

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

GlobalWafers Co., Ltd.
2023 Annual General Shareholders' Meeting Agenda

Time: 9:00 AM, Tuesday, June 20, 2023

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

Attending shareholders and proxy representing: 378,322,808 shares (including 372,284,234 shares of e-voting), ratio to total common outstanding 435,237,000 shares: 86.92%, exceeding the statutory quorum.

Participants: Hsiu-Lan Hsu (chairperson), Sino-American Silicon Products Inc. Representative: Ming-Kuang Lu (director), Sino-American Silicon Products Inc. Representative: Tang-Liang Yao (director), Kuo-Chow Chen (director), Jeng-Ywan Jeng (independent director/Audit committee chair), Ming-Ren Yu (independent director). A total of 6 directors attended, representing more than half of the 7 directors.

CPA: An-Chih Cheng (KPMG)

Chairperson: Hsiu-Lan Hsu



Secretary: Ming-Hui Chien



I. Call Meeting to Order:

The aggregate shareholding of the presenting shareholders constituted a quorum.

II. Chairman's Address:(Omitted)

III. Report Items

- Item 1** Fiscal 2022 Business Report submitted for review
Please refer to the Fiscal 2022 Business Report on Attachment 1 (page 13) of this handbook.

Deliberations of the meeting :

Shareholder's speech (shareholder account number 0000838) : Cathay Life Insurance formed Responsible Investment Working Groups in 2014, actively exercising shareholder activism. Cathay Life Insurance recognizes the company's ESG performance and its practical actions to support the global net-zero transformation and suggests that the company could actively communicate with ESG rating agencies to understand what can be improved, and improve ESG rating performance.

Chairperson's response: Thanks to Cathay Life Insurance for its support and guidance to the company. The company will pay special attention to and strengthen communication with ESG rating agencies, and the management team will make more efforts in all aspects of ESG.

- Item 2** Audit Committee's report on 2022 annual final accounting books and statements submitted for review
For the Audit Committee's 2022 Review Report, please refer to Attachment 2 (page 20) of this handbook.

Deliberations of the meeting :

No questions raised by shareholders.

Item 3 Distribution of remuneration to directors and employees in fiscal 2022, submitted for review

- (1) The company 2022 earning (Before deducting remuneration to employees and directors from Profit before Tax) is NTD 18,060,146,252. Pursuant to Article 31 of Articles of Incorporation, if the Company is profitable at the end of each fiscal year, 3~15% of the profit shall be appropriated for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration.
- (2) The Company is proposed to distribute NTD 543,507,783 to employees (distribution ratio 3.01%) and NTD 54,360,000 to directors (distribution ratio 0.30%). Distribution to both employees and directors is made in cash.
- (3) Employees entitled to receive remuneration is pursuant to Article 31 of Articles of Incorporation. Remuneration amount will be decided after consideration with seniority, position, performance, contribution or special dedication, and chairperson is fully authorized.

Deliberations of the meeting :

No questions raised by shareholders.

Item 4 Report on 2022 earning distribution, submitted for review.

Pursuant to the Articles of Incorporation, the Board of Directors is authorized to resolve to distribute earning and capital reserve in cash after the end of each half-year. The respective amounts and payment dates of 2022 cash dividends of each half year approved by the Board of Directors are demonstrated in the table below:

2022	Approval Date (year/month/date)	Payment Date (year/month/date)	Cash Dividends Per Share (NT\$)			Total Amount (NT\$)
			Earning	capital reserve	Total	
First Half	2022/12/06	2023/02/10	5.265	1.235	6.5	2,829,040,500
Second Half	2023/05/02	2023/08/11	9.5	0	9.5	4,134,751,500
Total			16			6,963,792,000

Deliberations of the meeting :

No questions raised by shareholders.

Item 5

Report on cancellation of the amendment to the "Regulations Governing of the First Share Repurchase and Transfer to the Employees", submitted for review.

- (1) In line with the amendment to Article 28-2 of the Securities and Exchange Act, the company's board of directors approved the revision to the "Regulations Governing of the First Share Repurchase and Transfer to the Employees" on August 3, 2021, and the period for transferring the repurchased shares to employees was extended from three years to five years, and will expire on December 27, 2023, and was reported to the 2022 annual shareholder meeting.
- (2) Due to factors such as global inflation and weakening macroeconomics, the financial market was relatively volatile, which affected employees' willingness to subscribe. Therefore, the company's board of directors resolved on November 1, 2022 to cancel the previous revision of extending the transfer period from three years to five-year. On November 9, 2022 Hsinchu Science Park Bureau of the National Science and Technology Council approved the company to write off 2,013,000 treasury shares, and the total number of issued shares was changed from the original 437,250,000 shares to 435,237,000 shares.

Deliberations of the meeting :

No questions raised by shareholders.

Item 6

Report on new share issuance as the consideration payable to Crystalwise Technology Inc. in exchange for its shares, submitted for review.

- (1) Eyeing sustainable development and resources integration, the board meeting approved to sign Share Swap Agreement with Crystalwise Technology Inc. (Crystalwise) on May 2, 2023, to acquire 100% of Crystalwise pursuant to Article 29-6 in Business Mergers and Acquisitions Act. Crystalwise will become GlobalWafers' wholly owned subsidiary upon the completion of share swap.
- (2) According to the Fairness Opinion of the share swap ratio issued by an independent expert, it is stipulated that every 1 common share of Crystalwise will be swapped for 0.02 newly issued common shares of GlobalWafers, which will obtain 100% shareholding of Crystalwise and the shares are paid to Crystalwise's shareholders as considerable.
- (3) The share swap record date is tentatively scheduled for November 1, 2023.

Deliberations of the meeting :

No questions raised by shareholders.

IV. Approval Items

Item 1

(Proposed by the Board of Directors)

Motion: To approve FY 2022 business report, financial statements and earning distribution

- (1) 2022 Financial Statements were audited by KPMG CPAs, Cheng, An-Chih and Tseng, Mei-Yu. The aforementioned, FY 2022 Business Report and Earning Distribution Table have been approved by the board and the audit committee with review report.
- (2) For the Business Report, CPA Audit Report, Financial Statements and Earning Distribution Table, please refer to Attachment 1 (page 13), Attachment 3 (page 21) and Attachment 4 (page 39) of this handbook.
- (3) Approval requested

Deliberations of the meeting :

No questions raised by shareholders.

Resolution:

Voting result as below:

Voting Result	
In favor	362,598,144 votes (as 95.84% of the total represented share present)
Against	164,746 votes
Abstained/Not voting	15,559,918 votes
Invalid	0 votes

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

V. Discussion Items

Item 1

(Proposed by the Board of Directors)

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

- (1) In response to the instructions of the Taipei Exchange and the Financial Supervisory Commission, the Company proposes to revise some of the articles of its "Procedures for Lending Funds to Other Parties" in order to comply with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.” For the comparison chart, please refer to Attachment 5 (page 40) of this handbook.
- (2) Resolution requested

Deliberations of the meeting :

No questions raised by shareholders.

Resolution:

Voting result as below:

Voting Result	
In favor	362,805,835 votes (as 95.89% of the total represented share present)
Against	41,349 votes
Abstained/Not voting	15,475,624 votes
Invalid	0 votes

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

Item 2

(Proposed by the Board of Directors)

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

- (1) Owing to group restructure, the company's Cayman subsidiary, GlobalWafers Inc., has been liquidated on November 1, 2022. the Company proposes to amend the promises of being listed in the Taipei Exchange in the “Acquisition or Disposal of Assets Procedure.” For the comparison chart, please refer to Attachment 6 (page 46) of this handbook.
- (2) Resolution requested

Deliberations of the meeting :

No questions raised by shareholders.

Resolution:

Voting result as below:

Voting Result	
In favor	362,807,225 votes (as 95.89% of the total represented share present)
Against	38,245 votes
Abstained/Not voting	15,477,338 votes
Invalid	0 votes

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

Item 3

(Proposed by the Board of Directors)

Motion: Discussion on issuance of new shares through public offering

Description:

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

(2) Principles and Conducting of Raising Funds

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

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

I. Book Building

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

The issue price by the Taiwan Securities Association Rules Governing Issue Company raising and issuing securities (hereinafter "Discipline Principles") may not be lower than 90% of the average closing prices of common shares of the Company for either one, three, or five business days before either the date on which the application is filed at Taipei Exchange or the five business days before the ex-rights date. The aforementioned price should be

determined in compliance with related requirements of competent authorities. The Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of market status.

