—	—	None.	None.	
JPMorgan Chase Bank N.A. Taipei Branch in custody for Capital Income Builder	16,534,000	3.80%	—	—	—	—	None.	None.	
Capital Investment in custody for New Labor Pension Fund	7,983,000	1.83%	—	—	—	—	None.	None.	
American Funds Global Balanced Fund	4,500,000	1.03%	—	—	—	—	None.	None.	
JPMorgan Chase Bank N.A. Taipei Branch in custody for Capital World Growth and Income Fund	3,400,000	0.78%	—	—	—	—	None.	None.	
J.P. Morgan Securities PLC	3,327,771	0.76%	—	—	—	—	None.	None.	
Government of Singapore--GOS-EFM C	3,255,985	0.75%	—	—	—	—	None.	None.	
Murray International Trust PLC	3,000,000	0.69%	—	—	—	—	None.	None.	
Vanguard Emerging Markets Stock Index Fund A Series of Vanguard International Equity Index Funds	2,887,810	0.66%	—	—	—	—	None.	None.	
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds	2,687,436	0.62%	—	—	—	—	None.	None.	

Note: The shareholding is calculated based on the quantity of shares less the treasury stock.

IX. Total Numbers and Equity of Shares Held In any Single Enterprise by the Company, Directors, Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company:

December 31, 2020  
Unit: Thousand shares; %

Reinvested entities (Note 1)	Investment by GWC		Investments directly or indirectly controlled by directors, supervisors and managers		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
GlobalWafers Inc.	0.01	100.00%	-	-	0.01	100.00%
GlobalSemiconductor Inc.	25,000	100.00%	-	-	25,000	100.00%
GlobalWafers Japan Co., Ltd.	128	100.00%	-	-	128	100.00%
GWafers Singapore Pte. Ltd.	541,674	100.00%	-	-	541,674	100.00%
Sunrise PV Four Co., Ltd.	104,500	100.00%			104,500	100.00%
Sunrise PV Electric Power Five Co., Ltd.	12,200	100.00%			12,200	100.00%
GlobalWafers Holding Co., Ltd.	25,000	100.00%			25,000	100.00%
Hong-Wang Investment Company	30,976	30.98%	-	-	30,976	30.98%
Kunshan Sino Silicon Technology Co., Ltd.	-	-	(Note 2)	100.00%	(Note 2)	100.00%
MEMC Japan Ltd.	-	-	750	100.00%	750	100.00%
Topsil GlobalWafers A/S	-	-	1,000	100.00%	1,000	100.00%
Topsil Semiconductor sp z o.o.	-	-	0.1	100.00%	0.1	100.00%
GlobalWafers Singapore Pte. Ltd.	-	-	299,445	100.00%	299,445	100.00%
GlobalWafers B.V.	-	-	0.1	100.00%	0.1	100.00%
MEMC Electronic Materials S.p.A.	-	-	65,000	100.00%	65,000	100.00%
MEMC Electronic Materials France SarL	-	-	0.5	100.00%	0.5	100.00%
MEMC Electronic Materials GmbH	-	-	0.002	100.00%	0.002	100.00%
MEMC Korea Company	-	-	25,200	100.00%	25,200	100.00%
GlobiTech Incorporated.	-	-	1	100.00%	1	100.00%
MEMC LLC	-	-	-	100.00%	-	100.00%
MEMC Electronic Materials Sdn. Bhd.	-	-	1,036	100.00%	1,036	100.00%
MEMC Ipoh Sdn. Bhd.			612,300	100.00%	612,300	100.00%
GlobalWafers GmbH			25	100.00%	25	100.00%

Note 1: These represent investments accounted for using the equity method.

Note 2: No shares, as it is a limited company.

## Four. Capital Overview

### I. Capital and Shares

#### (I) Source of capital stock

##### 1. Type of stock

December 31, 2020; Unit: Share

Type of Stock	Authorized Capital			Notes
	Issued Shares	Un-issued Shares	Total	
Registered common stock	437,250,000	162,750,000	600,000,000	This stock belongs to TPEX listed stock.

##### 2. The formation of capital

December 31, 2020; Units: NT\$; Shares

Month/Year	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
October 2011	10	300,000,000	3,000,000,000	180,000,000	1,800,000,000	Established with 1,800,000,000 of capital	None	Note 1
May 2012	10	400,000,000	4,000,000,000	317,500,000	3,175,000,000	Capital increase by cash of 1,375,000,000	None	Note 2
January 2015	10	400,000,000	4,000,000,000	349,250,000	3,492,500,000	Capital increased by cash 317,500,000	None	Note 3
September 2015	10	400,000,000	4,000,000,000	369,250,000	3,692,500,000	Capital increased by cash 200,000,000	None	Note 4
May 2017	10	600,000,000	6,000,000,000	437,250,000	4,372,500,000	Capital increased by cash 680,000,000	None	Note 5

Note 1: Approved by the Science Park Administration on Oct 18, 2011 Yuan-Shang-Zi No. 1000030345.

Note 2: Approved by the Science Park Administration on May 16, 2012 Yuan-Shang-Zi No. 1010014266.

Note 3: Approved by the Science Park Administration on Feb 25, 2015 Zhu-Shang-Zi No. 1040005439.

Note 4: Approved by the Science Park Administration on Oct 15, 2015 Zhu-Shang-Zi No. 1040029649.

Note 5: Approved by the Science Park Administration on May 17, 2017 Zhu-Shang-Zi No. 1060012613.

##### 3. General information about the reporting system: Not applicable.

## (II) Shareholder structure

### 1. Shareholder Structure

April 24, 2021; Unit: Person; Share; %

Shareholders Structure	Government Institutions	Financial Institutes	Other Juridical Persons	Natural Persons	Foreign institutes and foreigners	Total
No. of people	5	142	149	16,818	835	17,949
Shareholding (shares)	11,775,000	18,710,829	227,470,668	27,370,533	149,909,970	435,237,000
Holding Percentage (%)	2.71%	4.30%	52.27%	6.27%	34.45%	100%

Note: The shareholding is calculated based on the quantity of shares less the treasury stock.

## (III) Shareholding Distribution Status

April 24, 2021; Unit: Person; Share; %

Class of Shareholding	Number of Shareholders	Shareholding (shares)	Shareholding ratio
1 ~ 999	8,773	862,208	0.20%
1,000 ~ 5,000	7,635	12,026,535	2.76%
5,001 ~ 10,000	509	3,982,628	0.92%
10,001 ~ 15,000	171	2,202,569	0.51%
15,001 ~ 20,000	116	2,084,547	0.48%
20,001 ~ 30,000	151	3,761,050	0.86%
30,001 ~ 40,000	86	3,020,581	0.69%
40,001 ~ 50,000	77	3,560,182	0.82%
50,001 ~ 100,000	143	10,237,670	2.35%
100,001 ~ 200,000	94	13,612,126	3.13%
200,001 ~ 400,000	87	25,315,967	5.82%
400,001 ~ 600,000	34	16,747,412	3.85%
600,001 ~ 800,000	23	15,671,843	3.60%
800,001 ~ 1,000,000	11	9,996,232	2.30%
Over 1,000,001	39	312,155,450	71.71%
Total	17,949	435,237,000	100.00%

Note: The shareholding is calculated based on the quantity of shares less the treasury stock.



(IV) Major Shareholders

Shareholders with a stake of 5 percent or greater; if fewer than ten, the names of the top ten shareholders in terms of shareholding, shall be specified with the number of shares and stake held by each shareholder on the list:

April 24, 2021; Unit: Share; %

Name of Major Shareholders	Shares	Shareholding (shares)	Percentage (%)
Sino-American Silicon Products Inc. Representative: Ming-Kuang Lu		222,727,000	51.17%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Capital Income Builder		16,534,000	3.80%
New System Labor Pension Fund		7,983,000	1.83%
American Funds Global Balanced Fund		4,500,000	1.03%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Capital World Growth and Income Fund		3,400,000	0.78%
J.P. Morgan Securities PLC		3,327,771	0.76%
Government of Singapore--GOS-EFM C		3,255,985	0.75%
Murray International Trust PLC		3,000,000	0.69%
Vanguard Emerging Markets Stock Index Fund A Series of Vanguard International Equity Index Funds		2,887,810	0.66%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds		2,687,436	0.62%

Note: The shareholding is calculated based on the quantity of shares less the treasury stock.

(V) Share prices for the past 2 fiscal years, together with the Company's net worth per share, earnings per share, dividends per share, and related information:

Unit: NT\$ ; Thousand Shares

Year			2019	2020	2021 up to March 31
Category					
Market price per unit	Highest Market Price		394.00	742.00	839.00
	Lowest Market Price		238.50	290.00	606.00
	Average Market Price		322.21	424.31	709.09
Net Worth Per Share	Before Distribution		103.55	101.45	102.81
	After Distribution		78.55	83.45	—
Earnings per Share	Weighted average shares		435,237	435,237	435,237
	Earnings per Share	Before adjustment	31.35	30.11	6.18
		After adjustment	31.21	30.03	6.17
Dividend	Cash dividend		25.0	18.0	—
	Free Dividends	—	—	—	—
		—	—	—	—
	Accumulated Undistributed Dividends		—	—	—
Return on Investment	Price / Earnings Ratio		10.28	14.09	—
	Price / Dividend Ratio		12.89	23.57	—
	Cash Dividend Yield Rate		7.76%	4.24%	—

(VI) Dividend Policy and Implementation Status

## 1. Dividend Policy

Any profit after annual closing of the books shall be allocated in accordance with the order set out below based on Articles of Incorporation:

- (1) Make up losses.
- (2) Set aside ten percent of such profits as a legal reserve. Unless the cumulative legal reserve is equivalent to the Company's total capital stock.
- (3) Appropriate or reverse the special reserve in accordance with the law or regulations or the requirements of the competent authorities;
- (4) After the current year profit deducts the aforesaid three items, shall there be remaining profit, plus the undistributed profits from previous years, the Board of Directors may propose the profit distribution. When distributing in cash, pursuant to paragraph 5 of Article 240, of the Company Act, it is authorized that 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 in the format of issuing new shares, it shall be resolved by the shareholders' meeting for distribution.

To maintain the sustainable business development and the stable growth of surplus per share of the Company, the shareholders' dividends shall be the surplus after tax of the current fiscal year with the deduction of more than 50% of the special reserve according to the law in principle, and the distribution ratio shall be cash dividend not lower than 50%.

The Company adopts the requirement of Article 241 of the Company Act, to distribute its legal reserve and the following 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 distributing in cash, it is authorized to be resolved 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 in the format of issuing new shares, it shall be resolved by the shareholders' meeting for distribution.

If there is a balance, the proportion of compensation to employees shall be between 3% and 15%, and the proportion of remuneration for directors shall not be higher than 3%. However, the company's accumulated losses shall have been covered by the amount reserved in advance. The Company may have the profit distributable as employees' compensation in the preceding paragraph to employees including the employees of controlled companies or subsidiaries of the

Company meeting certain specific requirements; the certain specific requirements are determined by the Board of Directors. The company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

## 2. Reporting Distribution of Dividend at the Current Shareholders' Meeting

The AGM has approved to amend the Articles of Incorporation of the Company on June 23, 2020, and authorized the Board of Directors to distribute profits in cash upon the end of every six months. Regarding the semi-annual cash dividends resolved and approved by the Board of Directors for 2020, the amount and date of distribution are as the following:

2020	Date of approval (Month/Day/Year)	Date of distribution (Month/Day/Year)	Cash dividend per share (NT Dollars)	Total amount of cash dividends (NT Dollars)
First half of the year	December 9, 2020	February 19, 2021	8.0	3,481,896,000
Latter half of the year	May 4, 2021	August 6, 2021	10.0	4,352,370,000
Total			18.0	7,834,266,000

## 3. Description of expected significant changes in dividend policy: None.

(VII) The Impact of the Proposed Free Allotment of shares on the Company's Operating Performance and Earnings Per Share: not applicable.

(VIII) Compensation to employees and directors:

1. Ratio or scope of compensation to employees and directors, as set forth in the Company's Articles of Incorporation:

Please refer to the dividend policy in (XI.1) above.

2. The estimated amount of compensation to employees and directors for the current period shall be calculated based on number of employee shares of stock considering any accounting discrepancy between the actual distributed amount of employee stock dividend and estimated figure:

- (1) The basis for estimating the amount of compensation to employees and directors for the current period: The amount is estimated based on the Articles of Incorporation.

- (2) The basis for calculating the number of shares to be distributed as employee compensation: If shares are distributed as employee compensation, the number of shares will be calculated based on the net value in the financial statement for the most recent period audited by a CPA. No employee compensation is distributed in the form of stock dividend for the current period.

- (3) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: If there is any discrepancy between the actual distributed amount and the estimated figure, it will be considered as the change in accounting estimation, and accounted as net income or loss for the current period.

3. Where the Board of Directors passes the allocation of remuneration:

- (1) The amount of employees' and directors' remuneration allocated in cash or stock. If there is any discrepancy between the actual distributed amount and figure, the difference, reason and response should be disclosed:

Employees' and directors' remuneration adopted by resolution of the Board of Directors on March 16, 2021 is as follows:

Employees' remuneration: NT\$463,952,806, all distributed in cash.

Director's remuneration: NT\$44,500,000, all distributed in cash.

There is no difference between the actual distribution of employees' remuneration and directors' remuneration and the recognized amount in financial statements of 2020.

- (2) The proportion of employees' remuneration to be allocated by shares in the total of net income after tax and employees' remuneration for individuals or Standalone Financial Reports in the current period: None.

4. The actual distribution of employees' remuneration and directors' remuneration in the previous year (including the number of shares allocated, the amount of shares and the

share price), and differences, the reasons and treatment when it is different from recognized employees' remuneration and directors' remuneration: The Board of Directors resolved the distribution of employees' remuneration and directors' remuneration of 2020 in the meeting on March 17, 2020 as the following:

Unit: NT\$

Category	Resolution of the Board of Directors	Actual distribution	Difference	Reasons for difference
Employee Bonus	622,810,000	622,810,000	None	N/A.
Remuneration to directors and supervisors	49,200,000	49,200,000	None	N/A.

(IX) The Company's Buying Back of its Shares (execution completed)

March 31, 2021

Buy-back batch	First
Purpose of share buy-back	Transfer shares to the Company's employees
Estimated buy-back period	Oct 31, 2018 to Dec 28, 2018
Estimated buy-back Interval Price	NT\$250-NT\$300
Type and quantity of shares repurchased	Common shares 2,013,000
Amount of shares repurchased	NT\$576,778,850
The percentage of bought back shares to the expected shares to be bought back (%)	50.33%
Number of shares retired and transferred	0
Accumulated number of outstanding shares	2,013,000 shares
Ratio of accumulated number of outstanding shares to the total number of issued shares (%)	0.46%

II. Corporate Bonds: None.

III. Preferred Shares: None.

#### IV. Global Depositary Receipts (GDR):

March 31, 2021

Item \ Issue date	April 26, 2017
Issue date	April 26, 2017
Issuance and listing	Luxembourg Stock Exchange
Total amount issued	US\$469,200,000
Unit issuing price	The GDR transaction price is US\$6.9 per unit
Units issued	68,000,000 units
Source of negotiable securities	Common shares of GlobalWafers Co.,Ltd
Amount of negotiable securities	68,000,000 shares
Rights and obligations of GDR holders	<p>The rights and obligations of GDR holders shall be handled in accordance with relevant R.O.C. laws and regulations and relevant provisions in the deposit contract. The following particulars are specified in the deposit contract:</p> <p>(I) The status of exercising voting rights Unless otherwise specified by relative laws and regulations, GDR holders may exercise voting rights of the GlobalWafers' common Shares in accordance with the deposit contract and the relevant R.O.C. laws and regulations.</p> <p>(II) Dividend distribution, pre-emptive rights for new shares and other rights Unless otherwise agreed in the deposit contract, GDR holders shall in principle enjoy the same dividend distribution and allotment of shares as the shareholders of GlobalWafers' common stock. Regarding the distribution of GlobalWafers' stock dividends, the depository institution will issue GDRs to the GDR holder based on the proportion of the holder's original shares in accordance with the deposit contract and relevant laws, or increase GlobalWafers' common shares represented in each GDR, or sell the stock dividends on behalf of GDR holders, and distribute the proceeds (after deducting taxes and related expenses) to the GDR holder When GlobalWafers increase its capital by cash or other stock warrants, GDR holders shall, in compliance with the R.O.C. and other relevant laws and regulations, enjoy the same dividend distribution and allotment of shares as the shareholders of GlobalWafers' common stock. Hence, the depository institution shall, under the agreement of the deposit contract and relevant laws, provide such rights to the GDR holder in accordance with the provisions of the deposit contract, or sell the right on behalf of the GDR holder and distribute the proceeds of sale (after deducting taxes and related expenses) to the GDR holders.</p>
Trustee	N/A.
Depository bank	CitiBank, N.A.
Custodian bank	First Commercial Bank
Outstanding balance	1,160,246 units
Treatment of expenses incurred at issuance and thereafter	<p>(I) GDR issue cost: Unless otherwise specified by relative laws and regulations or otherwise agreed by the issuing company and the foreign lead underwriter and depository institutions, the issuance costs and</p>

			<p>expenses of all GDRs are borne by the issuing company, including legal expenses, charges and fee for the listing of securities, financial advisory fees and other related expenses.</p> <p>(II) Expenses incurred during the effective period of GDR</p> <p>Unless otherwise specified by relative laws and regulations or otherwise agreed by the issuing company and the foreign lead underwriter and depository institutions. The charges and fee for the listing of securities, information disclosure and other related expenses of each year during the effective period of GDR shall be borne by the issuing company.</p>
Important conventions about depository and escrow agreement			-
Market price per unit	2020	Highest	USD 25.80
		Lowest	USD 10.20
		Average	USD 14.33
	The year ended March 31 <sup>st</sup> , 2021	Highest	USD 28.00
		Lowest	USD 22.20
		Average	USD 25.22

V. Employee Stock Warrants: None.

VI. New Restricted Employee Shares: None.

VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

VIII. The Status of Implementation of Capital Allocation Plans: None.

## Five. Operating Highlights

### I. Business Activities

#### (I) Scope of the business

##### 1. The main operating categories of the company

CC01080 Electronic Parts and Components Manufacturing

C801990 Other Chemical Materials Manufacturing

F119010 Electronic Materials Wholesale (restricted to areas outside Hsinchu Science Park)

F219010 Electronic Materials Retail (restricted to areas outside Hsinchu Science Park)

F401010 International Trade

Research, design, development and manufacturing and sale of the following products:

1. Silicon-based semiconductor materials and their components
2. Silicon compound
3. Silicon carbide compound
4. Concurrently engaged in import and export related to the previous business.

