

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

GlobalWafers Co., Ltd.

2024 Annual General Shareholders' Meeting Agenda

Meeting Mode: In-Person

Time: 9:00 AM, Tuesday, June 18, 2024

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

Attending shareholders and proxy representing: 407,022,554 shares (including 400,894,645 shares of e-voting), ratio to total common outstanding 478,113,725 shares: 85.13%, 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), Ming-Ren Yu (independent director/Audit committee chair), Ta-Hsien Lo (independent director). A total of 6 directors attended, representing more than half of the current 7 directors.

CPA: An-Chih Cheng, Chun-Yuan Wu (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 2023 Business Report submitted for review
Please refer to the Fiscal 2023 Business Report on Attachment 1 (page 8).

Deliberations of the meeting :

No questions raised by shareholders.

- Item 2** Audit Committee's report on 2023 annual final accounting books and statements submitted for review
For the Audit Committee's 2023 Review Report, please refer to Attachment 2 (page 15).

Deliberations of the meeting :

No questions raised by shareholders.

- Item 3** Distribution of remuneration to directors and employees in fiscal 2023, submitted for review
- (1) The company 2023 earning (Before deducting remuneration to employees and directors from Profit before Tax) is NTD 25,074,559,770. 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 752,539,343 to employees (distribution ratio 3.00%) and NTD 75,250,000 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 2023 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 2023 cash dividends of each half year approved by the Board of Directors are demonstrated in the table below:

2023	Approval Date (year/month/date)	Payment Date (year/month/date)	Cash Dividend per Share	Total Amount (NT\$)
First Half	2023/12/12	2024/02/23	8	3,488,909,800
Second Half	2024/05/07	2024/08/16	11	5,259,250,975
Total			19	8,748,160,775

Deliberations of the meeting :

No questions raised by shareholders.

Item 5

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

(1) In accordance with the Article 246 of the Company Act.

(2) The Company issued one unsecured corporate bond in 2024, details as below.

Bond	1st unsecured corporate bond issue in 2024
Issue amount	Bond A: NTD 2,500,000,000 Bond b: NTD 2,500,000,000
Denomination	NTD 1,000,000
Tenor	Bond A: 5 years (2024/3/19~2029/3/19) Bond B: 7 years (2024/3/19~2031/3/19)
Issue price	100% of the principal amount of the Bond
Coupon rate	Bond A: Fixed Interest Rate 1.70% per annum Bond B: Fixed Interest Rate 1.75% per annum
Interest Basis	Use coupon rate and calculate with simple interest once per year and pay once a year
Principal Repayment Description	Principal Repaid in a Lump Sum at Maturity
Trustee	Taipei Fubon Commercial Bank Co., Ltd.
Agent for Repayment of Principal and Payment of Interest	Taipei Fubon Commercial Bank Co., Ltd.
Use of Proceeds	Debt repayment

Deliberations of the meeting :

No questions raised by shareholders.

IV. Approval Items

Item 1

(Proposed by the Board of Directors)

Motion: To approve FY 2023 business report, financial statements and earnings distribution

- (1) 2023 Financial Statements were audited by KPMG CPAs, Cheng, An-Chih and Tseng, Mei-Yu. The aforementioned, FY 2023 Business Report and Earnings 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 Earnings Distribution Table, please refer to Attachment 1 (page 8), Attachment 3 (page 16) and Attachment 4 (page 34).
- (3) Approval requested

Deliberations of the meeting :

No questions raised by shareholders.

Resolution:

Voting result as below:

Voting Result	
In favor	379,253,802 votes (as 93.17% of the total represented share present)
Against	138,655 votes
Abstained/Not voting	27,630,097 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 “Policies and Procedures for Financial Derivatives Transactions”

- (1) To align with the future operational needs of the company, the Company proposes to revise some of the articles of its "Policies and Procedures for Financial Derivatives Transactions." For the comparison chart, please refer to Attachment 5 (page 35).
- (2) Resolution requested

Deliberations of the meeting :

No questions raised by shareholders.

Resolution:

Voting result as below:

Voting Result	
In favor	378,913,682 votes (as 93.09% of the total represented share present)
Against	140,775 votes
Abstained/Not voting	27,968,097 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 of directors, submit for election.