II. Public Application Offering

Pursuant to the Article 267 of Company Act, 10%-15% of the new share issuance will be reserved for employees' preemptive subscription and 10% will be reserved for public offer. The remaining 85%-90% of the share issuance will be reserved for preemptive purchase of original shareholders based on the shareholder's name and his/her shares registered in the shareholders roster at the dividend record date. For the issuance not subscribed by employees and the original shareholders in proportion or as a whole, the chairperson of the Board is to be authorized to negotiate with specific parties to purchase shares at issuing price. The issue price of new common shares from the cash capital increase may not be lower than 70% of the average closing prices of common shares of the Company for either the one, three, or five business days before either the date on which the application is filed with the Financial Supervisory Commission or the five business days before the ex-rights date. The average closing price mentioned above shall be after adjustment for any distribution of stock/cash dividends or capital reduction.

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

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

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

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

share price and overall book building.

- b. For the rights of original shareholders, the issuance of new shares for cash capital increase up to 50 million common shares will have the maximum dilution effect of at 10.30% which is calculated on the foundation of outstanding 435,237,000 shares as of 2023/2/28. The funds raised from the capital increase in cash shall generate sustainable growth in Company's business; reinforce competitiveness, and surely benefit shareholders. GDR issue price is determined according to fair value domestically. Original shareholders may purchase common stock in domestic market at Taipei Exchange for the price close to GDR price, exempting from currency and fluidity risks. There is no huge impact on original shareholders.
- (3) After the approval by the shareholders' meeting on the domestic capital increase by cash or the issuance of new shares and/or GDR for cash capital increase, the Board is authorized to determine public offering of the issuance of common shares, conditions, volume, pricing, amount, fund usage, project items, project schedule, possible projected production benefits, record date for the capital increase and relevant matters including commands from the authorities or market and objective environmental alteration, and others not included.
- (4) Rights and obligations about the issuance of new shares are the same with those of the issued shares.
- (5) Resolution requested

Deliberations of the meeting :

No questions raised by shareholders.

Resolution:

Voting result as below:

Voting Result	
In favor	331,979,433 votes (as 87.75% of the total represented share present)
Against	30,103,595 votes
Abstained/Not voting	16,239,780 votes
Invalid	0 votes

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

VI. Election

Item 1

(Proposed by the Board of Directors)

Motion: Election to add one independent director, submit for election.

- (1) In accordance with the "Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEX Listed Companies", if the board chairperson and the general manager or a person holding an equivalent position of a TPEX listed company are the same person or are spouses or relatives within the first degree of kinship, the company shall appoint not less than four independent directors by 31 December 2023.
- (2) The company elects an additional independent director in accordance with the regulations. The election of independent director adopts a candidate nomination system, and shareholders select candidate from the list of independent director candidate. For the list of independent director candidate, please refer to the Attachment 7 (page 48)
- (3) The newly elected independent directors will take office immediately after the shareholders' meeting, and the term of office is the same as that of the current session of the board of directors, from June 20, 2023 to August 23, 2024.
- (4) Election requested.

Deliberations of the meeting :

No questions raised by shareholders.

Election result:

Votes of the newly elected director as below :

Title	Name	Votes Received
Independent Director	Ta-Hsien Lo	328,080,466

VII. Other Proposals

Item 1

(Proposed by the Board of Directors)

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

- (1) Pursuant to Article 209 of the Company Act, a director engaging, either for himself/herself or on behalf of another person, activities that are within the scope of the Company's business, shall explain at the shareholders' meeting the essential details of such activities and obtain the shareholders' approval for engaging in such activities.
- (2) To rely on expertise and relevant work experiences of the director, hereby request the shareholders' approval to release the new director from the non-competition restrictions. Before discussing the proposal at the shareholders' meeting, the scope and content of the proposal will be supplemented on the spot
- (3) Resolution requested.

The newly elected director's competing business conducts are as below.

Position	Name	Concurrent Employment
Independent Director	Ta-Hsien Lo	Chinese Professional Management Association, Chairperson Industrial Technology Research Institute, Distinguished Expert Pan Wen-Yuan Foundation, CEO Industrial Technology Research Institute, Alumni association, Secretary-general National Tsing Hua University, College of Technology Management, Adjunct Professor Feng Chia University, EMBA, Adjunct Professor

Deliberations of the meeting :

No questions raised by shareholders.

Resolution:

Voting result as below:

Voting Result	
In favor	277,932,034 votes (as 73.46% of the total represented share present)

Against	77,364,756 votes
Abstained/Not voting	23,026,018 votes
Invalid	0 votes

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

VIII. Extemporaneous Motion: None

IX. Meeting Adjourned: 09:48 a.m., Tuesday, June 20, 2023

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

Attachment 1

GlobalWafers Co., Ltd.

Fiscal 2022 Business Report

As the pandemic gradually slows down, countries are opening their borders and returning to the real economy. The demand for personal consumables brought about by the pandemic has decelerated and returned to normal. In addition, the weak demand for products such as notebooks due to inflation has led to the reduced demand for small-sized wafers, raising inventory levels. But with downstream suppliers adjusting their shipments, inventories are expected to gradually shrink in 2023. Demand for large-sized and special wafers (FZ, SOI) continues to be robust due to the strong demand from automotive and industrial applications. With the incentive policies for EVs, net zero emissions, etc., the compound semiconductor's market scale is expected to expand rapidly. In 2022, GlobalWafers showed outstanding results with an annual growth of 14.98% in consolidated revenue, which amounted to NT\$70.29 billion, generating NT\$30.34 billion in gross profit, NT\$24.98 billion in operating profit, NT\$20.11 billion in profit before tax, NT\$15.37 billion in net profit, and NT\$35.31 EPS, with revenue, gross profit, operating profit, profit before tax, net profit, and EPS hitting record highs!

The following is a summary report on the 2022 operation results, the 2023 business plan summary, future company development, external competition, regulatory environment and overall economic environment:

I. Operating Results in 2022

(I) Business Plan Implementation Results

Unit: NT\$ thousands

Year Item	2022	2021	Percent Change (%)
	(IFRSs)	(IFRSs)	
Revenue	70,286,871	61,130,592	14.98%
Cost of Goods Sold	39,945,282	37,844,704	5.55%
Gross Profit	30,341,589	23,285,888	30.30%
Operating Expenses	5,358,576	5,592,496	-4.18%
Operating Income	24,983,013	17,693,392	41.20%
Profit Before Tax	20,106,928	16,445,453	22.26%
Net Profit	15,367,386	11,870,037	29.46%

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

(II) Budget Implementation: The Company had not announced its financial forecast for 2022.

(III) Profitability Analysis

Item			2022	2021
Financial Structure	Debt to Asset Ratio		67.95%	69.71%
	Long-Term Funds to PPE Ratio (PPE-plant, property, equipment)		338.60%	352.31%
Profitability Analysis	Return on Assets Ratio		9.83%	9.85%
	Return on Equity Ratio		30.75%	26.44%
	Percentage in Paid-In Capital	Operating Profit	574.01%	404.65%
		Profit Before Tax	461.98%	376.11%
	Net Profit Margin		21.86%	19.42%
Earnings Per Share (NT\$)		35.31	27.27	

(IV) Financial Income and Expenditure

The Company's 2022 operating revenue is NT\$70,286,871 thousands, the cost of goods sold is NT\$39,945,282 thousands, the operating expenses is NT\$5,358,576 thousands. The non-operating revenue and expenditure is net expenditure NT\$4,876,085 thousands and profit before tax is NT\$20,106,928 thousands, net profit after tax is NT\$15,367,386 thousands, financial income and expenditure are normal.