##### 2. Sales Proportion

Unit: NT\$

Year Product Item	2019		2020	
	Net operating revenues	Proportion (%)	Net operating revenues	Proportion (%)
Semiconductor wafer	57,721,510	99.3%	55,138,940	99.6%
Semiconductor ingot	275,284	0.5%	113,541	0.2%
Electricity Income	-	-	4,239	-
Other	97,537	0.2%	102,068	0.2%
Total	58,094,331	100.00%	55,358,788	100.00%

##### 3. Current product line

- A. Ultra-low resistivity ingot with Phosphorus doped
- B. Ultra-low resistivity ingot with Arsenic doped
- C. Ultra-low resistivity ingot with Boron doped
- D. Ultra-low resistivity ingot with Antimony wafers
- E. Polished wafer and Epi wafer
- F. Unpolished wafer and ultra-thin wafer
- G. SOI wafer and bounding wafer for high power electronic device
- H. Diffusion wafer and deep diffusion polished wafer
- I. High strength silicon substrate for GaN\_HEMT application
- J. FZ wafer
- K. GaN Epi Wafer
- L. 4"~8" GaN on Silicon Epi wafer
- M. 6" GaN on Si E mode power epi wafer
- N. 6" GaN on Si D mode power epi wafer
- O. 6" GaN on Si RF epi wafer
- P. 4"~6" N type SiC wafer
- Q. 4" Semi insulating SiC Crystal and the wafer

##### 4. New product development projects

- A. 12" Ultra-low resistivity wafer with Antimony doped
- B. SiC wafer for next generation high power automotive electronic device application



- C. Epi-substrate for GaN\_HEMT application
- D. 12" MCZ wafer with lower carbon and lower oxygen for power devices, memory devices, and mobile CIS
- E. 6" Semi-insulating SiC Crystal and the Wafer
- F. 8" GaN on Si D mode power epi wafer
- G. GaN on SI-SiC RF epi wafer

## (II) Industry Overview

### 1. Industry status and development

#### A. Global demand for semiconductors

Semiconductor Trade Statistics (WSTS) notes that as the global semiconductor industry in 2020 is benefited from the demands of consumer electronics due to COVID-19, the production value is expected to be USD 440.389 billions or growing at about 6.80% from 2019. This growing trend is likely to continue into 2021; it is expected that the whole year production value of 2021 will be USD 488.274 billion or growing at 10.90% annually. The sensor market grows most strongly, with the expected annual growth rate of 16.80%; followed by the analog market, with the expected annual growth rate of 15.20%. The logic component market closely followed with the expected annual growth rate of 13%.

Fall 2020 Q4 Update CORRECTED	Amounts in US\$M			Year on Year Growth in %		
	2019	2020	2021	2019	2020	2021
Americas	78,619	95,366	104,663	-23.7	21.3	9.7
Europe	39,816	37,520	42,975	-7.3	-5.8	14.5
Japan	35,993	36,471	40,350	-9.9	1.3	10.6
Asia Pacific	257,879	271,032	300,287	-8.8	5.1	10.8
<b>Total World - \$M</b>	<b>412,307</b>	<b>440,389</b>	<b>488,274</b>	<b>-12.0</b>	<b>6.8</b>	<b>10.9</b>
Discrete Semiconductors	23,881	23,804	26,189	-0.9	-0.3	10.0
Optoelectronics	41,561	40,397	43,966	9.3	-2.8	8.8
Sensors	13,511	14,962	17,471	1.2	10.7	16.8
Integrated Circuits	333,354	361,226	400,648	-15.2	8.4	10.9
Analog	53,939	55,658	64,105	-8.2	3.2	15.2
Micro	66,440	69,678	76,262	-1.2	4.9	9.5
Logic	106,535	118,408	133,856	-2.5	11.1	13.0
Memory	106,440	117,482	126,424	-32.6	10.4	7.6
<b>Total Products - \$M</b>	<b>412,307</b>	<b>440,389</b>	<b>488,274</b>	<b>-12.0</b>	<b>6.8</b>	<b>10.9</b>

Source: Semiconductor Trade Statistics (WSTS) (March 17, 2021)

The market research institution, IC Insight forecasts that the global GDP is likely to grow by 4.80% in 2021, and thus drives the global semiconductor market to grow 12%. It is forecasted that the full year sales amount will be USD 441.5 billion. DRAM products have the greatest growth for growing 18% in terms of the full year sales amount. NAND flash products are expected to grow 17% in terms of full year sales amount, underpinned by the 5G technology development.

IC Insight particularly notes that, the simulation chips specifically for automotive, and the logic chips for special purpose will be benefited from the increasing global vehicle sales, and the penetration of autonomous driving technologies. Sales of various vehicle-loaded chips are expected to grow and the chip-loading value per new vehicle is expected to grow to USD 550 or more.

**Top-Growing IC Markets 2019-2021F (\$)**

Rank	2019	2020	2021F
1	Industrial/Other—Spcl Purp Logic 37%	Wireless Comm—Spcl Purp Logic 28%	DRAM 18%
2	Standard Cell 17%	Computer and Periph—Spcl Purp Logic 26%	NAND Flash 17%
3	Auto—Spcl Purp Logic 16%	Cellphone Application MPUs 24%	Auto—App-Specific Analog 16%
4	Embedded MPUs 9%	NAND Flash 24%	Auto—Spcl Purp Logic 16%
5	Display Drivers 8%	Wired Comm—Spcl Purp Analog 18%	Embedded MPUs 15%
6	PLDs 5%	Display Drivers 10%	Display Drivers 11%
7	—	Industrial/Other—Spcl Purp Logic 10%	Wired Comm—App-Specific Analog 11%
8	—	Wired Comm—Spcl Purp Logic 10%	32-bit MCU 10%
9	—	Automotive—Spcl Purp Logic 9%	Computer and Periph—Spcl Purp Logic 10%
10	—	—	Wireless Comm—Spcl Purp Logic 10%

Source: Market research institution, IC Insight (Jan 28, 2021)

The market research institution expects the growth rate of the global semiconductor market in 2021 to be 7.70%, with the total production value of USD 476 billion, much higher than USD 442 billion in 2020. Under the impact of COVID-19, many people have been forced to work and learn from home; which in turns drives the demands for PCs to grow significantly and stimulate governments, IT departments of enterprises to increase their investment to establish services like cloud computing and servers, in order to enhance the efficiency of remote working. IDC forecasts that the revenue of semiconductor products related to computers and servers will grow by 6.30% to USD 116.0 billion.

IDC observed that the 5G mobile phone shipment drove the smart phone's share to 30%. As more memories and sensors are built in the 5G mobile phones, these phones are sold much more expensively and thus are likely to push the overall revenue generated by semiconductors for mobile phones in 2021 to grow by 11.40% to USD 128 billion. The semiconductors for 5G mobile phones will take nearly 54% of the total revenue.

The popularity of EVs drive the demands for automotive semiconductor products to grow materially. The main reason is that the semiconductor products required for each EV are double those required by common gasoline and diesel vehicles. IDC forecasts the growth rate of the automotive semiconductor products in 2021 will be 12.60%; the market development is constructive.

While most survey and research institutions say the semiconductor market in 2021 will recovery greatly, World Bank warns that the development of COVID-19 shall be monitored closely, as it still is a major uncertainty to the economics. The key factor of COVID-19 control is the vaccination rate. If the vaccines are not accepted well among the public, the vaccination rate and progress will be negatively impacted and thus the pandemic may worsen. That would overshadow the operating activities of companies.

#### B. Overview of the wafer industry

The semiconductor manufacturing process includes IC design, IC wafer fabrication, IC packaging and IC testing. The overall structure of the semiconductor industry is divided into upstream, midstream and downstream, among which IC design belongs to the upstream semiconductor industry, IC wafer fabrication belongs to the midstream and IC packaging and IC testing belong to downstream industries. The wafer manufacturing industry is regarded

as the supplier of wafer materials in the structure of the semiconductor industry and the demand for wafer materials has been increasing rapidly thanks to the booming semiconductor industry.

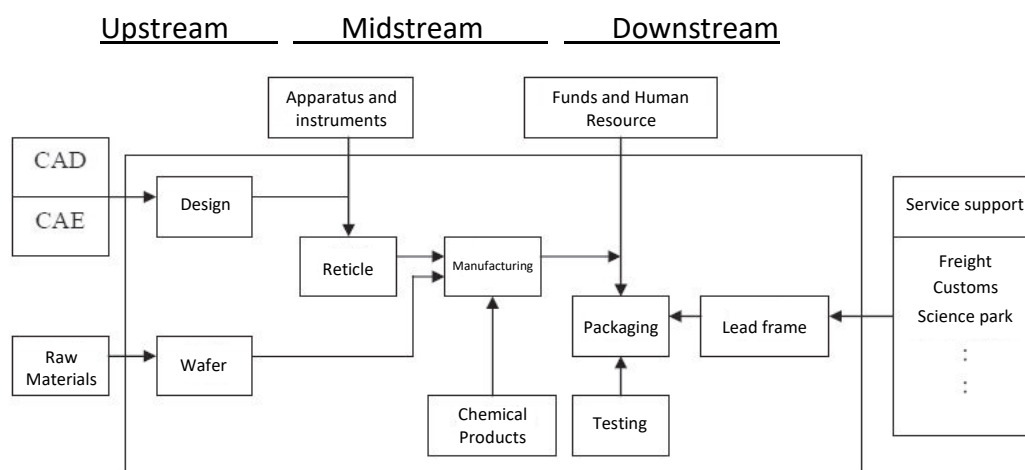
Wafer is currently the base material for manufacturing ICs. Its original material is “silicon,” which is cerium oxide, an inexhaustible source of raw materials on earth. High-purity polycrystalline silicon is extracted by the electric arc furnace, chlorination with hydrochloric acid and distillation. The required purity for silicon is 99.999999999%. The wafer fab plant melts polycrystalline silicon into small particles of crystalline silicon, which is slowly taken out and shaped to allow polycrystalline silicon to be drawn into silicon ingots, which is gradually formed by a small crystal grain in silicon materials. This process is called “crystal pulling.” After the fabrication of silicon ingots by processes such as cutting, grinding, polishing and slicing, silicon ingots have become an important raw material for the integrated circuit industry – “wafer.” Each blank wafer, with several inches in diameter, can be arranged in multiple layers of fine electronic circuits after a complex chemical and electronic process. Depending on the size, these wafers have specifications including 3, 4, 5, 6, 8 and 12 inches (in diameter). After being sent to the fab for producing chip circuits, these wafers are then sliced, tested and packaged into small square or rectangular ICs seen in the market.

Currently, wafer materials used in the semiconductor industry are mainly divided into polished wafers, argon annealed wafers and epitaxial wafers based on their process design and product differentiation. These wafers are generated by high-purity electronic grade polycrystalline silicon by processes such as crystal pulling, slicing, beveling, lapping, etching, polishing and cleaning, in order to produce polished wafer conforming to specifications including electrical properties, surface properties and the impurity standards. If the polished wafer is further deposited by chemical vapor deposition, the epitaxial wafer, a single crystal film of different resistivity, is produced. As epitaxial wafers have better surface properties, they are widely used in various discrete components and high-performance integrated circuits.

## 2. Industry relevance of upstream, midstream and downstream companies

The semiconductor industry in Taiwan has evolved with the trend of vertically integrated semiconductors. Based on the manufacturing process, it can be divided into upstream IC design companies and wafer manufacturers. IC design companies design circuit diagrams according to customer needs, while wafer manufacturers produce wafers by use of the raw material polycrystalline silicon. Based on circuit diagrams designed by IC design companies, the midstream companies on IC manufacturing and foundry prints a basic pattern of the circuit on the manufactured wafer through photomasks, and the circuit and components on the circuit are fabricated on the wafer by oxidation, diffusion, CVD, etching, ion implantation, etc. After that, the completed wafers are sent to downstream companies such as IC packaging and IC assembly and testing. Processed wafers are diced into chips, which is then coated with plastic, porcelain or metal to protect the chip from contamination and for easy assembly. With that, the electrical connection and heat dissipation effect of the chip and electronic system is achieved and finally, relevant tests on chips such as IC function, electrical and heat dissipation tests are conducted. In recent years, due

to the vigorous developments in Taiwan's IC industry and the specialization of the division of labor system, there are many individual manufacturers in each production process. The vertical division of labor is clear and each has its own specialization, which makes the structure of the upper, middle and lower reaches of Taiwan's IC industry more complete. The industry relevance of upstream, midstream and downstream companies is shown in the diagram below:



Source: ITIS project plan for the electronics department of the Industrial Technology Research Institute

### 3. Various product development trends

Semiconductor products are closely related to the overall economy and the Taiwan Institute of Economic Research's (TIER) latest report covers the following developments:

#### A. Global macroeconomic trends

The greatest uncertainty in 2020- COVID-19, impacted the economic activities in the world severely. Most countries have imposed restrictions such as lockdowns to keep the pandemic in check. In the latter half of 2020, the success of vaccines brought the first light in the dark. Vaccination programs were launched, and the factor of the pandemic is expected to be under control in 2021. The World Bank has forecast the global economic growth for 2021 will be 4%, and the developed economies will grow by 3.30%, while developing and emerging market economies will grow by 5%. Although the economic growth will be affected by the uncertainty that COVID-19 virus may vary, comparing the negative growth in 2020, a new turning point of the world is likely to emerge in 2021.

	2018	2019	2020e	2021f	2022f
<b>World</b>	<b>3.0</b>	<b>2.3</b>	<b>-4.3</b>	<b>4.0</b>	<b>3.8</b>
<b>Advanced economies</b>	<b>2.2</b>	<b>1.6</b>	<b>-5.4</b>	<b>3.3</b>	<b>3.5</b>
United States	3.0	2.2	-3.6	3.5	3.3
European area	1.9	1.3	-7.4	3.6	4.0
Japan	0.6	0.3	-5.3	2.5	2.3
<b>Emerging market and developing economies</b>	<b>4.3</b>	<b>3.6</b>	<b>-2.6</b>	<b>5.0</b>	<b>4.2</b>
East Asia and Pacific	6.3	5.8	0.9	7.4	5.2
China	6.6	6.1	2.0	7.9	5.2
Europe and Central Asia	3.4	2.3	-2.9	3.3	3.9

#### B. US macroeconomic trend

The market research institution, IHS Markit, forecast that the GDP growth of the U.S. in 2021 will be 4%. World Bank's forecast is 3.50%, while Economist Intelligence Unit's forecast is 3.70%. For the stimulus, the new U.S. President, Joe Biden proposed a package of USD 1.9 trillion; it is expected to further bolster the U.S macroeconomics.

With regard to the job market, the U.S. Bureau of Labor Statistics reported that the U. S. jobless rate of December 2020 was 6.70%. The Consumer Price Index (CPI) of December 2020 grew by 1.40%aa from 12 months ago and 0.20% from the previous month. The core CPI, excluding food and energy, was 1.60%, unchanged from the previous month.