- (1) The service of the fifth-term directors will expire on August 23, 2024, and it is proposed that new directors be elected at the Shareholder Meeting.
- (2) “Articles of Incorporation” specifies that, the Company shall have eight directors elected for the sixth-term, among whom include four independent directors. The appointment of directors adopts candidate nomination system, and the directors are elected from the list of director (including independent director) candidates by shareholders. Please refer to Attachment 6 (Pages 41) for the list of director (including independent director) candidates. The current directors (including independent directors) will be relieved of their duties as of the re-election date. The newly elected directors (including independent directors) will assume their positions immediately after the Shareholders' Meeting. The term of office will be from June 18, 2024, to June 17, 2027, with a term of three years, and re-election is allowed.
- (3) 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
Director	Hsiu-Lan Hsu	382,579,017
Director	Sino-American Silicon Products Inc. Representative: Ming-Kuang Lu	331,046,093
Director	Sino-American Silicon Products Inc. Representative: Tan-Liang Yao	329,819,327
Director	Kuo-Chow Chen	329,006,504
Independent Director	Ming-Ren Yu	327,482,610
Independent Director	Ta-Hsien Lo	326,486,202
Independent Director	Tzu-Hsuan Tsai	325,398,686
Independent Director	Chung-Fern Wu	324,473,271

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, directors and their representatives of this company, 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 directors from the non-competition restrictions. Please refer to Attachment 7 (Pages 45) for the list of individuals released from non-competition restrictions.
- (3) Resolution requested

Deliberations of the meeting :

No questions raised by shareholders.

Resolution:

Voting result as below:

Voting Result	
In favor	373,398,614 votes (as 91.73% of the total represented share present)
Against	194,792 votes
Abstained/Not voting	33,429,148 votes
Invalid	0 votes

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

VIII. Extemporary Motion: None

IX. Meeting Adjourned: 09:50 a.m., Tuesday, June 18, 2024

No questions raised by shareholders during the shareholders' meeting.

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 2023 Business Report

In 2023, the semiconductor industry had weakened momentum due to factors such as customer inventory adjustment and uncertain end demand. With its long-term agreements with customers, a wide spectrum of products that could support customers in switching to their required applications, coupled with the large-size wafers, specialty wafers (FZ, SOI) and compound semiconductors led by automotive electronics and industrial applications, GlobalWafers has showed operational resilience in the headwind. The full year consolidated revenue for 2023 of GlobalWafers is NT\$70.65 billion, or 0.52% annual growth; the gross profit is NT\$26.44 billion, and the net operating income is NT\$20.06 billion; the income before income tax is NT\$26.5 billion, and the net income is NT\$19.77 billion, with the EPS of NT\$45.41, a growth more than NT\$10 from the previous year! For 2023, the full year consolidated revenue is NT\$70.65 billion, growing for three consecutive years and reaching a new peak! For 2023, EPS, income before income tax, and net income margin have all broken historical records, showing fruitful results.

The following is a summary report on the 2023 operation results, the 2024 business plan, future company development, impact from external competition, regulatory and macroeconomic environment:

I. Operating Results in 2023

(I) Business Plan Implementation Results

Unit: NT\$ thousands

Year	Year 2023	2022	Percent Change
Item	(IFRSs)	(IFRSs)	(%)
Revenue	70,651,593	70,286,871	0.52%
Cost of Goods Sold	44,211,027	39,945,282	10.68%
Gross Profit	26,440,566	30,341,589	-12.86%
Operating Expenses	6,382,005	5,358,576	19.10%
Operating Income	20,058,561	24,983,013	-19.71%
Profit Before Tax	26,496,457	20,106,928	31.78%
Net Profit	19,769,641	15,367,386	28.65%

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

(II) Budget Implementation: The Company had not announced its financial forecast for 2023.

(III) Profitability Analysis

Items			Year 2023	2022
Financial Structure	Debt to Asset Ratio		64.84%	67.95%
	Long-term funds to PPE (PPE-plant, property, equipment)		158.77%	338.60%
Profitability Analysis	Return on Assets Ratio		11.30%	9.83%
	Return on Equity Ratio		32.74%	30.75%
	Percentage in Paid-in Capital	Net Operating Income	459.94%	574.01%
		Income Before Income Tax	607.56%	461.98%
	Net Income Margin		27.98%	21.86%
	Earnings Per Share (NT\$)		45.41	35.31

(IV) Financial Income and Expenditure

The company's 2023 operating revenue is NT\$70,651,593 thousand, the operating costs is NT\$44,211,027 thousand, the operating expenses is NT\$6,382,005 thousand. The net non-operating income is NT\$6,437,896 thousand, the income before income tax is NT\$ 26,496,457 thousand, and the net income is NT\$19,769,641 thousand; the financial income and expenditure are normal.