(V) Research and Development Status

1. R&D expenditure in 2022

Unit: NT\$ thousands

Item/Year	2022	2021
R&D Expenses	2,089,325	2,069,507
Revenue	70,286,871	61,130,592
R&D Expenses to Revenue (%)	2.97%	3.39%

2. R&D results in 2022

Name of technology or product

- (1) Ultra low resistivity ingot with Phosphorus doped
- (2) Ultra low resistivity ingot with Arsenic doped
- (3) Ultra low resistivity ingot with Boron doped
- (4) Ultra low resistivity ingot with Antimony wafers
- (5) SOI substrate for 5G RF device application
- (6) Low defects ultra-high flatness Silicon substrate for Advanced IC process
- (7) Ultra High Resistivity wafers with low oxygen
- (8) High resistivity with low oxygen silicon wafers for power applications
- (9) SOI wafer and bonding wafer for high power electronic device
- (10) High strength silicon substrate for GaN_HEMT application
- (11) Perfect Silicon
- (12) Engineered Customizable Application Specific "ECAS®" wafer
- (13) 4"~ 8" GaN on Silicon Epi wafer
- (14) 6" N type SiC Epi wafer

3. Future R&D plan:

- (1) SiC wafer for next generation high power automotive electronic device application
- (2) Epi-substrate for GaN_HEMT application
- (3) High strength and ultra thin silicon substrate with nano structure
- (4) SOI substrate for next generation RF device application
- (5) Engineered Customizable Application Specific “ECAS[®]” wafer SOI(ECAS-SOI)
- (6) 8” Diamond wire SAW process development
- (7) Semi insulating and large diameter SiC crystal and the wafer

II. Summary of the Business Plan for 2023

(I) Operating Philosophy

- (1) Actively grasp the market trends and international events. Flexible allocation with stable shipment to meet customers’ needs under the impact of politics and the pandemics.
- (2) Actively enhance the yield and debottleneck to maximize the existing capacities, prudently control capital expenditure to ensure the production expansion plan is completed as scheduled.
- (3) Actively develop the GaN/Si/SiC products, and work with strategic partners to maximize the complementary synergies in terms of materials.
- (4) Expand the collaboration among government, industry, and academy, deploy our advanced manufacturing process for niche applications and accelerate the development of new technologies.
- (5) Improve operational performance of all businesses, integrate research and maintenance, production, marketing, etc., across regions for optimal benefits.
- (6) Comply with the principle of “responsible growth,” fulfill environmental corporate social responsibilities, occupational health and safety and corporate governance, and pursue sustainable growth.

(II) Estimated Sales Volume and the Basis:

According to the research report released by the World Semiconductor Trade Statistics (WSTS) in

November 2022, inflation has led to a sluggish consumer demand. In 2022, the world's semiconductor market amounted to USD 580.1 billion, an annual growth of 4.4%. It is expected that the overall market for semiconductors in 2023 will drop from 2022's historical high by 4.1%.

In terms of product category, the weakest semiconductor sector is the memory industry, which will drop by 12.6% YoY. In addition, discrete devices, sensors, and analog IC will maintain their growth momentum, with a growth rate of 12.4%, 16.3% and 20.8% respectively.

From a regional perspective, the United States is the region with the strongest growth momentum in the global semiconductor market and is expected to grow by 17%. The European and Japanese markets are expected to grow by 12.6% and 10%, and the Asian market will decline by 2%, making it the weakest region in the global semiconductor market.

The WSTS predicts that during 2023 the global semiconductor market will decrease by 4.1% to USD 556.5 billion, with a decline of 17% in the memory sector. In addition, discrete components, optoelectronics, sensors, and analog IC will show a slight growth of 2.8%, 3.7%, 3.7% and 1.6% respectively.

As the macroeconomies and foreign exchange rates are still volatile, the impact on the global semiconductor market is still uncertain. The above-mentioned are the best forecasts based on the current situation.

(III) Important Production and Marketing Policies:

- (1) Actively invest in the development of large-sized wafers and special products (compound semiconductors, SOI, FZ), maximize our leading edge with existing technologies, and quickly branch into emerging applications and advanced manufacturing processes.
- (2) Prudentially control the rising costs resulting from the pandemic and inflation, secure the sources of key materials and parts to ensure smooth production.
- (3) Utilize the broad presence around the world to flexibly allocate capacities, avoid transportation plights and supply customers locally.
- (4) Continuously research and develop patents and strategic positioning to enhance the core advantages.

(IV) Development Strategies of the Company in the Future

- (1) Use the Group's high-end leading technologies to develop GaN/Si/SiC chips suitable for applications of next-generation products, and aim towards large-sized heavily-doped silicon wafer and power semiconductor epitaxy technological development, becoming the

world's largest silicon wafer supplier with the most comprehensive products.

- (2) Implement green manufacturing, fulfill corporate social responsibility, enhance the corporate governance to cement the foundation of sustainable operation.
- (3) By adopting renewable energies, enhancing the energy efficiency, carbon removal and purchasing carbon offset products to achieve the goal of 100% clean energy utilization by 2050.
- (4) Construct a resilient and flexible local supply chain and diversify suppliers to respond to the pandemic and geopolitics impact swiftly.
- (5) Increase the scale of operations through production expansion, and at the same time, keep abreast of industry trends, actively seek government subsidies, and increase competitiveness in the silicon wafer industry.
- (6) Actively sign long-term agreements with key partners to enhance cooperation.

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

- (1) With the development and application of the semiconductor industry, its related products have penetrated people's life. The use of semiconductor products can be seen in daily activities. Therefore, the semiconductor industry boom links with macroeconomics considerably. Due to the Company's wide customer base, the end products spread across various industries and application areas, such as automotive products, power products, memory, etc., which can reduce the cyclical risk from the of a single industry. When the macroeconomics is not good, the Company can diversify risks and stabilize operations.
- (2) The semiconductor wafer industry has undergone decades of development and has established entry barriers built by technology and patents. However, in the face of new competitors with significant funds, we will closely observe the industry's development. In order to prevent the new manufacturers from actively joining and leading to declining product prices and affect sales and profit, we will continue to combine the technological advantages with our global presence around the world to develop niche products with core technology capabilities, and we will also increase the added value of the product and minimize the cost to increase profit margins.
- (3) The drastic changes in the international circumstances and regional trade conflicts have shocked the macroeconomy. However, GlobalWafers has production facilities around the world and thus is able to allocate resources flexibly in response to related laws and regulations and lower the impact of taxes on the operating costs. Our client base is distributed all over the world, which also effectively diversifies the impacts from the

pandemic to the revenue and lower the economic risks from overdependence on a single area. GlobalWafers also keeps close relationships with customers and establishes a resilient local supply chain and business continuity plan (BCP) to cope with various challenges flexibly.

- (4) Carbon neutrality is an international key issue. The governmental regulations, investment institutions, customers, and the national policies of trade partners have increasingly scrutinized requirements for energy saving and carbon reduction. The power costs and the carbon tariff at the export destinations are a severe test for the survival ability of enterprises. GlobalWafers owns multiple solar power plants, and subsidiaries around the world use clean energies to adapt to the local policies; in addition, thanks to the profound operation and maintenance experience of solar energy from the parent company, Sino-American Silicon Products Inc., GlobalWafers continuously and comprehensively applies various green solutions and expands the ratio of green power utilization, while monitoring various impacts from the extreme climate, to minimize the operating risks.

Looking forward, although the rapidly changing world environment, including drastic changes in financial policies and exchange rate fluctuations, has brought substantial impacts to the global economy, the various demands in wireless communications, automotive semiconductors, computing and data storage (cloud), industrial/Internet of Things, etc., provide the semiconductor industry with structural support, creating momentum for sustainable growth. Technological progress has driven the volume of semiconductor products and growth in unit content. The industry focuses on cost synergy, increasing the demand for large-sized wafers. With the strategies of expanding existing production capacities and building new plants, GlobalWafers actively develops large-sized wafers and compound semiconductors used in advanced processes, augmenting its proportion in the product spectrum significantly, thus further optimizing its product portfolio. By doing so, GlobalWafers is able to grasp the business opportunities of terminal technology innovation, which further cements its leading advantages.

Chairperson

Hsiu-Lan Hsu



President

Mark England



Chief Account

Yu-Ting Lo



Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Consolidated and Standalone Financial Statements and Earnings Distribution Proposal. GlobalWafers Co., Ltd. Consolidated and Standalone Financial Statements have been audited and certified by Cheng, An-Chih, CPA, and Tseng, Mei-Yu, CPA, of KPMG and audit review reports relating to the Financial Statements have been issued. The aforementioned reports have been reviewed and considered to be complied with relevant rules by the undersigned, the audit committee of GlobalWafers Co., Ltd. according to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

GlobalWafers Co., Ltd.