With regard to the near-term economic outlook in the U.S., the Purchase Manager Index, released by the Institute of Supply Management (ISM), in the month of December 2020, the manufacturing PMI was 60.7 and service sector PMI was 57.2. Both were higher than expansion base line of 50%, meaning that the trend of expansion largely continued.

#### C. Europe's macroeconomic trends

The market research institution, IHS Markit, forecasted that the GDP growth of the Eurozone in 2021 will be 3.40%. World Bank's forecast is 4.80%, while Economist Intelligence Unit's forecast is 3.60%.

For the job market in Europe, the jobless rate of November 2020, as reported by Eurostat, was 7.50%, and the Eurozone jobless rate was 8.30%. The December 2020 CPI, also reported by Eurostat, grew by -0.30% from 12 month ago and was unchanged from the previous month.

For the economic outlook of Europe, the Economic Sentiment Indicator (ESI) reported by the EU Commission, was 89.5 and 90.4 for EU and Eurozone, respectively, in December 2020. Under the ESI, the service and retail sector both had a declining sentiment index from the previous month for EU and Eurozone, but the manufacturing, construction and consumer sentiments were better than that of the previous month.

#### D. Japan's macroeconomic trends

Market research institution, IHS Markit, forecast that the GDP growth of Japan

will be 2.33% in 2021. While the manufacturing sector in Japan was benefited from the strong demands of semiconductors, the non-metal and other manufacturing sectors had higher order prices and thus the order declined 2.40% from the previous month.

Ministry of Finance Japan reported that the full year import and export amount in 2020 was 67.7319 trillion yen and 68.4066 trillion yen, respectively. The market research institution, IHS Markit cited Jibun Bank PMI, that in December, the finished product orders tended to grow and the employed workers grew for the first time from February 2020, so the PMI reached 50.0, indicated expansion.

For the leading indicators, the leading indicator for Japan is 96.60 in November 2020, other than the industrial producers' inventory and final-demand goods inventory, both negative, other indices grew positively. For Japan's economic outlook, the three-month moving average of leading indicators was 94.70 and for seven-month was 89, an increase of 2.56 from October.

#### E. China's macroeconomic trends

In January 2021, the market research institution, IHS Markit, forecast that the GDP growth of China in 2021 will be 7.56%, while Economist Intelligence Unit's forecast is 7.900%. China's National Bureau of Statistics released that the 2020 output growth of industries with annual revenue of 20 million CNY or more from their main business operations grew by 2.80% year on year.

For consumption, the total amount of social consumer goods retail in 2020 was CNY 39.1981 trillion or 3.90%, a decline from 2019. In terms of investment, the fully year fixed asset investment in 2020 (agriculture household excluded) grew by 2.90% year on year, and the private fixed asset investment grew 1% from that of the previous year and increased by 0.80% from the 11-month period from January. China's General Administration of Custom reported that the trade amount in 2020 was USD 4,646.26 billion or a growth of 1.50% from 2019. The export amount was USD 2,590.650 billion, with the growth rate of 3.60%. The import amount was USD 2,055.610, declined by 1.10%. The top three export destination were the U.S. (17.40%), EU (15.10%) and ASEAN (14.80%); the total share of the three regions was 47.30%.

For production and commercial activities, in December, other than the employee index increased from November and raw materials inventory was unchanged, other indicators of manufacturing all declined. Therefore, PMI was 51.90% or 0.20% declined from November; the service PMI declined 0.70% from November to 55.70%.

#### F. Taiwan's macroeconomic trends

The COVID-19 pandemic is expected lessened in 2021 gradually; with the low-base factor, the major international forecasting institutions all believe that the global economic and trading growth would be meaningfully better than 2020.

The export performance of Taiwan will mitigate the impact from the pandemic gradually. As some production lines were moved back to Taiwan, with great demands by the emerging technologies, the export amount will grow significantly. In addition, the semiconductor manufacturers keep on investing in

advanced manufacturing processes, while being benefited from the restructure of global supply chain. The green energy constructions promoted by the government, will attract foreign investors with abundant capitals. All these factors are helpful to drive the domestic demands. Both domestic and overseas demands improve simultaneously and thus the full year economic growth will be larger than 2020. Based on the latest forecast released by TIER in November 2020, the GDP growth for 2021 will be 4.01%, or 2.10% higher than 1.91% of 2020 (updated data).

It is forecast that the import and export of Taiwan in 2021 will grow by 4.83% and 3.87%, respectively, or by 4.41% and 6.35% higher than 2020. For the prices and monetary policies, it is expected that the international oil price will recover mildly and the probability of drastically higher price is low. The CPI growth rate for 2021 is expected to be 1%. With regard to the financial market, as the domestic market has performed relatively better and the CPI is mild and stable, it is expected that the Central Bank of Taiwan will follow the suit of central banks of major countries to keep accommodating policies and keep the interest rate at the record low, as an effective counter measures to the changes and impacts from the international financial market.

#### 4. Product competition

In the semiconductor wafer industry, barriers to entry are high to the other potential competitors due to high concentration of capital and technology. In recent years, the Company has become the third largest wafer supplier in the world through acquisition of Topsil and SunEdison and expansion of equipment. The Company's Business operations have achieved economies of scale and its process technology has won the trust and quality recognition from international manufacturers. Furthermore, the Company would become more flexible in meeting customers' demand on high quality products and different delivery time frames by integrating technologies and production capacity of subsidiaries around the world. Although the pandemic has shocked to the economics, but it also drove new commercial behaviors and life styles, while stimulating the development of basic network communications, such as clouds and servers. As the accelerating 5G constructions are expected to trigger mobile phone replacement, accelerate the digitized remote/life styles and the automobile market that may recover due to no-man driving and EV development, it is expected that the global semiconductor chip demands will be hot.

#### (III) Overview of Technology and R&D

We have been continuously endeavoring to improve the technologies of silicon monocrystalline ingot growth and silicon wafer precision machining and by cooperating with academic research institutes and university professionals, we have accumulated explosive energy in innovating new technologies as well as new products. With years of devoting to the technology development in the projects of "Silicon monocrystalline ingot growth and silicon wafer precision machining" and "Silicon epitaxy deposition technology and SOI wafer bonding technology," we have fulfilled or exceeded the international standards in the fields, such as the productivity of monocrystalline ingot growth, lowering the resistivity of ingot, ingot defect control, ingot quality improvement, reducing argon usage, improvement of wafer flatness, atomic-level handling technique for polished wafer

surface, homogeneous/heterogeneous epitaxial technique, homogeneous/heterogeneous wafer bonding technique, improvement of wafer strength with reducing wafer thickness, improvement of energy consumption and water usage, reducing of materials usage and waste. After Covalent Material-silicon, Topsil and Sun Edison semi joining GlobalWafers, we integrate and redistribute the technologies and resources among subsidiaries and have reached several remarkable indices with regard to the development of process technology, research and development of new products and most importantly, the customers' qualifications as well. We have not only passed the evaluation of the Tier 1 customers in cutting-edge manufacturing processes but also have been selected as the best supplier by important customers. The customers have certainly demonstrated GWC's success in R&D.

In process technology, we have developed our own advanced process control system and have implemented it in the key process steps. This process control technology not only optimizes the stability of the process but also makes the manufacturing process for low-defect and ultra-flat wafers possible.

In new product development, we have achieved unprecedented milestones, for instances, we have developed 12-inch N-type heavily doped semiconductor with ultra-low resistivity for high power IC components, RF-SOI and CTL-SOI for 4G and 5G communication applications, the next generation wide band-gap material GaN on silicon and on SiC wafers, and the customized internal-impurity-agglomerated special wafer - the Engineered Customizable Application Specific "ECAS®" wafer (ECAS).

For the future silicon-based materials, GlobalWafers will continue the investment in the research and development of the advanced monocrystalline ingot growth, novel process for wafer slicing and nano-grade ultra-flat polishing technique. All these unique technologies will definitely be our cornerstones for us to surpass Moore's law in the future.

The technology development of wide band-gap material will be based on our technologies on silicon wafers, making GlobalWafers a full range wafer supplier.

In addition, GlobalWafers is also actively expanding its patent portfolio to protect its intellectual properties procured from R&D and has obtained more than 1400 patents worldwide. These R&D achievements will enforce us to progress and become the leading wafer supplier in the world.

1. R&D expenses from the most recent fiscal year up to the date of publication of the annual report

Unit: NT\$

Item/Year	2019	2020	March 31, 2021
R&D expenses	1,710,801	1,624,308	499,063
Net operating revenues	58,094,331	55,358,788	14,805,831
R&D expenses as a percentage of net revenue (%)	2.94	2.93	3.37



2. Product (technology) development accomplishments in the most recent fiscal year

Year	Name of technology or product
2019	<ol style="list-style-type: none"> <li>1. Silicon substrate for 5nm IC process</li> <li>2. Epitaxial wafers applied to CMOS image sensors</li> <li>3. AI is applied to the slicing and rough polishing to forecast the nano-topography at the later stages</li> <li>4. Big data analyses are applied to the forecast of slicer crash.</li> <li>5. Development of structural wire cutting</li> <li>6. Development of single wafer rinsing</li> <li>7. Design and development of 200mm low-energy consuming hot field for crystal pulling.</li> <li>8. Analyses applied to the measurement of silicon wafer impurities</li> <li>9. ECAS wafer carbon impurity reduction technology applied to CMOS image sensors</li> <li>10. Technology to control stacking fault defects for the ultra-heavily doped red phosphorus epitaxy.</li> <li>11. AI applied to oxygen impurities during the crystal pulling.</li> <li>12. AI applied to the high epitaxy deposition rate.</li> <li>13. 6" SiC wafer ultra-thin wafer regeneration processing technology</li> <li>14. Development of heterogeneous substrate material bonding</li> <li>15. Digitization system applied to the development of SiC wafer manufacturing process technology</li> <li>16. Development of slicing technology for high-precision, low-damage silicon wafers</li> </ol>
2020	<ol style="list-style-type: none"> <li>1. Reclaim wafer manufacturing technology for 6" 170um ultra-thin SiC wafer</li> <li>2. 4" Semi insulating SiC Crystal and the wafer</li> <li>3. Back barrier in GaN epi structure and process optimization technology.</li> <li>4. Smart Wafer Quality Measurement Image Judgement Technology</li> <li>5. Silicon substrate for next generation IC process.</li> <li>6. AI development in Shape Neutral wafer development.</li> <li>7. AI development in ingot oxygen concentration tuning.</li> <li>8. New polishing technology introduction</li> <li>9. New lapping/grinding technology introduction</li> <li>10. Tiny particle control technology of 300mm wafer for the cutting-edge device</li> <li>11. Ultra-low resistivity 200mm substrate (RP doped) and epi process technology</li> <li>12. Advanced AI technology for supporting to improve labor efficiency and productivity in mass production</li> <li>13. New evaluation technology for lower detection limit for heavy metal contamination</li> </ol>

(IV) Long-term and short-term business development programs

1. Long-term program

- A. The Group's high-end leading technology is utilized to develop chips matching next-generation product utilization. Development shall move towards large size advanced manufacturing process, heavily-doped crystal pulling and power semiconductor epitaxy technology, as well as becoming the world's largest silicon wafer supplier.
- B. Accelerate the development of next-generation application products, such as GaN/Si/SiC, and actively expand the new blue sea
- C. The Company will keep close attention to market trends and the industrial fluctuation, adjust business strategies when necessary, continue to develop high-value products, and carry out patent protection measures to strengthen the Company's competitiveness.
- D. It is also developing towards high-efficiency silicon crystals in the aim to become a global silicon wafer supplier that provides the most comprehensive products with highest quality and efficiency.
- E. Strengthen the operation performance of all businesses, continue with the cross-region integration of the production technology, procurement, production capacity and marketing in each country.
- F. It will also develop chips in line with next-generation products by the use of cutting-edge technologies from Europe, the United States, Korea and Japan, in order to have a strong and irreplaceable position in the market.
- G. Based on the current stable outstanding management performance, securely expand the Company's operation scale via strategic alliance or acquisitions. .

2. Short-term program

- A. Strengthen R&D links with downstream customers, develop high-efficiency niche products with core technology capabilities, and actively reduce manufacturing costs to increase profit margins.
- B. Acceleration of the production performance of 12" products, and increase the global market share of 8" and 12" wafer.
- C. Combine the technology, resources and various possibilities within the Group to optimize the bottleneck spots of each plant and maximize product capacity, deepen the multinational technology integration platform, and comprehensively improve quality and customer satisfaction to meet market demand.
- D. Stabilize the supply of key raw materials and parts to ensure good production quality and on-time delivery so that the production line runs smoothly.
- E. Use existing customer networks to expand the customer base of new products, increase the capacity utilization rate of production lines and enhance the profitability of products.
- F. Expand the collaboration among government, industry, and academy, deploy our advanced manufacturing process for niche applications and accelerate the development of new technologies.

## II. Market, Product and Sale

### (I) Market Analysis

#### 1. Market of premium products:

Unit: NT\$

Region		2019		2020	
		Sales	Rate (%)	Sales	Rate (%)
Sales in domestic markets		12,572,918	21.6%	10,739,224	19.4%
Export sales	Asia	26,952,513	46.4%	27,835,758	50.3%
	The Americas	8,410,577	14.5%	7,231,434	13.1%
	Others	10,158,323	17.5%	9,552,372	17.2%
Total		58,094,331	100.00%	55,358,788	100.00%

#### 2. Market share

According to financial statements announced by peers, the shipment volume of the Company ranked the number 3 position among the top 15-20% of the world silicon wafer manufacturers. There is the trend of consolidation and integration of the silicon wafer industry where the top 5 manufacturers accounted for over 90% of the market share. These top 5 are Shin-Etsu and Sumco of Japan, GWC, Siltronic AG of Germany, and SK Siltron of Korea. The Company was ranked the number 3 position of the world, which indicated its stable growth in operation. It is expected to further increase of market share with the complete product positioning plans.

#### 3. Supply and Demand, and Growth in the Market of the Future

According the market research institution, IC Insights, the Q1 sales amount of the semiconductor market is expected to grow 2% to USD 113.1 billion. Shall the growth rate of 2% be retained for Q2 to Q4, the full year revenue growth of semiconductors will be 12%. Based on IC Insights' forecasts, the shipment of IC units in 2021 will increase sharply by 17%, and the average selling price of IC will grow by 1%. As Q2 grows by 3%, Q3 grows by 8%, and Q4 grows by 0%, the full year growth will be 19%. From the view of current semiconductor market, IC Insights believes these figures are rather conservative and views the future development of the semiconductor market positively.

**2Q21-4Q21 IC Market Growth Rate Scenarios**



Source: Market research institution, IC Insight (Mach 9, 2021)

Other than the abovementioned semiconductor overall market forecasts, the Company's competitive edge is that the clientele base of the Company is broad and diverse. End products are applicable to many industries and areas of utilization such as automotive products, power source, memory and others. As the demand in the market of end products will continue to grow that the launch of different kinds of new products will pull the demand for good quality silicon wafers and thus drive the Company's overall operating performance.

#### 4. Competitive Edge

##### A. Experienced operation and well-seasoned R&D team in the industry

The Company has committed its resources to the research and development of advanced technologies related to silicon wafer ever since its establishment. The majority of the R&D staff and the management have years of work experience in the semiconductor industry. With the wealth of experience accumulated and good understanding of the industry trend of semiconductor, the Company keeps abreast of the needs of the market. As such, the Company could meet the needs of the customers in timing and development key technologies on due time to help the customers to secure purchase orders.

##### B. Possession of advanced production process technology

We have been continuously endeavoring to improve the technologies of silicon monocrystalline ingot growth and silicon wafer precision machining, and by cooperating with academia research institutes and university professionals, we have accumulated explosive energy in innovating new technologies as well as new products. With years devoted to the technology development in the projects of "Silicon monocrystalline ingot growth and silicon wafer precision machining" and "Silicon epitaxy deposition technology and SOI wafer bonding technology," we have fulfilled or exceeded the international standards in the fields, such as the productivity of monocrystalline ingot growth, lowering the resistivity of ingot, ingot defect control, ingot quality improvement, reducing argon usage, improvement of wafer flatness, atomic-level handling technique for polished wafer surface, homogeneous/heterogeneous epitaxial technique, homogeneous/heterogeneous wafer bonding technique, improvement of wafer strength with reducing wafer thickness, improvement of energy consumption and water usage, reducing of material usage and waste. After Covalent Material-silicon, Topsil and Sun Edison semi-joining GlobalWafers, we integrate and redistribute the technologies and resources among subsidiaries, and have reached several remarkable indices with regard to the development of process technology, research and development of new products, and most importantly, the customers' qualifications as well. We have not only passed the evaluation of the Tier 1 customers in cutting-edge manufacturing processes but also have been selected as the best supplier by important customers. The customers have certainly demonstrated GWC's success in R&D.

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instances, we have developed 12-inch N-type heavily doped semiconductor with ultra-low resistivity for high power IC components, RF-SOI and CTL-SOI for 4G and 5G communication applications, the next generation wide band-gap material GaN on silicon and on SiC wafers, and the customized internal-impurity-agglomerated special wafer - the Engineered Customizable Application Specific “ECAS®” wafer (ECAS).