Audit Committee Convener:



Jeng-Ywan Jeng

May 2, 2023

Attachment 3

Independent Auditors' Report and Financial Statements

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of GlobalWafers Co., Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC"), and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

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

Description of key audit matter:

The Group's revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, and because of different sales terms and the triangular trade within the group companies, it is more important to identify the timing of revenue recognition. As such, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

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

2. Goodwill impairment assessment

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

Other Matter

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2023

Notes to Readers

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

GlobalWafers Co., Ltd. and subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
Assets		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:											
1100	Cash and cash equivalents (note 6(1))	\$ 80,490,723	48	65,894,422	44			\$ 6,544,000	4	6,264,000	4
1110	Financial assets at fair value through profit or loss — current (note 6(2))	32,415	-	3,450	-	2100	Short-term borrowings (note 6(11))	-	-	198,479	-
1170	Notes and accounts receivable, net (note 6(4))	10,074,844	6	9,048,069	6	2120	Financial liabilities at fair value through profit or loss — current (note 6(2))	10,311,903	6	7,322,051	5
1180	Accounts receivable due from related parties, net (note 7)	85,299	-	69,645	-	2130	Contract liabilities — current (note 6(19))	4,038,089	2	4,032,930	3
130X	Inventories (note 6(5))	8,535,236	5	7,295,021	5	2170	Notes and accounts payable	138,112	-	307,520	-
1476	Other financial assets — current (notes 6(1) and 9)	8,473,643	5	3,753,000	2	2180	Accounts payable to related parties (note 7)	2,702,368	1	2,403,861	2
1479	Other current assets (notes 6(10) and 7)	<u>1,905,571</u>	<u>1</u>	<u>2,600,908</u>	<u>2</u>	2201	Payroll and bonus payable	2,829,041	2	3,481,896	3
	Total current assets	<u>109,597,731</u>	<u>65</u>	<u>88,664,515</u>	<u>59</u>	2216	Dividends payable	4,887,206	3	2,111,964	1
Non-current assets:						2230	Current tax liabilities	<u>4,342,929</u>	<u>3</u>	<u>4,935,594</u>	<u>3</u>
1513	Financial assets at fair value through profit or loss — non-current (note 6(2))	9,331,720	6	18,368,712	12	2399	Other current liabilities (note 6(13))	<u>35,793,648</u>	<u>21</u>	<u>31,058,295</u>	<u>21</u>
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	159,347	-	185,073	-		Total current liabilities				
1550	Investments accounted for using equity method (note 6(6))	941,383	1	1,691,344	1	2527	Non-Current liabilities:				
1600	Property, plant and equipment (notes 6(7), 7 and 8)	39,487,086	23	33,943,256	23	2500	Contract liabilities — non-current (note 6(19))	28,015,908	17	21,312,889	14
1755	Right-of-use assets (note 6(8))	606,754	-	705,346	-		Financial liabilities at fair value through profit or loss — non-current (notes 6(2), (12) and 8)	466,831	-	178,637	-
1780	Intangible assets (note 6(9))	2,370,157	1	2,365,551	2	2530	Convertible bonds payable (note 6(12))	23,793,835	14	26,143,969	17
1840	Deferred tax assets (note 6(15))	2,545,436	1	1,887,241	1	2531	Ordinary bonds payable (note 6(12))	18,986,110	11	18,980,771	13
1980	Other financial assets — non-current (notes 7, 8 and 9)	178,366	-	1,328,297	1	2570	Deferred tax liabilities (note 6(15))	4,588,911	3	4,797,611	3
1900	Other non-current assets (note 6(10))	<u>4,277,998</u>	<u>3</u>	<u>1,505,641</u>	<u>1</u>	2670	Other non-current liabilities (note 6(13))	1,987,402	1	705,286	1
	Total non-current assets	<u>59,898,247</u>	<u>35</u>	<u>61,980,461</u>	<u>41</u>	2640	Net defined benefit liabilities (note 6(14))	<u>1,539,328</u>	<u>1</u>	<u>1,836,015</u>	<u>1</u>
							Total non-current liabilities	<u>79,378,325</u>	<u>47</u>	<u>73,955,178</u>	<u>49</u>
							Total liabilities	<u>115,171,973</u>	<u>68</u>	<u>105,013,473</u>	<u>70</u>
							Equity (note 6(16)):				
							Equity attributable to shareholders of GlobalWafers Co., Ltd.:				
						3110	Ordinary share	<u>4,352,370</u>	<u>3</u>	<u>4,372,500</u>	<u>3</u>
						3200	Capital surplus	<u>23,819,388</u>	<u>14</u>	<u>25,174,389</u>	<u>16</u>
							Retained earnings:				
						3310	Legal reserve	6,550,566	4	5,349,684	4
						3320	Special reserve	6,135,557	3	1,734,138	1
						3350	Unappropriated retained earnings	<u>20,012,822</u>	<u>12</u>	<u>15,713,128</u>	<u>10</u>
								<u>32,698,945</u>	<u>19</u>	<u>22,796,950</u>	<u>15</u>
								<u>(6,546,698)</u>	<u>(4)</u>	<u>(6,135,557)</u>	<u>(4)</u>
						3400	Other equity interest	-	-	(576,779)	-
						3500	Treasury shares				
							Total equity	<u>54,324,005</u>	<u>32</u>	<u>45,631,503</u>	<u>30</u>
Total assets		<u><u>\$ 169,495,978</u></u>	<u><u>100</u></u>	<u><u>150,644,976</u></u>	<u><u>100</u></u>		Total liabilities and equity	<u><u>\$ 169,495,978</u></u>	<u><u>100</u></u>	<u><u>150,644,976</u></u>	<u><u>100</u></u>

See accompanying notes to consolidated financial statements.

GlobalWafers Co., Ltd. and subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(19) and 7)	\$ 70,286,871	100	61,130,592	100
5000	Operating costs (notes 6(5), (20) and 7)	<u>39,945,282</u>	<u>57</u>	<u>37,844,704</u>	<u>62</u>
	Gross profit from operations	<u>30,341,589</u>	<u>43</u>	<u>23,285,888</u>	<u>38</u>
	Operating expenses (notes 6(20) and 7):				
6100	Selling expenses	1,651,407	2	1,440,578	2
6200	Administrative expenses	1,608,417	2	2,082,733	4
6300	Research and development expenses	2,089,325	3	2,069,507	3
6450	Expected credit losses (gains) (note 6(4))	<u>9,427</u>	<u>-</u>	<u>(322)</u>	<u>-</u>
	Total operating expenses	<u>5,358,576</u>	<u>7</u>	<u>5,592,496</u>	<u>9</u>
	Net operating income	<u>24,983,013</u>	<u>36</u>	<u>17,693,392</u>	<u>29</u>
	Non-operating income and expenses:				
7100	Interest income (note 6(21))	1,143,269	2	142,808	-
7020	Other gains and losses (notes 6(21) and 7)	(5,537,537)	(8)	(1,083,006)	(2)
7050	Finance costs (notes 6(12), (21) and 7)	<u>(481,817)</u>	<u>(1)</u>	<u>(307,741)</u>	<u>(1)</u>
		<u>(4,876,085)</u>	<u>(7)</u>	<u>(1,247,939)</u>	<u>(3)</u>
	Income before income tax	20,106,928	29	16,445,453	26
7950	Less: income tax expense (note 6(15))	<u>4,739,542</u>	<u>7</u>	<u>4,575,416</u>	<u>7</u>
	Net income	<u>15,367,386</u>	<u>22</u>	<u>11,870,037</u>	<u>19</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans	58,985	-	173,476	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(31,223)</u>	<u>-</u>	<u>83,598</u>	<u>-</u>
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	<u>(746,960)</u>	<u>(2)</u>	<u>453,930</u>	<u>1</u>
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(15))	<u>11,797</u>	<u>-</u>	<u>34,695</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>(730,995)</u>	<u>(2)</u>	<u>676,309</u>	<u>1</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations (note 6(6))	406,126	1	(6,158,184)	(10)
8399	Less: income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(15))	<u>(39,084)</u>	<u>-</u>	<u>1,219,237</u>	<u>(2)</u>
	Total items that may be reclassified subsequently to profit or loss	<u>367,042</u>	<u>1</u>	<u>(4,938,947)</u>	<u>(8)</u>
8300	Other comprehensive income (after tax)	<u>(363,953)</u>	<u>(1)</u>	<u>(4,262,638)</u>	<u>(7)</u>
	Total comprehensive income	<u>\$ 15,003,433</u>	<u>21</u>	<u>7,607,399</u>	<u>12</u>
	Earnings per share (NT Dollars) (note 6(18))				
	Basic earnings per share	<u>\$ 35.31</u>		<u>27.27</u>	
	Diluted earnings per share	<u>\$ 34.36</u>		<u>25.97</u>	

See accompanying notes to consolidated financial statements.

GlobalWafers Co., Ltd. and subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to shareholders of GlobalWafers Co., Ltd.										
	Retained earnings						Other equity interest				
							Exchange differences on translation of foreign financial statements	Gains (losses) from equity instrument measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings					
Balance at January 1, 2021	<u>\$ 4,372,500</u>	<u>23,470,919</u>	<u>4,060,325</u>	<u>2,291,256</u>	<u>12,270,817</u>	<u>18,622,398</u>	<u>(2,591,201)</u>	<u>857,063</u>	<u>(1,734,138)</u>	<u>(576,779)</u>	<u>44,154,900</u>
Net income for the year	-	-	-	-	11,870,037	11,870,037	-	-	-	-	11,870,037
Other comprehensive income for the year	-	-	-	-	138,781	138,781	(4,938,947)	537,528	(4,401,419)	-	(4,262,638)
Comprehensive income for the year	-	-	-	-	12,008,818	12,008,818	(4,938,947)	537,528	(4,401,419)	-	7,607,399
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	1,289,359	-	(1,289,359)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(7,834,266)	(7,834,266)	-	-	-	-	(7,834,266)
Reversal of special reserve	-	-	-	(557,118)	557,118	-	-	-	-	-	-
Equity component of convertible bonds	-	1,703,470	-	-	-	-	-	-	-	-	1,703,470
Balance at December 31, 2021	<u>4,372,500</u>	<u>25,174,389</u>	<u>5,349,684</u>	<u>1,734,138</u>	<u>15,713,128</u>	<u>22,796,950</u>	<u>(7,530,148)</u>	<u>1,394,591</u>	<u>(6,135,557)</u>	<u>(576,779)</u>	<u>45,631,503</u>
Net income for the year	-	-	-	-	15,367,386	15,367,386	-	-	-	-	15,367,386
Other comprehensive income for the year	-	-	-	-	47,188	47,188	367,042	(778,183)	(411,141)	-	(363,953)
Comprehensive income for the year	-	-	-	-	15,414,574	15,414,574	367,042	(778,183)	(411,141)	-	15,003,433
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	1,200,882	-	(1,200,882)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	4,401,419	(4,401,419)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,216,142)	(5,216,142)	-	-	-	-	(5,216,142)
Additional paid-in capital resulting from assets donated	-	6	-	-	-	-	-	-	-	-	6
Distribution of cash dividends using capital surplus	-	(1,094,795)	-	-	-	-	-	-	-	-	(1,094,795)
Cancellation of treasury shares	(20,130)	(260,212)	-	-	(296,437)	(296,437)	-	-	-	576,779	-
Balance at December 31, 2022	<u>\$ 4,352,370</u>	<u>23,819,388</u>	<u>6,550,566</u>	<u>6,135,557</u>	<u>20,012,822</u>	<u>32,698,945</u>	<u>(7,163,106)</u>	<u>616,408</u>	<u>(6,546,698)</u>	<u>-</u>	<u>54,324,005</u>

See accompanying notes to consolidated financial statements.

GlobalWafers Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Income before income tax	\$ 20,106,928	16,445,453
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	5,883,062	5,686,691
Amortization expenses	197,447	210,393
Expected credit losses (gains)	9,427	(322)
Net loss on financial assets or liabilities at fair value through profit or loss	9,745,073	341,769
Interest expense	481,817	307,741
Interest income	(1,143,269)	(142,808)
Dividend income	(404,218)	(284,293)
Shares of profit of associates accounted for using equity method	(60,359)	(68,396)
Gain on disposal of property, plant and equipment	(109,323)	(15,269)
Impairment loss on non-financial assets	37,776	-
Provisions for inventory valuation (reversal of gains)	10,490	(19,493)
Gain on lease modification	(26)	-
Total adjustments	14,647,897	6,016,013
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(1,052,173)	(1,079,657)
Inventories	(1,259,059)	(18,577)
Prepayments for purchase of materials	1,682,120	(2,680,114)
Other operating assets	(426,475)	24,643
Other financial assets	1,322	(8,739)
Total changes in operating assets	(1,054,265)	(3,762,444)
Contract liabilities	7,096,975	12,544,383
Notes and accounts payable (including related parties)	4,998	382,470
Net defined benefit liabilities	(240,007)	(428,837)
Other operating liabilities	(1,476,875)	927,065
Total changes in operating liabilities	5,385,091	13,425,081
Total changes in operating assets and liabilities	4,330,826	9,662,637
Total adjustments	18,978,723	15,678,650
Cash inflow generated from operations	39,085,651	32,124,103
Interest received	1,062,056	120,737
Dividends received	404,218	284,293
Interest paid	(139,885)	(62,258)
Income taxes paid	(2,845,660)	(3,165,314)
Net cash flows from operating activities	37,566,380	29,301,561

(Continued)

See accompanying notes to consolidated financial statements.

GlobalWafers Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows(Continued)
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ (3,677)	-
Acquisition of financial assets at fair value through profit or loss	(28,578)	(13,579,261)
Proceeds from disposal of financial assets at fair value through profit or loss	8,572	124
Cash dividends from associates accounted for using equity method	61,529	33,158
Acquisition of property, plant and equipment, and prepayments of equipment	(12,358,186)	(5,590,544)
Proceeds from disposal of property, plant and equipment	116,282	64,104
Acquisition of intangible assets	(6,479)	(6,256)
Decrease (increase) in other financial assets	(3,490,821)	798,254
Net cash flows used in investing activities	<u>(15,701,358)</u>	<u>(18,280,421)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	280,000	(3,607,000)
Proceeds from issuing bonds	-	46,812,845
Repayments of bonds	(2,748,404)	-
Increase (decrease) in guarantee deposits received	1,403,599	(35,031)
Payment of lease liabilities	(167,566)	(180,213)
Cash dividends paid	(6,963,792)	(7,834,266)
Additional paid-in capital resulting from assets donated	6	-
Net cash flows from (used in) financing activities	<u>(8,196,157)</u>	<u>35,156,335</u>
Effect of exchange rate changes on cash and cash equivalents	<u>927,436</u>	<u>(2,722,534)</u>
Net increase in cash and cash equivalents	14,596,301	43,454,941
Cash and cash equivalents at beginning of period	<u>65,894,422</u>	<u>22,439,481</u>
Cash and cash equivalents at end of period	<u><u>\$ 80,490,723</u></u>	<u><u>65,894,422</u></u>

Independent Auditors' Report

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

Opinion

We have audited the parent-company-only financial statements of GlobalWafers Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4(15) "Revenue recognition" for accounting policy and note 6(17) "Revenue from contracts with customers" of the parent-company-only financial statements for further information.

Description of key audit matter:

The Company's revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, and because of different sales terms and the triangular trade within the group companies, it is more important to identify the timing of revenue recognition. As such, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

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

2. Evaluation of investments accounted for using equity method

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

Description of key audit matter:

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

How the matter was addressed in our audit:

Our audit procedures mainly included assessing triggering events identified by the management for impairment indicators existing in a cash generating unit; assessing whether the assumptions used for evaluating the recoverable amount are reasonable; evaluating the achievement of prior year's financial forecasts; reviewing the calculations of recoverable amounts of cash generating units; evaluating the assumptions used for calculating recoverable amounts and cash flow projections and performing sensitivity analysis based on key factors.