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In addition, GlobalWafers is also actively expanding its patent portfolio to protect its intellectual properties procured from R&D and has obtained more than 1400 patents worldwide. These R&D achievements will enforce us to progress and become the leading wafer supplier in the world.

C. Sizable production capacity, flexible allocation of production capacity and the economy of scale in competition

The Company has concentrated in the research and development of the technologies and production of semiconductor grade silicon products and related fields ever since its establishment and has established production sites in America, Europe and Asia. The Company has 17 plants in nine countries of the world with the economy of scale in production capacity. The engineers and the line staff are well-seasoned in production process and operations. In addition, the Company has managed its production process effectively under the diversified mode of operation in dispersion that helps to improve the production efficiently significantly. The unit cost becomes relatively low.

D. Cultivation of long-term and close partnership with the customers

The Company provides total solutions for the customers with core technology and products in full production process. In the aspects of precision processing technology, product quality and delivery, the Company could satisfy the needs of the customers. As such, the Company has earned the recognition of many giant domestic and foreign semiconductor firms. Owing to the non-disclosure nature of technology, quality and tacit collaboration, these giant semiconductor firms tend to keep long term partnerships with its suppliers. This shows that the Company has established long-term close partnership with the customers. In addition, the Company will, based on its solid foundation of the use of advanced technologies, develop new accounts further to its effort of maintaining positive relationships with existing customers. This will be very helpful for the Company in the development of its operations in the future.

E. Diversity of products

The Company is a professional semiconductor grade silicon wafer manufacturer and has the product line for the complete process of pulling, slicing, grinding,

polishing, cleaning and epi-substrate process for 3"~12" products. The Company also provides total solutions and customized services for the diverse needs of customers. The Company has the advantage of being a leader in the industry, given its stable quality, sound performance, complete product line and short lead-time in research, development and design with flexibility.

#### F. Stable and health financial structure

"The big is getting bigger" will be trend of development for the semiconductor industry in the future. The Company has sufficient cash flow and a sound asset and liability structure that could support the continued solid investment and development in the future. This is critical for sustaining the operation at the time of downturn for the semiconductor industry. A sound financial structure is the foundation for long-term cooperation and growth between the Company and its customers. Indeed, this is one of the competitive advantages of the Company.

### 5. Factor favorable and unfavorable for the development in the long run

#### A. Favorable factors

##### (a) Capital and technology intensiveness that posed high entrance barrier to the industry

Semiconductor is a capital and technology intensive industry. The machinery for the production of semiconductor is very expensive. It is echoed with the growing trend of IDM job orders and rapid change in product technology. These dictate sizable capital spending. Being a technology-intensive industry at high level, the process technology and yield rate of products for semiconductors will determine the cost. In addition, the research and development staff and process technology are closely associated. It is not easy to recruit and train professional research and development personnel in the industry. All products shall be subject to the validation of the customers before purchase orders could be secured. These posed high entrance barrier to the competitors. The Company has an outstanding R&D team with years of experience in the industry and is well-seasoned. They keep abreast of the trend and demand of silicon wafer. In addition, the Group has already achieved the economy of scale and the process technologies have won the trust and quality accreditation of international big firms, which indicated the competitive power of the Group in market.

##### (b) The new technologies in the semiconductor market linked to different forms of applications, which in turn boost the demand for high quality silicon wafer.

The continued development of the IoT containing smart appliances, wearables, and smart cities has emerged as the prime force driving for the revenue of semiconductors. Likewise, the 5G is about to activate a new mode of mobile web and change the form of wireless communication forever. The development of new technologies like the 5G, AI, and IoT will link together a number of consumer electronics, mobile devices, network communication equipment and PC application markets, which previously developed in their own solitudes. This is particularly the case for the demand of 8" and 12" silicon wafers. Wafers under the size of 6" will thrive as the demand for automotive and daily use is on the growth. The demand for silicon wafer materials will grow in line with the growth in demand for semiconductors.

(c) Product development meets market needs

The top 5 silicon wafer manufacturers are focused on the application standard of memory for the time being, which makes competition acute and leaves no room for profit. Yet, the group could not only provide the services of the whole product line and production process in 3"~12" silicon wafers for the customers (pulling, slicing, grinding, polishing, cleaning, annealing and epi-substrate) and focused on the niche market of automotive and power supply equipment. The Company also engages the third generation compound semiconductor areas, to expand new blues like quick charging and EVs. The Company has a robust profitability structure, and aggressively positions the advanced manufacturing process for niche applications with complete product lines, so the future growth space is expected.

B. Unfavorable factors and the response

(a) Economic cycle of the semiconductor industry

The Company is a professional semiconductor wafer manufacturer and is at the upstream of the semiconductor industry chain. Major customers are semiconductor manufacturers and wafer foundries and also integrated component manufacturers and automotive electronics firms. Silicon wafer is an indispensable basic materials critical for the manufacturing of semiconductor components. The operation of the Company is closely associated with the economic cycle of the semiconductor industry.

The Response Policy:

The Company is the number 3 semiconductor wafer manufacturer of the world with a product line covering 3" to 12" wafers that assures its economy of scale and market position. The end products could be applied broadly with the automotive and power supply devices market in particular. The technical staff of the Company and its subsidiaries have years of experience in the semiconductor industry with solid background in technology. With the proper application of core technology, matching with the capacity of technology integration and development, the Company could provide a complete product line with a wide array of carrying items to the needs of the market and the customers, and establish long-term stable partnership relation with the customers on hand. The production capacity could then be fully utilized in stability to reduce the cyclical risk to the Company. In addition, the Company has production facilities in Europe, America and Asia and could reduce the cost of operation through purchase and centralization of sale. Furthermore, the Company could fully utilize the advantages of different production sites for flexible production scheduling to tackle with the unfavorable factors caused by market fluctuation.

(b) Changes to international situations

The international situations have changed drastically recently. COVID-19 development and regional trade conflicts shocked macroeconomics significantly.

The Response Policy:

GlobalWafers has production facilities around the world and thus is able to deploy the production flexibly to respond to the impacts from related regulations, lower duties, to the operational costs. Clients all over the world also effectively diversify the impacts from the pandemic to the revenue and lower the economic risks from a single area.

(c) The risk of shortage in key materials

The thriving of the semiconductor industry has brought about the growth in the demand for silicon wafer very quickly. Likewise, the demand for material of polycrystalline silicon at semiconductor grade also grew. If the suppliers at upstream could not give timely supply, production will be halted under the shortage of material supply.

The Response Policy:

The key material for the Company –polycrystalline silicon, is purchased from world-renowned bound by supply agreement for assurance of stable quality and sufficient quantity of supply of the material.

(b) Exchange rate risk

The Company has established production sites in Europe, America, and Asia, where the labor, utilities and other overheads were paid by these sites separately in respective local currencies. Some of the export sales were settled by the customers in respective local currencies of the host countries while the remainder will be settled in USD. As such, wide fluctuation of the exchange rate between the USD and the currencies of the aforementioned host countries will affect the cost of operation of the Company.

The Response Policy:

The international economic situation and exchange rate are so unpredictable. In response, the Company adopts the policy of natural hedge between the positions of assets and liabilities with an attempt to minimize the exposure of the position to exchange risk. The treasury function of the Company pays close attention to the trend of the exchange rate and will match with appropriate foreign exchange instruments for hedging where necessary to mitigate the influence of exchange rate fluctuation on the cost of operation.

(e) Risk of transportation costs

As countries lock boundaries to hold back the COVID-19 pandemic, the transportation costs of the Company has increased, making the total production costs to raise and corrode profits.

The Response Policy:

The Company owns production facilities in Europe, Americas, and Asia; through the flexible deployment of production and transportation, the best logistic arrangements are achieved. Meanwhile, with the advantages of the scale economics, the price negotiation levers are added. Under the existing dense logistic network, the most suitable solutions are measured to minimize the transportation costs.



(f) Competitor entrance

There were silicon manufacturers that entered the competition since the last few years. It was coupled with the powerful support of the domestic semiconductor industry in Mainland China. As such, the market is in acute competition.

The Response Policy:

The semiconductor industry is a capital and technology intensive industry. The machinery for production is very expensive and the product technology changes so fast that it entails sizable capital investment. In addition, it is not easy to recruit and train professional research and development personnel. In addition, all products will be subject to the validation of the customers before purchase orders will be placed. These factors contributed to high entrance barrier of the industry. The Company has an outstanding technology R&D team who has been working in the industry for a long time. They could keep abreast of the trend and demand for silicon wafers. The production capacity of the Company has also been ranked among the top performers of the suppliers worldwide. The process technology of products has also earned the trust and quality accreditation of famous international big firms, which give the Company the advantage in competition as compared with the other competitors. The Company will continue to strengthen its competitive edge to maintain the leadership position.

(II) The Production Procedures of Main Products

1. Major Products and Their Application

Products	Main Usage
Semiconductor wafer	Main ingredient of semiconductor devices, and manufactured into discrete devices, integrated circuits and optoelectronics after different processes such as polishing, diffusion, etching, and packaging and testing. Widely applied in discrete including diode, rectifier, transistor, TVS, thyristor and MOSFET and integrated circuits and optoelectronics like MEMS 、Power Device, consumer electronics and LOGIC IC

2. Process Flow:

**Wafering**

Poly-Si → Ingot Growth → Cropping → Grinding → Slicing → As-cut Wafer Cleaning → Thermal Process → Edge Grinding → Lapping → Lapped Wafer Cleaning → Inspection → Packaging

**Cystallite**

Bare Wafer -> Diffusion -> Sand Blasting -> Cleaning -> Ni plating -> Sintering -> Ni plating -> Au plating -> Dicing -> Packaging

**Polishing**

Lapping → Etching → Pre-Polishing Inspection → Polishing → Pre0Cleaning → Inspection → Final

Cleaning → Surface Scanning → Inspection → Packaging

(III) Supply Status of Main Materials

Product	Major Raw Materials	Source of Supply	Supply Situation
Wafer	Polysilicon	Company d	Good

(IV) The names of the parties accounted for more than 10% of the total purchase (sale) in any of the last 2 years, the amount of purchase (sale) and proportion to the total amount of purchase (sale).

1. The names of the parties accounted for more than 10% of the total purchase in any of the last 2 years, the amount of purchase and proportion to the total amount of purchase, and explain the reason for the changes, where applicable.

Unit: NT\$ 1,000

Item	2019				2020			
	Name	Amount	Proportion to annual net purchase (%)	Relationship with the issuer	Name	Amount	Proportion to annual net purchase (%)	Relationship with the issuer
1	Company d	1,694,753	10.4%	None	Company d	1,912,976	12.7%	None
	Other	14,608,342	89.6%		Other	13,190,070	87.3%	
	Net purchase	16,303,095	100.0%		Net purchase	15,103,046	100.0%	

Note to the changes:

The principal business of the Company and the subsidiaries is the manufacturing and sale of silicon crystal materials and silicon is the key ingredient. There is no significant change in the ranking of the suppliers in the last 2 periods.

2. The names of the parties accounted for more than 10% of the total sale in any of the last 2 years, the amount of sale and proportion to the total amount of sale, and explain the reason for the changes, where applicable.

Unit: NT\$ 1,000

Item	2019				2020			
	Name	Amount	Proportion to annual net sale (%)	Relationship with the issuer	Name	Amount	Proportion to annual net sale (%)	Relationship with the issuer
1	Company C	10,253,312	17.6%	None	Company C	10,936,309	19.8%	None
	Other	47,841,019	82.4%		Other	44,418,240	80.2%	
	Net sale	58,094,331	100.00%		Net sale	55,358,788	100.00%	

Note to the changes:

The principal business of the Company and the subsidiaries is the manufacturing and sale of silicon crystal materials. The products are mostly silicon crystal rods and customized silicon wafer. The major customers are big semiconductor firms. There is no significant change in the ranking of the major customers in the last 2 years.

(V) Production over the Last Two Years:

Unit: NT\$ 1,000/ 1,000 pcs

Production volume and value Key items (or by department)	Year	2019			2020		
		Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Semiconductor wafer		56,122	51,852	33,795,720	57,744	52,792	34,012,309
Semiconductor ingot		367	267	1,352,145	354	233	1,257,199
Total		-	-	35,147,865	-	-	35,269,507

A. Shipments and Sales over the Last Two Years:

Unit: NT\$ 1,000/ 1,000 pcs

Sale volume and value Key items (or by department)	Year	2019				2020			
		Domestic sale		Export sale		Domestic sale		Export sale	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Semiconductor wafer		9,001	10,869,416	31,438	46,852,094	9,706	9,938,406	32,514	45,166,332
Semiconductor ingot		0.03	199	40	275,085	-	-	25	167,426
Electricity Income		-	-	-	-	-	4,239	-	-
Other		-	13,302	-	84,235	-	18,537	-	63,848
Total			10,882,917		47,211,414		9,961,182		45,397,606

Note: other items are mostly the sale of crystal rods and materials. There is a wide array of products and the price varied significantly. The calculation of sale volume is omitted.

Analysis and description of the changes in the production and sale volume and value:

The major products are silicon crystal rods and customized silicon wafer and the major customers are big semiconductor firms. The product portfolio of the last 2 years is conditioned by the demand structure of the products and the changes are reasonable.

III. Human Resources

Year		2019	2020	March 31, 2021
Number of employees	Staff	329	732	716
	Manufacturing	281	860	895
	Total	610	1,592	1,611
Average age		38.79	40.69	40.81
Average Years of Service (year)		9.69	11.60	11.62
Education %	Doctors	1.15	0.82	0.74
	Masters	15.08	13.07	12.97
	Bachelor's Degree	47.87	47.55	47.98
	Senior high schools and below	35.90	38.57	38.30

Note: Subsidiaries are not included in 2019

#### IV. Environmental Protection Expenditures

1. According to the Law, a Company Shall Apply Permission for Pollution Facilities Placement, Pollutant Emission; Pay Prevention Fee; Set up Environmental Department, above Explanations are as below: the Company Has Applied Permission for Pollution Facilities Placement and Set up Environmental Department to Deal with Related Matters.
2. Investment of pollution preventing main facilities, and the purposes and possible benefits:

(Expressed in NTD thousands)

##### A. 2019 Environmental expenditure :

Air pollution prevention measures: NTD17,549.

Industrial water treatment: NTD16,449.

Industrial waste treatment : NTD131.

Other environmental Expenditure : NTD2,624.

##### B. 2020 Environmental expenditure:

Air pollution prevention measures: NTD25,618.

Industrial water treatment: NTD33,659.

Industrial waste treatment: NTD880.

Other environmental Expenditure :NTD1,529.

3. The improvement of pollution control in the last 2 years to the day this report was printed. If there was any dispute deriving from pollution related matters, specify the response process: None.
4. The loss (including indemnity) caused by pollution to the environment, the total amount of penalty in the last 2 years to the day this report was printed, and disclose the policy in response (including corrective action plan) to the situation and possible spending (including the loss deriving from the failure to take action in response to the situation, penalty, and the estimated amount of indemnity. If it is not possible to make reasonable estimation, explain with evidence): Yes
  - (1) Date of the Event:2020/8/7
  - (2) Fine Notification No. : 40-109-070013
  - (3) Matter of Violation: Taisil Branch's output of non-hazardous oil sludge D-0903, which was found by Bureau of Environmental Protection, exceeded the permitted amount by more than 10% between March to June 2019; therefore, Taisil Branch violated the Article 31, paragraph 1, subparagraph 1 of Waste Disposal Act.
  - (4) Correction Measures: It was found that the approved amount of non-hazardous oil sludge disposal in Taisil's Business Waste Cleaning Plan was underestimated compared with the actual output. As the result, Taisil submitted the revised version of the Business Waste Plan in July 2019, and it was approved with 2.4 tons of non-hazardous oil sludge disposal every month on 29th July 2019, which complied with Taisil's actual output.
5. The effect of pollution and corrective action plan on the earnings, competitive position, and capital expenditure of the Company, and the major expenditure on environmental

protection budget in the 2 years ahead: None.

6. Information on the observation of RoHS of the EU by the Company: The Company sends sample for RoHS inspection as required by business needs.

## V. Labor Relations

- (I) Employee Benefits, Training, Education, Retirement Policy, Executions and Labor Negotiations and Measures to Protect Employee Rights.

### 1. Employee Benefits:

- (1) Provide high quality salary and fair reward, promotion methods to confirm all the colleagues to the company's contribution. Besides common benefit-labor, health and group insurances and pension, the company also provides bonus for new year, festivals, birthday, and year-end party, cash premiums for wedding/funeral, travel allowance, Emergency assistance, scholarship, birth reimbursement, lunch and complete training.
- (2) The Company appropriate 0.07% of the monthly revenue and 40% of the proceeds from the disposal of scraps as funding for the Employee Welfare Committee. The committee performs its function in accordance with applicable legal rules.
- (3) The Company recognizes the health of all employees is vital to work efficiency and morale, and hopes to create a safe working environment through the care of employees. Since 2020, the Employee Care Program has been established to enhance overall employee benefits through the formation of cross-departmental groups to develop a holistic plan with programmes in four aspects: work, health, life and welfare.