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

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

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2023

Notes to Readers

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

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

Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

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

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

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(17) and 7)	\$ 30,292,412	100	25,572,294	100
5000	Operating costs (notes 6(5), (18) and 7)	<u>16,261,985</u>	<u>54</u>	<u>14,997,282</u>	<u>59</u>
	Gross profit from operations	<u>14,030,427</u>	<u>46</u>	<u>10,575,012</u>	<u>41</u>
	Operating expenses (notes 6(18) and 7):				
6100	Selling expenses	574,393	2	487,616	2
6200	Administrative expenses	312,920	1	683,158	3
6300	Research and development expenses	1,333,853	4	1,269,218	5
6450	Expected credit loss (note 6(4))	-	-	-	-
	Total operating expenses	<u>2,221,166</u>	<u>7</u>	<u>2,439,992</u>	<u>10</u>
	Net operating income	<u>11,809,261</u>	<u>39</u>	<u>8,135,020</u>	<u>31</u>
	Non-operating income and expenses:				
7100	Interest income (notes 6(19) and 7)	575,837	2	95,815	-
7020	Other gains and losses (notes 6(19) and 7)	3,955,756	13	(1,424,292)	(5)
7050	Finance costs (notes 6(11), (19) and 7)	(518,977)	(2)	(399,228)	(1)
	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method (note 6(6))	<u>1,640,402</u>	<u>5</u>	<u>7,790,051</u>	<u>30</u>
		<u>5,653,018</u>	<u>18</u>	<u>6,062,346</u>	<u>24</u>
	Income before income tax	<u>17,462,279</u>	<u>57</u>	<u>14,197,366</u>	<u>55</u>
7950	Less: income tax expense (note 6(13))	<u>2,094,893</u>	<u>7</u>	<u>2,327,329</u>	<u>9</u>
	Net income	<u>15,367,386</u>	<u>50</u>	<u>11,870,037</u>	<u>46</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(12))	42,657	-	8,242	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(31,223)	-	83,598	-
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method — components of other comprehensive income that will not be reclassified to profit or loss	(730,632)	(2)	619,164	2
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(13))	<u>11,797</u>	<u>-</u>	<u>34,695</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>(730,995)</u>	<u>(2)</u>	<u>676,309</u>	<u>2</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	406,126	1	(6,158,184)	(24)
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(13))	<u>39,084</u>	<u>-</u>	<u>(1,219,237)</u>	<u>(5)</u>
	Total items that may be reclassified subsequently to profit or loss	<u>367,042</u>	<u>1</u>	<u>(4,938,947)</u>	<u>(19)</u>
8300	Other comprehensive income (after tax)	<u>(363,953)</u>	<u>(1)</u>	<u>(4,262,638)</u>	<u>(17)</u>
	Total comprehensive income	<u>\$ 15,003,433</u>	<u>49</u>	<u>7,607,399</u>	<u>29</u>
	Earnings per share (NT Dollars) (note 6(16))				
	Basic earnings per share	<u>\$ 35.31</u>		<u>27.27</u>	
	Diluted earnings per share	<u>\$ 34.36</u>		<u>25.97</u>	

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

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

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Gains (losses) from equity instrument measured at fair value through other comprehensive income	Total	Treasury shares	Total equity
Balance at January 1, 2021	\$ 4,372,500	23,470,919	4,060,325	2,291,256	12,270,817	18,622,398	(2,591,201)	857,063	(1,734,138)	(576,779)	44,154,900
Net income for the year	-	-	-	-	11,870,037	11,870,037	-	-	-	-	11,870,037
Other comprehensive income for the year	-	-	-	-	138,781	138,781	(4,938,947)	537,528	(4,401,419)	-	(4,262,638)
Comprehensive income for the year	-	-	-	-	12,008,818	12,008,818	(4,938,947)	537,528	(4,401,419)	-	7,607,399
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	1,289,359	-	(1,289,359)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(7,834,266)	(7,834,266)	-	-	-	-	(7,834,266)
Reversal of special reserve	-	-	-	(557,118)	557,118	-	-	-	-	-	-
Equity component of convertible bonds	-	1,703,470	-	-	-	-	-	-	-	-	1,703,470
Balance at December 31, 2021	4,372,500	25,174,389	5,349,684	1,734,138	15,713,128	22,796,950	(7,530,148)	1,394,591	(6,135,557)	(576,779)	45,631,503
Net income for the year	-	-	-	-	15,367,386	15,367,386	-	-	-	-	15,367,386
Other comprehensive income for the year	-	-	-	-	47,188	47,188	367,042	(778,183)	(411,141)	-	(363,953)
Comprehensive income for the year	-	-	-	-	15,414,574	15,414,574	367,042	(778,183)	(411,141)	-	15,003,433
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	1,200,882	-	(1,200,882)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	4,401,419	(4,401,419)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,216,142)	(5,216,142)	-	-	-	-	(5,216,142)
Additional paid-in capital resulting from assets donated	-	6	-	-	-	-	-	-	-	-	6
Distribution of cash dividends using capital surplus	-	(1,094,795)	-	-	-	-	-	-	-	-	(1,094,795)
Cancellation of treasury shares	(20,130)	(260,212)	-	-	(296,437)	(296,437)	-	-	-	576,779	-
Balance at December 31, 2022	\$ 4,352,370	23,819,388	6,550,566	6,135,557	20,012,822	32,698,945	(7,163,106)	616,408	(6,546,698)	-	54,324,005

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

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

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Income before income tax	\$ 17,462,279	14,197,366
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	987,468	860,633
Amortization expenses	182,203	180,963
Net loss on financial assets or liabilities at fair value through loss	1,646,073	186,450
Interest expense	518,977	399,228
Interest income	(575,837)	(95,815)
Dividend income	(79,325)	(54,998)
Shares of profit of subsidiaries and associates accounted for using equity method and unrealized gain or loss	(1,330,767)	(7,525,137)
Loss (gain) on disposal of property, plant and equipment	(3,640)	97
Loss on disposal of investments	2,269	-
Reversal of inventory valuation	(4,380)	(2,487)
Total adjustments	1,343,041	(6,051,066)
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(550,928)	(1,122,153)
Inventories	(401,410)	(286,131)
Other operating assets	1,433,050	(2,637,852)
Total changes in operating assets	480,712	(4,046,136)
Contract liabilities	3,779,862	4,484,443
Notes and accounts payable (including related parties)	(1,729,276)	513,120
Net defined benefit liabilities	(19,256)	(142,161)
Other operating liabilities	(1,711,935)	1,094,096
Total changes in operating liabilities	319,395	5,949,498
Total changes in operating assets and liabilities	800,107	1,903,362
Total adjustments	2,143,148	(4,147,704)
Cash inflow generated from operations	19,605,427	10,049,662
Interest received	560,630	78,728
Dividends received	79,325	54,998
Interest paid	(203,406)	(159,603)
Income taxes paid	(1,026,179)	(1,427,652)
Net cash flows from operating activities	19,015,797	8,596,133

(Continued)

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

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

Statements of Cash Flows(Continued)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(20,651)	(27,819)
Proceeds from disposal of financial assets at fair value through profit or loss	8,572	-
Acquisition of investments accounted for using equity method	(6,204,779)	(156,000)
Proceeds from capital reduction and liquidation of investments accounted for using equity method	59,818	-
Cash dividends from subsidiaries accounted for using equity method	5,288	773
Cash dividends from associates accounted for using equity method	61,529	33,158
Acquisition of property, plant and equipment, and prepayments of equipment	(2,011,997)	(1,447,077)
Proceeds from disposal of property, plant and equipment	4,103	-
Increase in other receivables due from related parties	(70,000)	(10,000)
Acquisition of intangible assets	(1,549)	(4,292)
Decrease in other financial assets	1,083,122	1,577,090
Increase in other prepayments	-	(20)
Net cash flows used in investing activities	(7,086,544)	(34,187)
Cash flows from financing activities:		
Decrease in short-term borrowings	-	(9,871,000)
Proceeds from issuing bonds	-	46,812,845
Repayments of bonds	(2,748,404)	-
Decrease in payables to related parties	(10,021,884)	(819,167)
Payment of lease liabilities	(49,602)	(48,614)
Cash dividends paid	(6,963,792)	(7,834,266)
Additional paid-in capital resulting from assets donated	6	-
Net cash flows from (used in) financing activities	(19,783,676)	28,239,798
Net (decrease) increase in cash and cash equivalents	(7,854,423)	36,801,744
Cash and cash equivalents at beginning of period	40,106,096	3,304,352
Cash and cash equivalents at end of period	<u>\$ 32,251,673</u>	<u>40,106,096</u>

Attachment 4

GlobalWafers Co., Ltd.

Earnings Distribution Table Year 2022

(Unit: NTD)

Item	Amount	Total
Beginning unappropriated retained earnings		7,186,208,159
Plus: Current change on defined benefits remeasurements.		47,187,919
Less: Cancellation of treasury stock		(296,436,377)
Plus: 2025 net income		15,367,385,602
Distributable earnings		22,304,345,303
Less: Provision of legal reserve		
20221H accumulated provision	(446,190,456)	
2022 provision for discrepancy	(1,065,623,258)	(1,511,813,714)
Less: Provision of special reserve		
20221H accumulated provision	(1,722,556,999)	
2022 provision for discrepancy	1,311,415,988	(411,141,011)
Item of distribution :		
Share dividends-cash		
2022 interim earnings that were distributed (NTD 5.265 per share)	(2,291,522,805)	
2022 earnings to be distributed (NTD 9.5 per share)	(4,134,751,500)	(6,426,274,305)
Ending unappropriated earnings		13,955,116,273

Note:

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

Chairperson:



President:



Chief Account:



Attachment 5

GlobalWafers Co., Ltd.

Procedures for Lending Funds to Other Parties Comparison Chart

Article	Before	After	Remark
7	<p>Procedures for Fund Lending</p> <ol style="list-style-type: none"> Any borrower, when applying for a loan from the Company, shall submit an application or a letter describing in detail the loan purpose, term and amount requested, together with basic corporate information and financial data, to the financial department of the Company. The financial department should evaluate the following after receiving application from the borrower. <ol style="list-style-type: none"> (1) the necessity and rationality of the loan application (2) the credibility and risk of the borrower (3) the impact on the Company's operating risk, financial positions and shareholders' right and interests . (4) whether to have collateral and to evaluate its value (5) whether it is in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the procedure. <p>Credit checking could be exempted if the fund</p> 	<p>Procedures for Fund Lending</p> <ol style="list-style-type: none"> Any borrower, when applying for a loan from the Company, shall submit an application or a letter describing in detail the loan purpose, term and amount requested, together with basic corporate information and financial data, to the financial department of the Company. The financial department should evaluate the following after receiving application from the borrower. <ol style="list-style-type: none"> (1) the necessity and rationality of the loan application (2) the credibility and risk of the borrower (3) the impact on the Company's operating risk, financial positions and shareholders' right and interests . (4) whether to have collateral and to evaluate its value (5) whether it is in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the procedure. <p>Credit checking could be exempted if the fund lending recipient is a</p> 	<p>In accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements /Guarantees by Public Companies", the company stipulates the fund lending procedure which shall be approval by the its audit committee and the board of directors. In addition, the party who will not be subject to the limit of collateral and guarantor is extended to all subsidiaries which are 100% held by the company.</p>

	<p>lending recipient is a subsidiary of the Company.</p> <p>3. After evaluation, if there is necessity for fund lending and the borrower is fully capable of repayment, the financial department shall submit the evaluation materials to the Board of Directors for resolution and the Board could not authorize any other person to decide. <u>If the Company has appointed an independent director(s), the opinions of each independent director shall be given full consideration when the matter is submitted for discussion by the Board of Directors, and each independent director's explicit assenting or dissenting opinion and reasons for dissent shall be recorded in the Board of Directors meeting minutes when discussing lending to a company/firm.</u></p> <p>4. Loans among the Company, the parent company, and subsidiaries or between different subsidiaries of the Company shall be decided by a resolution of the Board of Directors and authorization may also be given to the chairperson, within a certain capital limit resolved by the Board of Directors, for a specific borrowing counterparty and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. Unless as provided in article 5, the "capital limit" referred in the</p>	<p>subsidiary of the Company.</p> <p>3. After evaluation, if there is necessity for fund lending and the borrower is fully capable of repayment, the financial department shall submit the evaluation materials <u>to the audit committee and obtain the consent of one-half or more of the entire membership then be submitted to the board of directors for a resolution</u> and the Board could not authorize any other person to decide. <u>If a matter has not been consented to by one-half or more of the entire membership of the audit committee, it may be adopted with the consent of two-thirds or more of the entire board of directors.</u></p> <p>4. Loans among the Company, the parent company, and subsidiaries or between different subsidiaries of the Company shall be decided by a resolution of the Board of Directors and authorization may also be given to the chairperson, within a certain capital limit resolved by the Board of Directors, for a specific borrowing counterparty and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. Unless as provided in article 5, <u>paragraph 2</u>, the "capital limit"</p>	
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	<p>previous section provided by the fund-lending Company or its subsidiaries for any single enterprise shall not exceed ten percent (10%) of the net value of the Company based on its latest financial statements.</p> <p>5. After fund lending is approved, the financial department shall notify the borrower to sign loan contract with the Company in requested period. The contract should include amount, term, interest rate, collateral, guarantor and etc. Fund lending between the Company and foreign companies or between different subsidiaries of the Company whose voting shares are one hundred (100%) owned, directly or indirectly, by the Company will not be subject to the limit of collateral and guarantor.</p> <p>(Omit)</p>	<p>referred in the previous section provided by the fund-lending Company or its subsidiaries for any single enterprise shall not exceed ten percent (10%) of the net value of the Company based on its latest financial statements.</p> <p>5. After fund lending is approved, the financial department shall notify the borrower to sign loan contract with the Company in requested period. The contract should include amount, term, interest rate, collateral, guarantor and etc. Fund lending between the Company and subsidiaries or between different subsidiaries of the Company whose voting shares are one hundred (100%) owned, directly or indirectly, by the Company will not be subject to the limit of collateral and guarantor.</p> <p>(Omit)</p>	
8	<p>Internal Audit</p> <p>1 The Company shall establish and maintain a reference book to record all its fund-lending information, including the identity of the borrower, amount, the date on which the lending was approved by the Board of Directors, dates to advance the amount of the loan and related information regarding the assessment in accordance with the relevant regulations of the Procedures.</p> <p>2 The internal auditing personnel of the Company shall audit the execution of the operation of lending of funds of the Company at least every quarter and produce a written</p>	<p>Internal Audit</p> <p>1 The Company shall establish and maintain a reference book to record all its fund-lending information, including the identity of the borrower, amount, the date on which the lending was approved by the Board of Directors, dates to advance the amount of the loan and related information regarding the assessment in accordance with the relevant regulations of the Procedures.</p> <p>2 The internal auditing personnel of the Company shall audit the execution of the operation of lending of funds of the Company at least every quarter and produce a written auditing</p>	Specify the fund lending violation in another paragraph to be more specific

	<p>auditing report. They shall promptly notify the audit committee in writing of any material violation found. If the violation found is material, the personnel who violate the Procedures and his/her director shall be penalized in accordance with circumstances of such violation.</p> <p>3 If the borrower no longer meets the requirements of the Procedures, or the total outstanding lending amount exceeds the lending limit approved by the Board of Directors due to unforeseeable changes of circumstances, the Company shall produce an improvement plan. In addition, the improvement plan shall be submitted to the Audit Committee of the Company for review. The aforesaid improvement plan shall be accomplished according to the planned schedule thereof.</p>	<p>report. They shall promptly notify the audit committee in writing of any material violation found.</p> <p>3 <u>The company shall proceed pursuant to the procedure when engaging in fund lending.</u> If the violation found is material, the personnel who violate the Procedures and his/her director shall be penalized in accordance with the related rules of the Company.</p> <p>4 If the borrower no longer meets the requirements of the Procedures, or the total outstanding lending amount exceeds the lending limit approved by the Board of Directors due to unforeseeable changes of circumstances, the Company shall produce an improvement plan. In addition, the improvement plan shall be submitted to the Audit Committee of the Company for review. The aforesaid improvement plan shall be accomplished according to the planned schedule thereof.</p>	
10	<p>Control Actions upon the Loans and Procedures for Disposing of Overdue Debt</p> <p>1 After a loan has been disbursed, the financial, business, and credit condition of the borrower and the guarantor shall be monitored on a regular ongoing basis by the financial</p>	<p>Control Actions upon the Loans and Procedures for Disposing of Overdue Debt</p> <p>1 After a loan has been disbursed, the financial, business, and credit condition of the borrower and the guarantor shall be monitored on a regular ongoing basis by the financial</p>	<p>According to the "Q&A to Regulations Governing Loaning of Funds and Making of Endorsements</p>