### 2. Training and Practice

The Company provides a wide array of training programs through on-the-job training of different areas of specialization, and programs for self-development, including orientation for the new employees, intellectual property training programs, on-the-job training programs, training in occupational health and safety, program on professional topics, and other external training on related duties to train personnel with professional capacity and ready for challenges.

### 3. Retirement Policy

- (1) Two types for retirement: voluntary and mandatory.

Voluntary retirement: employees who have more than 15 years of seniority of services and at the age of 55, or who have more than 25 years of seniority of service, or who have more than 10 years of seniority of service and at the age of 60.

Compulsory retirement: employees who are at the age of 65 on May 14 2008 or beyond, or physically or mentally disabled that cannot perform the assigned duties shall be compelled to retire.

- (2) Seniority of service: from the day of registration for duties: except for responding to the call of conscription. The period of leave of absence will not be included in the calculation of the seniority of service.

- (3) Standard for payment of pension:

The old system: two basis points for each year of service. For employees who

have more than 15 years of service, one basis point will be given for each additional year of service up to 45 basis points. Seniority of service covering a period of less than half a year will be taken as half a year, and the period of half a year or more will be taken as a whole year. Employees under compulsory retirement will be entitled to an additional 20% of the aforementioned basis points if they are physically or mentally disabled.

New system: Those who selected the new retirement system after July 2005 will still be based on the old system of retirement in the calculation of the seniority of services before July 2005 and on the new system after July 2005.

- (4) Employees who registered for duties after July 2005 will be based on the new system (the employer will appropriate 6% of their respective monthly salaries to the personal accounts at the Labor Insurance Bureau).

#### 4. Work environment and the protection of the health and safety of the employees

The Company has established the "Occupational Safety and Health Management Function" in accordance with the Occupational Safety and Health Act with the appointment of occupational safety and health administrators. In addition, the Company has also instituted the "Regulations Governing Occupational Safety and Health". The work environment at plant sites and the protection of the health and safety of personnel are specified below:

##### (1) Regulations and policies governing work environment:

- All workers should pay attention to the physical and mental health for proper adjustment at all times and makes hygiene a good habit.
- The workplace shall be kept clean and tidy at all times.
- Smoking, betel nut chewing and intake of alcoholic beverages at workplace are strictly prohibited.
- Smoking is permitted only at designated area. No littering of cigarette buds.
- Use proper protective gears when handling hazardous substances.
- Proper labeling of hazardous substances and do not cause any damage to the substances.
- Proper facility for drinking water should be installed at workplace with routine cleanup and inspection of water quality.
- Annual disinfection of the whole plant site.
- The toilets should be properly ventilated and disinfected.
- All employees must observe the 6S rules of environmental hygiene and make it a habit.
- No spitting and response to the call of nature on shop floor, no indiscriminating discard of cigarette buds and not littering.

##### (2) The protection of the safety of personnel

- Follow related safety standard, operation procedure and procedure inspection checklist in performing different forms of duties and conduct routine inspection.
- For temporary duties or the duties not performed on a routine basis that there is no safety rules to follow, do not proceed without thinking twice. Use the work safety standard already in place and consult with the person in charge to determine the safety procedure and work method before

proceeding.

- For performing duties at an altitude of higher than 2 meters, or objects may be dropped or dispersed from high altitude, the inspectors on the site and the supervisors should wear safety helmet with the band proper fastened.
- For performing duties on pipe work, tower, shelves at an altitude of higher than 2 meters from ground level without the installation of a safety work platform, or performing duties at the edge of the workplace and open space, use safety belt and supporting strap or rope.
- In case of partial power shutoff from the transforming equipment or at the plant site, cordon or partition the area with iron fence netting or post warning sign such as “Power Shut Off”, or “Electric Shock Hazard”. Confirm the evacuation of all workers from the area and electric induction free before removing the partition.
- All workers must wear personal protective gears when performing the duties. Report of any unsafe situation, equipment or work method at once.
- No chasing, teasing or exhibition of unsafe behaviors in the course of performing duties.
- Machinery and equipment should not be overloaded.

#### 5. Labor-Management coordination

The rules and regulations of the Company were instituted in accordance with the Labor Standard Act. Labor-Management conference is held at regular intervals under the Regulations Governing Labor-Management Conferences. The Labor-Management relation of the Company has long been harmonious with through channels for communications. Discussion would be held in the Labor-Management Conference and the Employee Welfare Committee on matters related to the benefits on both sides. Communication of this kind helps to improve mutual understanding of the needs and expectation. All of the Company share the common value of coexistence and mutual prosperity and create a better future of the Company in joint effort.

#### 6. Measures to Protect Employee Rights

The Company has a viable management system with various rules and regulations explicitly stated. The content covers the rights and obligations, as well as the benefits of the employees. The content of benefits is subject to routine review and adjustment to protect the rights of all employees.

- (II) The Company Shall Disclose Present and Future Countermeasures and Possible Expenditures of Labor-Conflict-Caused Losses in the Latest Year to the Date Issued Annual Report: The Company’s labor relations are harmonious, and labor disputes are also solved in accordance with the mediation procedure. In the most recent year and as of the date of printing of the annual report, there was no loss due to labor disputes, nor was there any penalty for violating labor laws and regulations, and the legal compliance department also assists to legislate and implement company regulations so as to comply with labor laws.

## VI. Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Land Lease Agreement	Hsinchu Science Park Administration	2019.01.01 ~ 2040.12.31	Area: 4,633 m <sup>2</sup>	Only for designated purpose
Land Lease Agreement	Hsinchu Science Park Administration	2018.01.2 ~ 2037.12.31	Area: 12,004.74 m <sup>2</sup>	Only for designated purpose
Land Lease Agreement	Hsinchu Science Park Administration	2020.02.01 ~ 2039.12.31	Area: 47,632.03 m <sup>2</sup>	Only for designated purpose
Supplier Agreement	Supplier d	2021.01.01 ~ 2021.12.31	Silicon Materials Agreement	None
Supply Agreement	Customer C	2017 ~ 2027	Silicon wafer supply agreement	None
Business Combination Agreement	Siltronic AG	2020.12.09 ~ 2024.12.31	Siltronic's Executive Board and Supervisory Board support GlobalWafers' tender offer for Siltronic as well as the cooperation framework after settlement.	Approvals by the relevant authorities are required.
Undertaking Agreement	Wacker Chemie AG	2020.12.09 til the fulfillment of contract conditions	Aquairing Siltronic AG Shares	Approvals by the relevant authorities are required.



## Six. Financial Information

### I. Five-Year Financial Summary

#### (I) Condensed Balance Sheet and Comprehensive Income Statement

##### 1. Condensed Balance Sheet

##### (1) IFRS (consolidated)

Unit: NT\$ 1,000

Year		Financial information of the last 5 years					
		2016	2017	2018	2019	2020	Financial information as of 2021 March 31
Item							
Current Assets		22,212,281	35,110,873	53,200,515	51,492,745	49,586,369	34,543,919
Funds & Long-Term Investments		31,035,540	28,202,304	30,887,035	34,697,367	37,111,052	35,330,725
Intangible Assets		4,436,073	3,939,134	3,649,397	3,227,583	2,797,463	2,692,931
Other Assets		2,876,343	2,980,026	2,085,174	7,168,058	5,356,733	24,013,242
Total Assets		60,560,237	70,232,337	89,822,121	96,585,753	94,851,617	96,580,817
Current Liabilities	Before Distribution	24,890,930	22,251,273	24,422,441	26,910,651	29,331,386	32,409,659
	After Distribution	25,984,055	26,623,773	35,303,366	37,791,576	29,331,386	36,762,029
Non-current Liabilities		19,850,805	13,926,658	22,243,567	24,601,852	21,365,331	19,424,473
Total Liabilities	Before Distribution	44,741,735	36,177,931	46,666,008	51,512,503	50,696,717	51,834,132
	After Distribution	45,834,860	40,550,431	57,546,933	62,393,428	50,696,717	56,186,502
Equity attributable to owners of parent							
Capital Stock		3,692,500	4,372,500	4,372,500	4,372,500	4,372,500	4,372,500
Capital Surplus	Before Distribution	11,741,399	24,772,805	24,772,608	24,776,630	23,470,919	23,470,919
	After Distribution	11,741,399	24,772,805	24,772,608	23,470,919	23,470,919	23,470,919
Retained Earnings	Before Distribution	1,933,282	6,857,529	15,932,425	18,785,920	18,622,398	21,312,791
	After Distribution	1,164,290	1,174,596	5,051,500	9,210,706	18,622,398	16,960,421
Other Equity		(1,592,477)	(1,956,906)	(1,361,299)	(2,291,256)	(1,734,138)	(3,832,746)
Treasury Stock		-	-	(576,779)	(576,779)	(576,779)	(576,779)
Non-controlling Equity		43,798	58,478	16,658	6,235	-	-
Total Shareholders' Equity	Before Distribution	15,818,502	34,054,406	43,156,113	45,073,250	44,154,900	44,746,685
	After Distribution	14,725,377	28,371,473	32,275,188	34,192,325	44,154,900	40,394,315

Note: 1. The financial information in the period of 2016~2020 was audited. The financial information in 2021 Q1 was reviewed by CPA.

## (2) IFRS (standalone)

Unit: NT\$ 1,000

Item \ Year		Financial information of the last 5 years				
		2016	2017	2018	2019	2020
Current Assets		6,810,506	13,460,511	9,053,216	6,322,895	18,580,837
Property, plant and equipment		334,997	411,784	1,094,293	1,100,268	4,370,269
Intangible assets		1,631,850	1,313,919	995,988	678,057	360,228
Other assets		33,070,416	47,078,130	58,602,543	67,401,040	59,344,576
Total assets		41,847,769	62,264,344	69,746,040	75,502,260	82,655,910
Current Liabilities	Before Distribution	17,317,308	21,671,662	23,396,505	22,936,170	25,913,394
	After Distribution	18,410,433	26,044,162	34,277,430	33,817,095	30,265,764
Non-current Liabilities		8,755,757	6,546,754	3,210,080	7,499,075	12,587,616
Total Liabilities	Before Distribution	26,073,065	28,218,416	26,606,585	30,435,245	38,501,010
	After Distribution	27,166,190	32,590,916	37,487,510	41,316,170	42,853,380
Equity attributable to owners of the parent						
Capital stock		3,692,500	4,372,500	4,372,500	4,372,500	4,372,500
Capital surplus	Before Distribution	11,741,399	24,772,805	24,772,608	24,776,630	23,470,919
	After Distribution	11,741,399	24,772,805	24,772,608	23,470,919	23,470,919
Retained Earnings	Before Distribution	1,933,282	6,857,529	15,932,425	18,785,920	18,622,398
	After Distribution	1,164,290	1,174,596	5,051,500	9,210,706	14,270,028
Other equity		(1,592,477)	(1,956,906)	(1,361,299)	(2,291,256)	(1,734,138)
Treasury share		-	-	(576,779)	(576,779)	(576,779)
Non-Controlling Interests		-	-	-	-	-
Total Equity	Before Distribution	15,774,704	34,045,928	43,139,455	45,067,015	44,154,900
	After Distribution	14,681,579	28,362,995	32,258,530	34,186,090	39,802,530

Note: The financial information in the period of 2016~2020 was audited.

## 2. Condensed Statement of Income

### (1) IFRS (consolidated)

Unit: NT\$ 1,000

Item \ Year	Financial information of the last 5 years					Financial information in 2021 to March 31
	2016	2017	2018	2019	2020	
Revenue	18,426,950	46,212,601	59,063,510	58,094,331	55,358,788	14,805,831
Gross Profit	4,130,383	11,807,766	22,298,844	22,846,721	20,568,114	5,193,209
Operating Income	1,378,347	7,413,542	17,578,051	17,897,221	15,286,849	3,951,774
Non-Operating Income & Expenses	(33,908)	(538,843)	675,316	656,644	1,328,118	(422,311)
Net Income (Loss) Before Tax	1,344,439	6,874,699	18,253,367	18,553,865	16,614,967	3,529,463
Income Before Income Tax From Continuing Operations	939,171	5,278,207	13,633,771	13,635,656	13,103,631	2,690,393
Loss From Discontinuing Operation	-	-	-	-	-	-
Net Income (Loss)	939,171	5,278,207	13,633,771	13,635,656	13,103,631	2,690,393
Other Comprehensive Income (After Tax)	(44,044)	18,274	431,248	(841,189)	347,092	(2,098,608)
Total Comprehensive Income	895,127	5,296,481	14,065,019	12,794,467	13,450,723	591,785
Net Income Attributable To the Shareholder of the Company	939,485	5,274,723	13,630,673	13,644,095	13,103,614	2,690,393
Net Income Attributable To Non-Controlling Interests	(314)	3,484	3,098	(8,439)	17	-
Comprehensive Income Attributable To the Shareholder of the Company	895,176	5,328,810	14,055,257	12,804,463	13,450,706	591,785
Comprehensive Income Attributable To Non-Controlling Interests	(49)	(32,329)	9,762	(9,996)	17	-
Earnings Per Share	2.54	12.68	31.18	31.35	30.11	6.18

Note: The financial information in the period of 2016~2020 was audited. The financial information in 2021 Q1 was reviewed.

## (2) IFRS (standalone)

Unit: NT\$ 1,000

Item \ Year	Financial information of the last 5 years				
	2016	2017	2018	2019	2020
Revenue	6,749,320	9,280,321	13,740,705	12,465,803	22,506,100
Gross Profit	1,360,109	2,172,052	4,872,970	4,840,549	9,166,598
Operating Income	667,833	1,495,352	3,881,832	3,594,556	6,697,030
Non-Operating Income & Expenses	333,297	4,531,292	12,212,451	11,871,354	8,214,401
Net Income (Loss) Before Tax	1,001,130	6,026,644	16,094,283	15,465,910	14,911,431
Income Before Income Tax From Continuing Operations	939,485	5,274,723	13,630,673	13,644,095	13,103,614
Loss From Discontinuing Operation	-	-	-	-	-
Net Income (Loss)	939,485	5,274,723	13,630,673	13,644,095	13,103,614
Other Comprehensive Income (After Tax)	(44,309)	54,087	424,584	(839,632)	347,092
Total Comprehensive Income	895,176	5,328,810	14,055,257	12,804,463	13,450,706
Net Income Attributable to the Shareholder of the Company	939,485	5,274,723	13,630,673	13,644,095	13,103,614
Net Income Attributable To Non-Controlling Interests	-	-	-	-	-
Comprehensive Income Attributable To the Shareholder of the Company	895,176	5,328,810	14,055,257	12,804,463	13,450,706
Comprehensive Income Attributable To Non-Controlling Interests	-	-	-	-	-
Earnings Per Share	2.54	12.68	31.18	31.35	30.11

Note: The financial information in the period of 2016~2020 was audited.

(II) Auditors' Names and Opinions for Last Five Years

1. Auditors' Names and Opinions for Last Five Years

(1) Auditors' Names and Opinions for Last Five Years (Consolidated)

Year	Accounting Firm	Names of CPAs retained as external auditors	Remarks
2016	KPMG	Mei-Yu Tseng, Yong-Hua Huang	Unqualified opinion
2017	KPMG	Cheng-Chien Chen, An-Chih Cheng	Unqualified opinion
2018	KPMG	Cheng-Chien Chen, An-Chih Cheng	Unqualified opinion
2019	KPMG	Cheng-Chien Chen, An-Chih Cheng	Unqualified opinion
2020	KPMG	Cheng-Chien Chen, An-Chih Cheng	Unqualified opinion

(2) Auditors' Names and Opinions for Last Five Years (Standalone)

Year	Accounting Firm	Names of CPAs retained as external auditors	Remarks
2016	KPMG	Mei-Yu Tseng, Yong-Hua Huang	Unqualified opinion
2017	KPMG	Cheng-Chien Chen, An-Chih Cheng	Unqualified opinion
2018	KPMG	Cheng-Chien Chen, An-Chih Cheng	Unqualified opinion
2019	KPMG	Cheng-Chien Chen, An-Chih Cheng	Unqualified opinion
2020	KPMG	Cheng-Chien Chen, An-Chih Cheng	Unqualified opinion

2. Reason for Changing CPA in Last Five Years:

The Company changes CPA in the last five years is due to KPMG's internal reorganization and job rotation, accounting firm remains the same.

## II. Five-Year Financial Analysis

### (I) Financial Analysis –IFRS (consolidated)

Year Items of analysis (Note 2)		Financial analysis of the last 5 years (Note 1)					Financial information as of 2021/3/31
		2016	2017	2018	2019	2020	
Financial Structure (%)	Ratio Of Liabilities To Assets	73.88	51.51	51.95	53.33	53.45	53.67
	Ratio Of Long-Term Capital To Property, Plant & Equipment	114.93	170.13	211.74	200.81	176.55	181.63
Solvency (%)	Current Ratio	89.24	157.79	217.83	191.35	169.06	106.59
	Quick Ratio	58.30	122.53	188.36	163.45	142.50	83.81
	Times Interest Earned Ratio	14.33	18.26	169.99	259.72	226.58	125.60
Operating Ability	Accounts Receivable Turnover (Turns)	3.02	5.92	6.88	6.68	6.84	6.91
	Average Collection Period	121	62	53	55	53	53
	Inventory Turnover (Turns)	2.54	4.42	4.88	4.83	4.65	5.14
	Accounts Payable Turnover (Turns)	4.39	7.32	8.04	8.11	9.06	9.75
	Average Days In Sales	144	83	75	76	78	71
	Property, Plant & Equipment Turnover (Turns)	0.91	1.56	2.00	1.77	1.54	1.64
	Total Assets Turnover (Turns)	0.44	0.70	0.74	0.62	0.58	0.62
Profitability	Return On Total Assets (%)	2.39	8.53	17.14	14.69	13.75	11.33
	Return On Shareholders' Equity (%)	5.78	21.18	35.32	30.91	29.37	24.21
	Pre-tax Income to Paid-in Capital Ratio (%)	36.41	157.22	417.46	424.33	379.99	246.12
	Profit Ratio (%)	5.10	11.42	23.08	23.47	23.67	18.17
	Earnings Per Share (\$)	2.54	12.68	31.18	31.35	30.11	6.18
Cash Flow	Cash Flow Ratio (%)	10.76	73.14	148.14	64.62	49.65	12.46
	Cash Flow Adequacy Ratio (%)	106.26	171.48	246.86	184.77	154.48	153.13
	Cash Reinvestment Ratio (%)	1.22	18.15	30.16	5.82	3.26	0.73
Leverage	Operating Leverage	2.16	1.68	1.27	1.27	1.36	1.38
	Financial Leverage	1.08	1.05	1.01	1.00	1.00	1.01
Explain the changes in the financial ratios of the last 2 years:		1. Cash flow ratio: due to the decrease in cash inflows from operating activities in the current period compared with the previous period and the increase in current liabilities over the previous period. 2. Cash Reinvestment Ratio: due to the decrease in cash inflows from operating activities in the current period compared with the previous period.					

Note 1: The financial information in the period of 2016~2020 was audited. The financial information in 2021 Q1 was reviewed.

Note 2: The equations for the financial analysis of this statement are shown below:

### 1. Financial Structure

- (1) Ratio of Liabilities To Assets = Total Liabilities / Total Assets
- (2) Ratio of Long-Term Capital To Property, Plant & Equipment = (Net Shareholder's Equity + Non-current Liabilities) / Net amount of Property, Plant & Equipment

### 2. Solvency

- (1) Current Ratio = Current Assets / Current Liabilities.
- (2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities.
- (3) Times Interest Earned Ratio = Earnings before Interests and Taxes / Interest Expenses.

### 3. Operating Ability

- (1) Accounts Receivable (including accounts receivable & notes receivable generated by business activities) Turnover = Net Sales / Average Trade Receivables (including accounts receivable & notes receivable generated by business activities).
- (2) Average Collection Period = 365 / Accounts Receivable Turnover.
- (3) Inventory Turnover = Cost Of Goods Sold / Average Inventory.
- (4) Accounts Payable (including accounts payable & notes payable generated by business activities) Turnover = Cost of Goods Sold / Average Accounts Payable.
- (5) Average Days in Sales = 365 / Inventory Turnover.
- (6) Property, Plant & Equipment Turnover = Net Sales / Average Net Property, Plant & Equipment.
- (7) Total Assets Turnover = Net Sales / Average Total Assets.

### 4. Profitability

- (1) Return on Total Assets (%) = [ Net Income + Interest Expense x (1-Effective Tax Rate)] / Average Total Assets.
- (2) Return on Stockholders' Equity = Net Income / Average Stockholders' Equity.
- (3) Profit Ratio (%) = Net Income / Net Sales.
- (4) Earnings per Share (\$) = (Net Income – Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding.

### 5. Cash Flow

- (1) Cash Flow Ratio (%) = Net Cash Provided by Operating Activities / Current Liabilities.
- (2) Cash Flow Adequacy Ratio (%) = Five-year Sum of Cash from Operations / Five-year (Capital Expenditures + Inventories Additions + Cash Dividend)
- (3) Cash Reinvestment Ratio (%) = (Net Cash Provided by Operating Activities - Cash Dividend) / (Gross Fixed Assets + Long-Term investments + Other Assets + Working Capital)

### 6. Leverage

- (1) Operating Leverage = (Net Sales – Variable Cost) / Income from operations.
- (2) Financial Leverage = Income from operations / (Income from operations – Interest Expenditures).

(II) Financial Analysis – IFRS (standalone)

Year Items of analysis (Note 2)		Financial analysis of the last 5 years (Note 1)				
		2016	2017	2018	2019	2020
Financial Structure (%)	Ratio Of Liabilities To Assets	62.30	45.32	38.15	40.31	46.58
	Ratio Of Long-Term Capital To Fixed Assets	7,322.59	9,857.76	4,235.57	4,777.57	1,298.38
Solvency (%)	Current Ratio	39.33	62.11	38.69	27.57	71.70
	Quick Ratio	30.49	53.69	32.41	23.01	64.35
	Times Interest Earned Ratio	27.17	22.03	86.51	101.84	57.55
Operating Ability	Accounts Receivable Turnover (Turns)	2.69	3.46	4.19	3.49	5.61
	Average Collection Period	136	105	87	105	65
	Inventory Turnover (Turns)	4.54	4.45	5.66	6.20	8.84
	Accounts Payable Turnover (Turns)	2.10	2.07	2.63	2.62	4.07
	Average Days In Sales	80	82	64	59	41
	Property, plant, and equipment turnover	21.23	24.85	18.25	11.35	8.23
	Total Assets Turnover (Turns)	0.22	0.17	0.21	0.17	0.28
Profitability	Return On Total Assets (%)	3.20	10.61	20.90	18.97	16.86
	Return on equity (%)	5.78	21.17	35.32	30.94	29.37
	EBT to paid-in capital ratio (%)	27.11	137.83	368.08	353.71	341.03
	Profit Ratio (%)	13.92	56.83	99.20	109.53	58.22
	Earnings Per Share (\$)	2.54	12.68	31.18	31.35	30.11
Cash flow	Cash Flow Ratio (%)	5.47	21.38	21.33	11.01	18.41
	Cash Flow Adequacy Ratio (%)	90.97	78.63	87.81	59.26	56.41
	Cash Reinvestment Ratio (%)	-3.80	8.82	1.34	-15.93	-7.97
Leverage	Operational Leverage	1.15	1.27	1.12	1.14	1.18
	Financial Leverage	1.06	1.23	1.05	1.04	1.04
<p>Explain the changes in the financial ratios of the last 2 years:</p> <ol style="list-style-type: none"> <li>1. Ratio of Long-Term Capital To Fixed Assets: To streamline the Company's operating structure, the Company conducted a short-form merger with its former subsidiary company, Taisil Electronic Materials Corp.(Hereinafter referred to as Taisil) in February 2020, causing rising levels in property, plant and equipment.</li> <li>2. Current Ratio and Quick Ratio: due to the Company conducted a short-form merger with subsidiary Taisil in this period, resulting in an increase in current assets.</li> <li>3. Times Interest Earned Ratio: due to the depreciation of the US dollar recognized as the loss of foreign exchange and the decline in overseas investment profits.</li> <li>4. Accounts Receivable Turnover (Turns) &amp; Average Collection Period: due to the Company conducted a short-form merger in this period with subsidiary Taisil, sales revenue increased compared to the previous period.</li> <li>5. Inventory Turnover (Turns): due to the Company conducted a short-form merger with subsidiary Taisil in this period, the sales revenue and the cost of goods solds increased.</li> </ol>						



	<p>6. Fixed Assets Turnover(Turns): due to the Company in this period conducted a short-form merger with the subsidiary Taisil, the amount of property, plant and equipment increased.</p> <p>7. Total Assets Turnover (Turns): due to the Company conducted a short-form merger with subsidiary Taisil in this period, the sales revenue increased compared to the previous period.</p> <p>8. Profit Ratio: due to the Company conducted a short-form merger with subsidiary Taisil in this period, sales revenue increased due to the Company conducted a short-form merger with subsidiary Taisil in this period.</p> <p>9. Cash Flow Ratio: due to the Company conducted a short-form merger with subsidiary Taisil in this period, the net cash inflows from operating activities increased.</p> <p>10.Cash Reinvestment Ratio (%): due to the Company conducted a short-form merger with subsidiary Taisil in this period, the net cash inflows from operating activities and the amount of property, plant and equipment increased.</p>
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Note 1: The financial information in the period of 2016~2020 were audited.

Note 2: The equations for the financial analysis of this statement are shown below:

1. Financial Structure
  - (1) Ratio of Liabilities to Assets = Total Liabilities/ Total Assets
  - (2) Ratio Of Long-Term Capital To Property, Plant & Equipment = (Net Shareholder's Equity + Non-current Liabilities)/ Net amount of Property, Plant & Equipment
2. Solvency
  - (1) Current Ratio = Current Assets / Current Liabilities.
  - (2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities.
  - (3) Times Interest Earned Ratio = Earnings before Interests and Taxes/ Interest Expenses.
3. Operating Ability
  - (1) Accounts Receivable (including accounts receivable & notes receivable generated by business activities) Turnover = Net Sales / Average Trade Receivables (including accounts receivable & notes receivable generated by business activities).
  - (2) Average Collection Period = 365 / Accounts Receivable Turnover.
  - (3) Inventory Turnover = Cost Of Goods Sold / Average Inventory.
  - (4) Accounts Payable (including accounts payable & notes payable generated by business activities) Turnover = Cost of Goods Sold / Average Accounts Payable.
  - (5) Average Days in Sales = 365 / Inventory Turnover.
  - (6) Fixed assets turnover = net sale/average net fixed assets.
  - (7) Total Assets Turnover = Net Sales / Average Total Assets.
4. Profitability
  - (1) Return on Total Assets (%) = [ Net Income + Interest Expense x (1-Effective Tax Rate)] / Average Total Assets.
  - (2) Return on shareholder equity = net income/average net shareholder equity.
  - (3) Profit Ratio (%) = Net Income / Net Sales.
  - (4) Earnings per Share (\$) = (Net Income – Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding.
5. Cash Flow
  - (1) Cash Flow Ratio (%) = Net Cash Provided by Operating Activities / Current Liabilities.
  - (2) Cash Flow Adequacy Ratio (%) = Five-year Sum of Cash from Operations / Five-year (Capital Expenditures + Inventories Additions + Cash Dividend)
  - (3) Cash Reinvestment Ratio (%) = (Net Cash Provided by Operating Activities - Cash Dividend) / (Gross Fixed Assets + Long-Term investments + Other Assets + Working Capital)
6. Leverage
  - (1) Operating Leverage = (Net Sales – Variable Cost) / Income from operations.
  - (2) Financial Leverage = Income from operations / (Income from operations – Interest Expenditures).

III. Audit Committee's Report in the Most Recent Year:

**GlobalWafers Co., Ltd**  
**Audit Committee's Audit Report**

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

GlobalWafers Co., Ltd.

Audit Committee Convener:



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Chi-Hsiung Cheng

May 4, 2021

- IV. Financial Statements for the Latest Year: Refer to Attachment 1 of this report.**
- V. Standalone Financial Statements Review by CPA for the Latest Year: Refer to Attachment 2 of this report.**
- VI. Specify impact to the Company if any financial difficulty happens to the Company and its subsidiaries in the most recent year and as of the printing day of this annual report: None**

## Seven. Review of Financial Conditions, Operating Results, and Risk Management

### I. Analysis of Financial Status

Unit: NT\$ 1,000

Item \ Year	2020	2019	Difference	
			Amount	Change in percentage (%)
Current Assets	49,586,369	51,492,745	(1,906,376)	-3.7%
Property, Plant & Equipment	37,111,052	34,697,367	2,413,685	7.0%
Intangible Assets	2,797,463	3,227,583	(430,120)	-13.3%
Other Assets	5,356,733	7,168,058	(1,811,325)	-25.3%
Total Assets	94,851,617	96,585,753	(1,734,136)	-1.8%
Current Liabilities	29,331,386	26,910,651	2,420,735	9.0%
Non-current Liabilities	21,365,331	24,601,852	(3,236,521)	-13.2%
Total Liabilities	50,696,717	51,512,503	(815,786)	-1.6%
Capital	4,372,500	4,372,500	0	0.0%
Capital Surplus	23,470,919	24,772,630	(1,301,711)	-5.3%
Retained Earnings	18,622,398	18,785,920	(163,522)	-0.9%
Total Equity	44,154,900	45,073,250	(918,350)	-2.0%
1. Analysis of the difference greater than 20% in the last 2 years: (1) Other assets: due to the increase of other asset-non-current. 2. Significant influence and the plan for response: None.				

## II. Analysis of Operating Results

- (I) Main reasons for the significant changes in revenue, operating profit, and earnings before taxation in the last 2 years

Unit: NT\$ 1,000

Item \ Year	2020	2019	Changes in amount	Change in percentage (%)
Total Net Revenues	55,358,788	58,094,331	(2,735,543)	-5%
Gross Profit	20,567,114	22,846,721	(2,279,607)	-10%
Operation Profit	15,286,849	17,897,221	(2,610,372)	-15%
Non-Operating Income and Expense	1,328,118	656,644	671,474	102%
Profit before Tax	16,614,967	18,553,865	(1,938,898)	-10%
Income Tax Expense	3,511,336	4,918,209	(1,406,873)	-29%
Net Profit	13,103,631	13,635,656	(532,025)	-4%
Other Comprehensive Income	347,092	(841,189)	1,188,281	-141%
Total Comprehensive Income	13,450,723	12,794,467	656,256	5%
<p>Analysis of the difference greater than 20% in the last 2 years:</p> <p>(1) Non-operating Income and Expense: due to the increase of interest in financial assets (liabilities) measured at fair value through profit and loss.</p> <p>(2) Other Comprehensive Income: due to the change in the exchange difference presented in the financial statements of overseas operations.</p>				

### III. Analysis of Cash Flow:

#### (I) Analysis of the changes in cash flow in the most recent year (2020)

##### (1) Financial analysis

Unit: NT\$ 1,000

Cash balance at the beginning of period (1)	From operation in current period  Net cash flow (2)	Cash outflow (inflow) in current period  (3)	Amount of cash surplus (short)  (1)+(2)-(3)	Remedy for cash short	
				Investment plan	Wealth management plan
32,821,512	14,563,559	24,945,590	22,439,481	NA	NA
Analysis of the change in cash flow of current period: (1) Operation: The continued profit in 2020 with the net cash inflow from operation. (2) Investment: the purchase of fixed assets in 2020, financial assets and repatriated offshore funds resulted in net cash outflow from investment. (3) Financing: dividend distribution resulted in net cash outflow from financing.					

(II) Remedy for inadequate liquidity: the Company has no liquidity problem and liquidity is not a concern.

#### (III) Analysis of cash flow in the year ahead (2021)

Unit: NT\$ 1,000

Cash balance at the beginning of period (1)	Projected net cash flow from operation of the period (2)	Projected cash outflow (inflow) volume of the year (3)	Projected amount of cash surplus (short)  (1)+(2)-(3)	Remedy for projected cash short	
				Investment plan	Wealth management plan
22,439,481	16,570,465	4,936,776	34,073,170	NA	NA
1. Analysis of cash flow in the year ahead: (1) Operation: continued profit is expected with net cash inflow from operation. (2) Investment: the purchase of R&D/Production equipment to meet operation needs will result in net cash outflow from investment. (3) Financing: the payment of cash dividend will result in net cash outflow from financing. 2. Remedy for projected cash short: None.					

### IV. Major Capital Expenditure Items influence on Financial Business: None.

V. Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year.

(I) Reinvestment policy:

The Company legislates “Acquisition or Disposal of Assets Procedure” in compliance with of governmental “Acquisition or Disposal of Assets Procedure by Public Companies” as reinvestment guideline so as to capture business and financial status. Also, in order to increase monitoring and management of reinvested companies, the Company legislates “Monitoring Procedure of Subsidiaries” in internal control system, regulating its information disclosure, finance, business as well as inventory to maximize reinvestment synergy.