	<p>department. If collateral has been provided, it shall be monitored for any changes in the collateral value. In the event of any material change, it shall immediately be reported to the president and the chairperson of the Board of Directors, and appropriate measures shall be taken in accordance with instructions.</p> <p>2 If the borrower repays the loan when or before it becomes due, the interest payable shall first be calculated, and shall be paid together with the principal, before the promissory note and other loan documents may be cancelled and returned to the borrower or the mortgage cancelled.</p> <p>3 When a loan becomes due, the borrower shall promptly repay the principal and interest in full. <u>If the borrower is unable to make repayment on the due date and deferral is required, the application for deferral shall be made in advance, and submitted to the Board of Directors for approval before implementation. For any given repayment, deferral shall not exceed three (3) months, and only one deferral may be given.</u> In the event of breach, the Company may duly dispose of, or pursue recovery from, the borrower's collateral or guarantor.</p>	<p>department. If collateral has been provided, it shall be monitored for any changes in the collateral value. In the event of any material change, it shall immediately be reported to the president and the chairperson of the Board of Directors, and appropriate measures shall be taken in accordance with instructions.</p> <p>2 If the borrower repays the loan when or before it becomes due, the interest payable shall first be calculated, and shall be paid together with the principal, before the promissory note and other loan documents may be cancelled and returned to the borrower or the mortgage cancelled.</p> <p>3 When a loan becomes due, the borrower shall promptly repay the principal and interest in full. In the event of breach, the Company may duly dispose of, or pursue recovery from, the borrower's collateral or guarantor.</p>	<p>/Guarantees by Public Companies ", because the short-term loaning with others expires in 1 year and could not be repaid without actual cash flow, the statement that the board of directors may agree to extend the loan period is deleted.</p>
Article 14	<p>The Procedure was enacted on October 25, 2011</p> <p>The 1st amendment was made on December 20, 2011</p> <p>The 2nd amendment was made on June 25, 2013</p> <p>The 3rd amendment was made on</p>	<p>The Procedure was enacted on October 25, 2011</p> <p>The 1st amendment was made on December 20, 2011</p> <p>The 2nd amendment was made on June 25, 2013</p> <p>The 3rd amendment was made on</p>	<p>Add amendment date</p>

	<p>January 19, 2015</p> <p>The 4th amendment was made on February 20, 2017</p> <p>The 5th amendment was made on June 25, 2019</p>	<p>January 19, 2015</p> <p>The 4th amendment was made on February 20, 20<u>17</u></p> <p>The 5th amendment was made on <u>June 25, 2019</u></p> <p><u>The 6th amendment was made on June 20, 2023</u></p>	
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Attachment 6

GlobalWafers Co., Ltd.

Acquisition or Disposal of Assets Procedure Comparison Chart

Article	Before	After	Remark
27	<p>The Company shall not give up capital increase in future years to GlobalSemiconductor Inc.(GSI), GlobalWafers Inc.(GWI) and GlobalWafers Japan Co., Ltd.</p> <p>GSI shall not give up capital increase in future years to Kunshan Sino Silicon Technology Co., Ltd. (SST)</p> <p>The Company, GWI and the Company's subsidiaries shall not give up capital increase in future years to GlobiTech Incorporated</p> <p>If the aforesaid companies have to give up capital increase or dispose of above mentioned subsidiaries due to consideration of strategic alliance or other factors in the future, it shall acquire OTC's consent as well as submit to the Board of Directors for special resolution approval. Also, if the Procedure is amended, the Company shall make material announcement in MOPS and submit to OTC for recordation.</p>	<p>The Company shall not give up capital increase in future years to GlobalSemiconductor Inc.(GSI) and GlobalWafers Japan Co., Ltd.</p> <p>GSI shall not give up capital increase in future years to Kunshan Sino Silicon Technology Co., Ltd. (SST)</p> <p>The Company and the Company's subsidiaries shall not give up capital increase in future years to GlobiTech Incorporated</p> <p>If the aforesaid companies have to give up capital increase or dispose of above mentioned subsidiaries due to consideration of strategic alliance or other factors in the future, it shall acquire OTC's consent as well as submit to the Board of Directors for special resolution approval. Also, if the Procedure is amended, the Company shall make material announcement in MOPS and submit to OTC for recordation.</p>	<p>Due to group restructure, the liquidation of the company's subsidiary GlobalWafers Inc. was completed in November 2022 thus revise the article accordingly.</p>
28	<p>The Procedures were enacted on May 26, 2014</p> <p>The 1st amendment was made on January 19, 2015</p> <p>The 2nd amendment was made on June 23, 2015</p> <p>The 3rd amendment was made on June 22, 2016</p> <p>The 4th amendment was made on June 19, 2017</p> <p>The 5th amendment was made on June 25, 2018</p>	<p>The Procedures were enacted on May 26, 2014</p> <p>The 1st amendment was made on January 19, 2015</p> <p>The 2nd amendment was made on June 23, 2015</p> <p>The 3rd amendment was made on June 22, 2016</p> <p>The 4th amendment was made on June 19, 2017</p> <p>The 5th amendment was made on June 25, 2018</p>	<p>Add amendment date.</p>

	<p>The 6th amendment was made on June 25, 2019</p> <p>The 7th amendment was made on August 24, 2021</p> <p>The 8th amendment was made on June 21, 2022</p>	<p>The 6th amendment was made on June 25, 2019</p> <p>The 7th amendment was made on August 24, 2021</p> <p>The 8th amendment was made on June 21, 2022</p> <p>The 9th amendment was made on June 20, 2023</p>	
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Attachment 7

GlobalWafers Co., Ltd.

Independent Director Candidate

In accordance with Article 192-1 of the Company Act and Paragraph 2 of Article 14-2 of the Securities and Exchange Act, the list of independent director candidate is as follows

Name	Ta-Hsien Lo
Education	National Chiao Tung University, Institute of Management Technology, Ph. D University of Southern California, Business Administration, Master National Chiao Tung University, Electrical and Computer Engineering, Bachelor
Current Job	Chinese Professional Management Association, Chairperson Industrial Technology Research Institute, Distinguished Expert Pan Wen-Yuan Foundation, CEO Industrial Technology Research Institute, Alumni association, Secretary-general National Tsing Hua University, College of Technology Management, Adjunct Professor
Concurrent Job (Independent Director)	None
Experience	Industrial Technology Research Institute, ITRI College, General Director (2014~2019) Industrial Technology Research Institute, President's Office, Director, (2000~2014) Industrial Technology Research Institute, Office of Strategy and R&D Planning, General Director (1992~2000) Industrial Technology Research Institute, Information and Communications Research Laboratories, Computer & Communications Research Laboratories, Director of Operations and Planning, Industrial Technology Research Institute, Electronics Research and Service Organization, Engineer/ Manager/ Marketing Director Guanchen Electronics Co., Ltd., Manager/Vice President Texas Instruments Taiwan, Quality Control, Director National Tsing Hua University, College of Technology Management & EMBA, Adjunct Professor.

	<p>National Chiao Tung University, College of Management (EMBA) & Institute of Management Technology, Adjunct Professor.</p> <p>Feng Chia University , EMBA, Adjunct Professor.</p> <p>Ministry of Education, University Social Responsibility Project, committee member;</p> <p>Chinese Society for Management of Technology Chairperson/ Secretary-general</p> <p>The 11th term Taiwan Excellent Achievement Award</p> <p>National Chiao Tung University, Distinguished Alumni</p>
<p>Shares</p> <p>(GlobalWafers)</p>	<p>0 shares</p>