(II) Major reasons for reinvestment profits or losses, improvement plans and investment plan for the following year:

Unit: NT\$ 1,000

Names of investee companies	Recognized investment gain (loss) in 2020	Main reason for profit or loss	Corrective action plan
GlobalWafers Inc.	22,123	Operation is normal	None
GlobalSemiconductor Inc.	343,004	Operation is normal	None
GlobalWafers Japan Co., Ltd.	1,662,236	Operation and profit position is stable	None
GWafers Singapore Pte. Ltd.	6,478,384	Operation is normal	None
Topsil GlobalWafers A/S	120,147	Operation is normal	None
Hong-Wang Investment Company	36,809	Operation is normal	None
Taisil Electronic Materials Corp.(Note 1)	293,186	Operation and profit position is stable	None
Kunshan Sino Silicon Technology Co., Ltd.	342,602	Operation is normal	None
MEMC Japan Ltd.	239,045	Operation and profit position is stable	None
Topsil Semiconductor sp z o.o.	-	Operation is normal	None
GlobalWafers Singapore Pte. Ltd.	6,739,840	Operation and profit position is stable	None
GlobalWafers B.V.	4,465,267	Operation is normal	None
MEMC Electronic Materials, S.p.A	239,045	Operation and profit position is stable	None
MEMC Electronic Materials France SarL	738	Operation is normal	None
MEMC Electronic Materials GmbH	(17)	Operation is normal	None
MEMC Korea Company	350,282	Operation and profit position is stable	None
GlobiTech Incorporated	1,659,904	Operation and profit position is stable	None
MEMC LLC	58,956	Operation is normal	None
MEMC Electronic Materials Sdn. Bhd	738	Operation is normal	None
MEMC Ipoh Sdn Bhd	848	Operation is normal	None
Sunrise PV Four Co., Ltd.	(154)	Operation is normal	None
Sunrise PV Electric Power Five Co., Ltd.	(428)	Operation is normal	None
GlobalWafers GmbH	(65)	Operation is normal	None
GlobalWafers Holding Co., Ltd.	22,123	Operation is normal	None

Note 1: The Company conducted a short-form merger with subsidiary Taisil Electronic Materials Corp, which dissolved and the Company is the existing company.

(III) Investment plan in the year ahead: None.

VI. Analysis and assessment of risks in the most recent year to the day this report was printed:

(I) The influence of the changes in interest rate and exchange rate and inflation on the income position of the Company and the response:

1. Interest rate:

The Company and its subsidiaries have sound financial position with good credit standing that allowed for preferential treatment from the financial institutions in financing. As such, the Company could enjoy better terms and conditions for borrowing. The loans could be short, mid and long-term depending on capital requirements. The cost of capital and the condition for the retirement of loans will be the primary concern for the Company in borrowing. Part of the short-term credit is in foreign currency as working capital that exchange rate will be considered in effecting the drawdown.

2. Exchange rate:

The Company adopts the policy of natural hedge between the positions of assets and liabilities with an attempt to minimize the exposure of the position to exchange risk in the transactions of sale and purchase between the Company and its subsidiaries. The treasury function of the Company pays close attention to the trend of the exchange rate, and will match with appropriate foreign exchange instruments for hedging where necessary to mitigate the influence of exchange rate fluctuation on the cost of operation.

3. Inflation:

The effect of inflation in the most recent year on the income position of the Company was insignificant. The Company and its subsidiaries pay close attention to the fluctuation of price and will take relevant measures in response where necessary.

(II) The policy of engagement in high risk, high leverage investment, loaning of funds to a third party, endorsement/guarantee in favor of a third party, and derivative trade, the main reason for profit or loss, and the response:

1. The Company and its subsidiaries are not engaged in high risk and high leverage investment.

2. The Company duly observes the Procedure for the Loaning of Funds, Regulations Governing Endorsement/Guarantee, Procedure for Derivative Trade and other rules and regulations of the competent authority applicable to the Company and its subsidiaries in loaning of funds, endorsement/guarantee, and engagement in derivative trade, and conduct routine audit and announcement. The executor will comply with relevant rules and regulations in internal review and control that operation risk will be unlikely to occur.

(III) R&D plan in the future and projected expense for investment in R&D:

Semiconductor wafers are the foundation of semiconductor components. As the semiconductor product applications are widening, and the requirements to qualities and specifications are increasingly higher, the Company has been monitoring the market pulse and technology development directs, to actively engage the development of new products and technologies to cope with the current and potential demands of clients. The future development projects include the following:

A. Development of 12" silicon substrate with nano manufacturing process

B. Development of technology for special substrates of high voltage for EV



C. Development of technology for substrates used in new-generation sensing component and communication component.

For R&D expenses, the budget are arranged according to the development schedule of new products and new technologies. The R&D expense spent in 2019 and 2020 was accounted 2.94% and 2.93% in the total operating revenue, respectively. In the future, such expenses will be adjusted based on the operation and market conditions, to keep the Company's competitive edges in the industry.

Type	Expected R&D Costs (thousand NTD)	Description of the R&D project
R&D of process improvement	350,000	<ol style="list-style-type: none"> <li>1. Design and development low-energy consuming hot field for crystal growth</li> <li>2. Development of low-pollution wire cutting process</li> <li>3. Improvement to advanced crystal-growing/wafer manufacturing process yield</li> </ol>
R&D of quality improvement	400,000	<ol style="list-style-type: none"> <li>1. Development of crystal defect control and measuring technology</li> <li>2. Development of ultra-flat silicon wafer processing technology</li> <li>3. Polishing technology for the surface defects of wafers</li> <li>4. Development of surface polishing technology for the atomic-grade wafers</li> <li>5. Development of RFSOI manufacturing process yield technology</li> <li>6. Measuring system of wafer chamfer</li> <li>7. Low-temperature FTIR analyses applied to the carbon/oxygen contents in heavy doping silicon wafers.</li> <li>8. PL and FTIR technologies applied to the development of low-carbon silicon wafer measuring technology</li> <li>9. Development of technology growing epitaxy with low-stacking fault defects at the heavily doped red phosphorus wafers with resistant &lt; 0.9 mΩ-cm</li> </ol>
R&D of equipment improvement	350,000	<ol style="list-style-type: none"> <li>1. Development of automated and digitized manufacturing system</li> <li>2. Development and design of crystal furnace with high productivity and crystal quality</li> <li>3. Development and design of low energy-consumption manufacturing process equipment</li> </ol>

Type	Expected R&D Costs (thousand NTD)	Description of the R&D project
		4. Development and design of brand new 300mm crystal furnace 5. Development of pilot forecasting system prior to wafer manufacturing process 6. Development of next-generation CMP lap disks 7. Development of inspection method for the surface of tiny LPD silicon 8. Development of 8" FZ wafers for the next generation power components
New product development	520,000	1. Development of large-size semi insulating SiC crystal and the wafers 2. Development of SOI substrate for next generation RF device application 3. Development of heteroepitaxy technology 4. Development of ECAS wafers with low carbon, low defects, and quasi IG structure for the next generation 3D storage components and CMOS image sensors 5. PPCM applied to the CMOS image sensors with high resolution 6. Development of new 8" GaN epitaxy products 7. Development of GaN and SiC epitaxy wafers 8. Development of SiC epitaxy wafers

- (IV) The influence of the changes in major policies of the home government and foreign governments, and the regulatory environment, on the financial position and operation of the Company, and the response:

The Company duly observes applicable laws of the home government and foreign governments in routine operation, and pays close attention to any change in the policies of the home government and foreign governments, and the regulatory environment for keeping abreast of the information on the changes in the market with proper response. As of the day this report was printed, there is no significant influence of any change in the policies of the home government and foreign governments and the regulatory environment on the Company and its subsidiaries.

- (V) The influence of technology and industrial change on the financial position and the operation of the Company, and the response:

The Company pays close attention to the changes in technologies of the industry at all times, and keeps abreast of the trend of the market with assessment on possible influence on the operation of the whole Group. Yet, there has been no significant change in technology and the industry in recent years that caused significant

influence on the financial position and operation of the Company and its subsidiaries.

- (VI) The effect of corporate image change on corporate crisis management, and the response:

The Company and its subsidiaries have been indulged in the professed industry and duly observed applicable laws, and spared no effort in strengthening the internal management and the upgrade of management quality and performance to maintain a positive corporate image and earn the trust of the customers. There has been no change in the corporate image of Company and its subsidiaries in the most recent year to the day this report was printed that triggered corporate crisis to the Company. Yet, corporate crisis may cause significant damage to the enterprise. For this reason, the Company and its subsidiaries never cease to implement corporate governance as required to reduce the risk of corporate crisis and the impact on the Company.

- (VII) The expected result and possible risk from corporate merger and acquisition, and the response:

The Company's subsidiary, GlobalWafers GmbH, publicly acquired all outstanding shares of Siltronic AG at the price of EUR 145 per share; the statutory public acquisition extension expired on March 1, 2021. The final stake acquired is 70.27%. The finalization of this acquisition depends on the approval of the competent authorities. The Company and Siltronic AG expect this merger will bring series of strategic and operational effects, including: more resources input for further expansion of capacity and technology; satisfaction to the demands from growing clients, diversified resource mixes, more flexible capacity, and further enhancement of financial and operational scales. It is expected that the synergy generated will create positive values for shareholders and clients, and broader client base. The Company proceeded to M&A in accordance with the "Procedure for the Acquisition or Disposition of Assets", and will be cautious in assessment for assurance of the best interest of the Company and the shareholders' equity.

- (VIII) Expected result and possible risk from capacity expansion, and the response:

To respond to the clients' demand for new capacity of advanced 12" wafer manufacturing process, the Company's subsidiary, MEMC Korea Company invested in plant and equipment, to expand the 12" wafer production line in the existing wafer fab in Korea. The mass production with full capacity was scheduled in mid 2020; however, impacted by COVID-19, the installation of equipment and samples to clients were delayed. Through the close collaboration of the engineers in the plant and the clients, most capacity has been utilized at the end of 2020, and the full-load production is expected by mid 2021. In consideration of the possible risk and influence from the economic cycle of the semiconductor industry on the new capacity, the capacity expansion for this instance is based on the long-term purchase order confirmed by the customers where the products from the new production capacity are fully for supplying the customers. This helps to mitigate the influence of the economic cycle on the Company.

- (IX) The risks deriving from concentration of purchase and sale, and the response: None.

(X) The influence of the massive transfer of equity shares by or the replacement of Directors, Supervisors, or shareholders holding more than 10% of the shares, the risk, and response: None.

(XI) The influence of the change in ownership of the Company, the risk, and the response: None.

(XII) Law suits or non-contentious matters

1. Major law suits, non-contentious matters, or administrative actions with ruling or pending on court ruling to the day this report was printed, and the ruling result may cause significant influence on the shareholders' equity or stock price of the Company. Disclose the subject matter of contention, the amount involved, the date of the commencement of legal proceeding, the key parties concerned, and the status: None.
2. The Directors, President, the deputy agents, shareholders holding more than 10% of the shares and subsidiaries involved in law suits, non-contentious matters, or administrative actions with ruling or pending on court ruling to the day this report was printed, and the ruling result may cause significant influence on the shareholders' equity or stock price of the Company: None.

(XIII) Other major risks and response:

1. The assessment of information security risk and response:

The Company outsourced with the group parent (Sino-American Silicon Products Inc.) to manage its information system. The internal audit function of the Company orchestrates the audit on the information system and information security annually and reports to the Board on the governance of information security.

The Company takes "Information Security Governance" as the theme of the information security strategy – pursuit in compliance with the Information Security Policy, with timely introduction of new technologies for the improvement of the capacity in security information governance. "Compliance" – the Company reviews newly enacted legal rules and regulations and introduces new technology products for enhancing information security management. "Application of Technology" – cooperation with famous professional information security service provider to make improvement of information security governance capacity in these 3 aspects. Through close cooperation and mutual support, and endless improvement, the Company optimizes its capacity in overall information security defense.

In light of the new trend of information security such as DDoS attack, blackmail software, community engineering software, website side recording, and loopholes, the Company joined the SP-ISAC of the Industrial Park. Through the annual exchange with famous information security service providers and programs, the Company pays close attention to issues related to information security and planned for proper response. The Company also conducts exercise drills against DDoS and APT under different information security environments to strengthen the capacity of the management staff in response to the situation with a view to detecting and deterring attack once discovered. The parent company, Sino-American Silicon, retained KPMG to conduct the information security drill in the first half of 2019. The outcome of

the drill was reported to the parent company, Sino-American Silicon, and the Company's Board of Directors (19 recommendations without defect). As of 2020, 17 items have been improved. In 2021, the information collection and analysis technology will be introduced to include the weakness of enterprise network detection into the routine management.

Considering that information security insurance is still a new type of insurance, which involves the relevant supporting facilities such as information security grade testing institutions, claim recognition and non-payment conditions, it needs to be evaluated before deciding whether to purchase information security insurance. The follow-up objectives will be to give priority to complete related norms of information security, make regular information security inspections, continuously strengthen information security protection and establish the joint defense mechanism, to be more active in the training of information security talents, and increase the training hours of information security-related courses year by year, so as to improve the ability of information security control and management.

## 2. Management of intellectual properties and risk countermeasures:

### Intellectual Property Management Strategy

To corresponding the Company's operating strategy to become the wafer supplier with the largest scale and most complete product in the world, with the continuous development of next-generation product technologies as the development strategy, the Company has formulated the intellectual property management strategy, with three major approaches: enhancing IP management capability, strengthening product patent position, and improving the secret management mechanism. It is sought to apply the intellectual property right as the competitive edge for the next generation products, but all so the key weapon to guard off the competitions.

### Intellectual Property Management System

Since foundation, the Company adopt the same approach of the parent company, Sino-American Silicon, values the intellectual property rights extremely. In 2013, the Company started to introduce the "Taiwan Intellectual Property Management System (TIPS)" to enhances the regulations governing the IP management gradually, including:

**Patent management:** regulate the proposal reviewing, application and maintenance, and encourage employees to propose their innovations through the incentive system.

**Secret management:** classify various confidential data of the Company, and enhance the labeling and access controls.

**R&D management:** establish the management regulations in terms of self-development and outsourcing partnership; strengthen the external contract signing and outcome review.

In addition, the Company continuously participates the TIPS audit certification, to implement the IP management mechanism. The Company has passed the TIPS basic certification in 2013; passed the TIPS advanced certification in 2014 and 2015; and passed the AA-grade certification from 2016 to 2019. The latest

certificate expires on December 31, 2021. Also the Company reports the IP management implementation to the Board of Directors annually.

Potential risks and counter strategies:

Whereas the secret leakage becomes a frequent headlines over media, the Company will continue to strengthen the secret control program to prevent theft of the technologies generated from the Company's hard working, and protect clients' interests.

In terms of personnel, the confidentiality control training and promotion are conducted regularly, to raise employees' awareness to trade secrets. For the equipment control, the control is exercised over the sending-out emails and digital storage devices, to reduce the possibility of internal data leakage. Most importantly, the internal audit is conducted periodically to investigate the implementation of secret management, and increase the capacity of management.

List of the Intellectual Property Rights

Currently, GlobalWafers has more than 1,400 effective patents globally, and the certified patents are aggregated to 952 (as of December 31, 2020) °

VII. Additional information: None

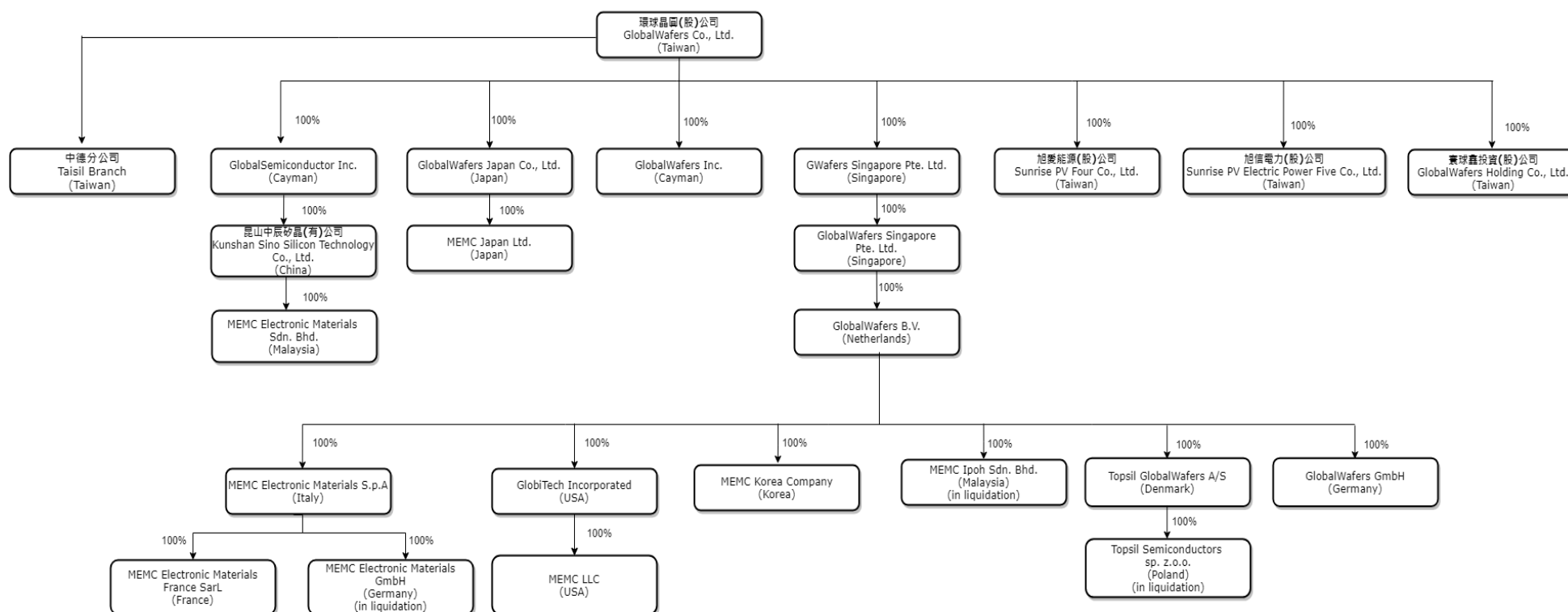
## Eight. Special Disclosure

### I. Affiliated Businesses

#### (I) Affiliated Business Consolidated Business Report

##### 1. Affiliated Company Chart

2020.12.31



## 2. Relationship with Affiliated Companies and Share Crossholdings

December 31, 2020

Enterprise name	Date of incorporation	Address	Paid-in Capital	Principal business or Products
Taisil branch.	2020/02/01	No. 2, Creation Road 1, HsinChu Science Park, Hsinchu, Taiwan		Semiconductor silicon wafer manufacturing and trading
GlobalWafers Inc.	2011/05/03	2nd Floor, The Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands	USD 1	Business investment and triangular trade center with subsidiaries in China
GlobalSemiconductor Inc.	2011/05/03	2nd Floor, The Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands	USD 26,555,000	Reinvestments in various businesses
GlobalWafers Japan Co., Ltd.	1991/06/18	6-861-5 Seiro-machi Higashiko, Kitakanbara-gun, Niigata 957-0197 Japan	JPY 6,967,000,000	Semiconductor silicon wafer manufacturing and trading
GWafers Singapore Pte. Ltd.	2016/02/02	120 Robinson Road, #08-01, Singapore 068913	USD 541,673,910	Reinvestments in various businesses
Topsil GlobalWafers A/S	2016/07/01	Siliciumvej 1, 3600 Frederikssund, Copenhagen, Denmark	DKK 1,000,000	Semiconductor silicon wafer manufacturing and trading
Kunshan Sino Silicon Technology Co., Ltd.	1999/08/17	No. 303, Hanpu Road, Chengbei High Tech Industrial Park, Kunshan, Jiangsu, China	USD 26,555,000	Silicon ingots and silicon wafer processing and trade
MEMC Japan Ltd.	1979/12/11	11-2 Kiyohara Industrial Park, Utsunomiya City, Tochigi 3213296 Japan	JPY 100,000,000	Semiconductor silicon wafer manufacturing and trading
Topsil Semiconductor sp z o.o.	2008/10/01	133 Wolczynska St., 01-919 Warsaw, Poland	PL 5,000	Semiconductor silicon wafer manufacturing and trading
GlobalWafers Singapore Pte. Ltd.	2013/12/20	120 Robinson Road, #08-01, Singapore 068913	SGD 1 USD544,875,100.82	Investment, marketing and trading
GlobalWafers B.V.	2013/11/26	Evert van de Beekstraat 1-104, 1118 CL Schiphol, The Netherlands	USD 100	Reinvestments in various businesses
MEMC Electronic Materials SpA	1960/01/29	Viale Gherzi, 31 28100 Novara, Italy	EUR 31,200,000	Semiconductor silicon wafer manufacturing and trading
MEMC Electronic Materials France SarL	1998/07/27	5-7 BLD EDGAR QUINET 92700 COLOMBES, France	EUR 16,000	Trading
MEMC Electronic Materials GmbH	1998/02/10	c/o Rene Schaeffler-Steinsdorfstr, 13, D-80538 Muenchen, Germany	EUR 200	Trading
MEMC Korea Company	1990/12/18	854, Manghyang-ro, Sunggeo-eup, Cheonan-si, Chungchongnam-do, Korea	KRW 126,000,000	Semiconductor silicon wafer manufacturing and trading



Enterprise name	Date of incorporation	Address	Paid-in Capital	Principal business or Products
GlobiTech Incorporated	1998/12/15	200 FM 1417 West/Sherman, TX 75092, USA	USD 1	Epitaxial silicon wafer production and trade of epitaxy foundry business
MEMC LLC	2013/08/28	501 Pearl Drive St. Peters, MO 63376, USA	USD 10	Research and development, manufacturing, and sale of semiconductor silicon wafer.
MEMC Electronic Materials Sdn Bhd	1972/06/15	Sungai Way Free Industrial Zone, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia	MYR 1,036,203	Research and development, manufacturing, and sale of semiconductor silicon wafer.
MEMC Ipoh Sdn Bhd.	2007/10/10	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, Kuala Lumpur	MYR 612,300,000	Research and development, manufacturing, and sale of semiconductor silicon wafer.
GlobalWafers GmbH	2020/01/17	Theresienhöhe 30, c/o Youco24 Corporate Services GmbH, 80339 Munich	EUR 25,000	Reinvestments in various businesses
Sunrise PV Four Co., Ltd.	2017/04/14	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan	NTD 1,045,000,000	Power generation
Sunrise PV Electric Power Five Co., Ltd.	2019/11/21	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan	NTD 122,000,000	Power generation
GlobalWafers Holding Co., Ltd.	2020/09/21	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan	NTD 250,000,000	Reinvestments in various businesses

3. Common Shareholders of the Company and Its Subsidiaries or Its Affiliates with Actual of Deemed Control: None.

4. Business Scope and the Affiliated Companies: as stated in the profiles of the affiliates

### 5. List of Directors, Supervisors and Presidents of Affiliated Companies

December 31, 2020

Enterprise name	Title	Name or representative	Quantity of shareholding	
			Quantity of shares (1,000 shares)	Proportion
Taisil branch	President	Yin-Sheng Hsueh	-	-
GlobalWafers Inc.	Director	Hsiu-Lan Hsu	0.01	100%
GlobalSemiconductor Inc.	Director	Hsiu-Lan Hsu	25,000	100%
GlobalWafers Japan Co., Ltd.	Chairperson	Hsiu-Lan Hsu	128	100%
	Director and President	Katsuaki Koutari		
	Vice chairperson	Takashi Araki		
	Director	Mark Lynn England		
	Director	Tang-Liang Yao		
	Supervisor	Wei-Wen Chen		
GWafers Singapore Pte. Ltd.	Chairperson	Hsiu-Lan Hsu	541,674	100%
	Director	Mark Lynn England		
	Director	Tang-Liang Yao		
	Director	Chen Ye Huang		
Kunshan Sino Silicon Technology Co., Ltd.	Chairperson	Tang-Liang Yao	-	100%
	Vice chairperson	Hsiu-Lan Hsu		
	Director and President	Ching-Chang Chin		
	Director	Sheng-Hsiung Hung		
	Director	Ming-Hui Chien		
	Supervisor	Wei-Wen Chen		
MEMC Japan Ltd.	Chairperson	Hsiu-Lan Hsu	750	100%
	Director and President	Katsuaki Koutari		
	Director	Toru Kobayashi		
	Director	Hironobu Nakazawa		
	Director	Toshiharu Kondo		

	Supervisor	Wei-Wen Chen		
Topsil GlobalWafers A/S	Chairperson	Hsiu-Lan Hsu	1,000	100%
	Director	Wei-Wen Chen		
	Director and President	Hans Peder Mikkelsen		
	Director	Mauro Pedrotti		
	Director	Liang Shi		
Topsil Semiconductor sp z o.o.	Director	Hans Peder Mikkelsen	0.1	100%
GlobalWafers Singapore Pte. Ltd.	Director	Hsiu-Lan Hsu	299,445	100%
	Director	Mark Lynn England		
	Director	Chen Ye Huang		
GlobalWafers B.V.	Director	Hsiu-Lan Hsu	0.1	100%
	Director	Liang Shi		
MEMC Electronic Materials, SpA	Chairperson and CEO	Mauro Pedrotti	65,000	100%
	Director	Ming-Hui Chien		
	Director	Jyh-Shyng Lu		
	Director	Prof. Gianluigi Tosato		
	Supervisor	Richard Murphy		
	Supervisor	PierMario Barzaghi		
	Supervisor	Eleonora Guerriero		
MEMC Electronic Materials France SarL	Director	Marco Maffe	0.5	100%
MEMC Electronic Materials GmbH	Director	Marco Sciamanna	0.002	100%
MEMC Korea Company	Chairperson	Charlie Cho	25,200	100%
	Director	Hsiu-Lan Hsu		
	Director	Mark Lynn England		
	Supervisor	Jyh-Shyng Lu		
GlobiTech Incorporated	Chairperson and CEO	Hsiu-Lan Hsu	1	100%
	Director	Tang-Liang Yao		
	Director	Mark Lynn England		
	Director and President	Ming-Hui Chien		
	Director	Curtis Hall		

MEMC LLC	President	Mark Lynn England	-	100%
	Vice President	Rick Boston		
MEMC Electronic Materials, Sdn Bhd	Director	Ching-Chang Chin	1,036	100%
	Director	Tony Wang		
	Director	Joanne Leong		
	Director	Ming-Hui Chien		
MEMC Ipoh Sdn. Bhd.	Director	Ching-Chang Chin	612,300	100%
	Director	Tony Wang		
	Director	Joanne Leong		
GlobalWafers GmbH	Director	Ming-Hui Chien	25	100%
Sunrise PV Four Co., Ltd.	Chairperson	Hsiu-Lan Hsu	104,500	100%
	Director	Ming-Hui Chien		
	Director	Hsiu-Ling Hsu		
Sunrise PV Electric Power Five Co., Ltd.	Chairperson	Ming-Hui Chien	12,200	100%
GlobalWafers Holding Co., Ltd.	Chairperson	Hsiu-Lan Hsu	25,000	100%
	Director	Ming-Kuang Lu		
	Director	Tang-Liang Yao		

## 6. Operation Highlights of Affiliated Companies

### Financial status and operation of affiliated companies

2020.12.31; Unit: NT\$1,000

Enterprise name	capital	Total assets	Total liabilities	Net worth	Operating Revenues	Operating profit	Net income after tax in current period	EPS (after taxation)
GlobalWafers Inc.	—	1,823	—	1,823	—	—	22,123	—
GlobalSemiconductor Inc.	756,286	1,832,883	—	1,832,883	—	(3,189)	339,834	—
GlobalWafers Japan Co., Ltd.	1,924,982	21,351,307	4,389,722	16,961,585	11,010,707	1,937,094	1,659,904	—
GWafers Singapore Pte. Ltd.	15,426,873	43,838,012	301	43,837,711	—	(5,332)	6,659,202	—
Topsil GlobalWafers A/S	4,610	2,197,482	354,412	1,843,070	1,192,066	141,437	120,147	—
Taisil Electronic Materials Corp. (Note 1)	—	—	—	—	919,283	258,032	239,186	—
Kunshan Sino Silicon Technology Co., Ltd.	769,177	2,171,530	401,860	1,769,670	2,037,277	279,273	342,600	—
MEMC Japan Ltd.	27,630	3,064,880	1,500,496	1,564,384	4,535,975	374,663	239,045	—
Topsil Semiconductor sp z o.o.	38	—	—	—	—	—	—	—
GlobalWafers Singapore Pte. Ltd.	15,518,043	58,671,858	19,958,867	38,712,991	21,663,864	2,614,567	6,739,840	—
GlobalWafers B.V.	3	44,092,669	2,969,566	41,123,103	—	(11,276)	4,465,267	—
MEMC Electronic Materials S.p.A.	1,092,624	11,180,495	2,366,907	8,813,588	10,443,708	1,138,359	1,017,366	—
MEMC Electronic Materials France SarL	560	5,593	3,983	1,610	—	1,184	738	—
MEMC Electronic Materials GmbH	7	5,155	143	5,012	—	—	(17)	—
MEMC Korea Company	3,326,400	20,657,608	3,609,055	17,048,553	8,914,711	1,533,801	1,508,160	—
GlobiTech Incorporated	—	9,972,926	978,852	8,994,074	5,842,194	592,617	350,282	—
MEMC LLC	—	4,884,854	1,099,959	3,784,895	2,004,609	(682,013)	(171,320)	—
MEMC Electronic Materials Sdn. Bhd.	7,310	1,075,295	256,921	818,374	1,703,413	90,643	58,956	—
MEMC Ipoh Sdn. Bhd.	4,319,652	3,630	74	3,556	—	(86)	(63)	—
GlobalWafers GmbH	876	876	444	431	-	(277)	(428)	—
Sunrise PV Four Co., Ltd.	1,045,000	1,082,421	36,477	1,045,944	4,239	(390)	859	—
Sunrise PV Electric Power Five Co., Ltd.	122,000	121,897	51	121,846	-	(193)	(143)	—
GlobalWafers Holding Co., Ltd.	250,000	249,935	0	249,935	-	(75)	(65)	-

Note 1: Taisil Electronic Materials Corp. conducted a short-form merger with the Company. The Company is the existing company while Taisil Electronic Materials Corp. dissolved.

- (II) Consolidated Financial Statements of Affiliated Enterprises: refer to Attachment 1 of this report.
- (III) Affiliation Report: refer to Attachment 3 of this report.

- II. Private Placement Securities in the Most Recent Years: None.
- III. The Shares in the Company Held or Disposed of By Subsidiaries in the Most Recent Years: None.
- IV. Other Necessary Supplement:

The promise execution status after the Company became listed

Promise after listing at TPEX	Fulfillment of promise
<p>The Company promises to add below in “Acquisition or Disposal of Assets Procedure”</p> <p>The Company shall not give up capital increase in future years to GlobalSemiconductor Inc.(GSI) 、GlobalWafers Inc.(GWI) and GWafers Inc.( GWafers).</p> <p>GSI shall not give up capital increase in future years to Kunshan Sino Silicon Technology Co., Ltd. (SST)</p> <p>GWl shall not give up capital increase in future years to GlobiTech Incorporated</p> <p>GWafers shall not give up capital increase in future years to GlobalWafers Japan Co., Ltd.</p> <p>If the aforesaid companies have to give up capital increase or dispose of above mentioned subsidiaries due to consideration of strategic alliance or other factors in the future, it shall acquire OTC’s consent as well as submit to the Board of Directors for special resolution approval. Also, if the Procedure is amended, the Company shall make material announcement in MOPS and submit to TPEX for recordation.</p> <p>The procedure should be disclosed in material announcements in MOPS and submit to TPEX for recordation if modification is made.</p>	<p>The Board and the Shareholders Meeting of the Company passed the motion of amendment to the “Acquisition or Disposal of Assets Procedure” of the Company on 2015.11.09 and 2016.06.22, respectively – with the addition of the aforementioned promise for listing at TPEX.</p> <p>Subsidiaries GWafers Inc. and GlobalWafers Japan Co., Ltd. have been officially merged on 2018.01.01 for integration of group enterprises. The Board and the Shareholders Meeting of the Company passed the motion of amendment to the promises of listing at TPEX contained in the “Acquisition or Disposal of Assets Procedure” of the Company on 2018.03.20 and 2018.06.25, respectively, in response to the organizational adjustment , and entered the update information to MOPS for disclosure of materiality and report to TPEX in writing.</p> <p>The equity shares of subsidiary GlobiTech Incorporated were transferred from subsidiary GlobalWafers Inc. to subsidiary GlobalWafers B.V., and still remained a wholly-owned subsidiary of the Company. As such, the Board approved the motion of amendment to the “Acquisition or Disposal of Assets Procedure” in the aspect of promises of listing at TPEX on 2019.03.19, and will be disclosed in material announcements in MOPS and submit to TPEX for recordation upon approved by 2019.6.25 shareholder meeting.</p> <p>In response to government policy to attract overseas funds repatriation and enhance Group capital efficiency, the Board approved the motion of repatriation of offshore funds on</p>

	<p>2019.12.10. Under such framework, the subsidiary, GWI, will complete its earning distribution and sell its shareholding over the subsidiary, GWafers Singapore Pte. Ltd. ( GWS ) to the Company and be liquidated after 2 years. The Company still holds 100% shareholding of GWS and its subsidiaries after GWI consummates the liquidation, bringing no impact to the company's overall shareholding structure and consolidated profit and loss.</p> <p>As such, GWC will submit the motion of amendment to the "Acquisition or Disposal of Assets Procedure" in the aspect of promises of listing at TPEx on the nearest BoD after the liquidation completes, and it will be disclosed in material announcements in MOPS and submit to TPEx for recordation upon approved by shareholder meeting.</p>
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- V. Any Events And as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None.