(V) Research and Development Status

1. 2023 R&D Achievements:

Unit: NT\$ Thousand

Item/Year	2023	2022
R&D expenses	2,364,071	2,089,325
Revenues	70,651,593	70,286,871
R&D Expenses to Revenue (%)	3.35%	2.97%

2. 2023 R&D Achievements:

Name of technology or product

- (1) ECAS for power application
- (2) 12" Ultra-low Oi crystal pulling process
- (3) 12" thin wafer
- (4) 8" anneal wafer for high resistivity device
- (5) Multiple doped High Resistivity and Low Oxygen crystal pulling process
- (6) AI development in ingot crystal growth tuning
- (7) Develop high productivity of SiC Diamond wire saw technology
- (8) Low damage layer slicing technology development for SiC wafer
- (9) Development of Low energy consumption MCZ puller device
- (10) Development SiC crystal evaluation process with low pollution
- (11) Develop Image recognition technology for SiC Defect
- (12) SiC wafering process based on advanced predictive modelling
- (13) Crystal technology of Ultra low resistivity 12" substrate
- (14) Development GaN on Silicon with low Epi stress process
- (15) Development SiC Epi process with high uniformity
- (16) 6" conductive SiC epitaxy wafer
- (17) 8" N-Type SiC crystal
- (18) 8" N-Type SiC crystal ingot
- (19) Other compound semiconductor
- (20) GWC made SiC Crystal growth Furnace

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) LT-SiC Layer Transferred SiC on SiC
- (6) LT-LTO or LT-LNO on Silicon
- (7) 8" CZ-FZ Crystal pulling development
- (8) Engineered Customizable Application Specific "ECAS®" wafer SOI (ECAS-SOI)
- (9) Development of 12" diamond wire cutting manufacturing process

- (10) "ECAS®" wafer for next generation 3D memory device
- (11) 8" GaN/Silicone normally open power application epi-wafer
- (12) 4"/6" GaN/SiC RF application epi-wafer
- (13) Development of 8" SiC epi wafers using N-type conductive SiC substrates
- (14) Development of 6" SiC epi process using bonded SiC substrates
- (15) Development of CZ-FZ process for 8" crystals
- (16) New generation SiC Crystal growth Furnace

II. Summary of the Business Plan for 2024

(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 expenditures to ensure the expansion plan is completed as scheduled.
- (3) Actively develop the GaN/Si/SiC products, and work with strategic partners to utilize 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) Enhancing the operational performance of each business, while integrating R&D, production, and marketing across regions to maximize benefits.
- (6) Following the principle of "responsible growth" to fulfill our corporate social responsibilities regarding the environment, workplace health and safety, and corporate governance, in order to pursue sustainable growth.

(II) Estimated Sales Volume and its Basis

According to the World Semiconductor Trade Statistics (WSTS) research report released in November 2023, due to the better-than-expected industry performance and the improvement of some end markets, WSTS revised up its semiconductor revenue forecast for 2023 and 2024. It is forecasted that in 2024, all products will grow by single-digit percentage, but the revenue of memory will increase by 44.8%, which will be the main driving force for semiconductor revenue growth. For 2024, the revenue will be US\$588.364 billion, higher than the originally estimated US\$575.997 billion, a year-on-year increase of 13.1%.

WSTS expects the revenue of global semiconductor to reach US\$520.126 billion in 2023, slightly higher than the previously estimated US\$515.095 billion, decreased by 9.4% year-on-year; the 2024 revenue will reach US\$588.364 billion, higher than the original estimation of US\$575.997 billion, or growing 13.1% year-on-year.

WSTS pointed out that as the semiconductor revenue performance in the second and third quarters was better than expected, and some end markets also showed improvement, the

forecast for semiconductor revenue in 2023 was revised up, expected to reach US\$520.126 billion, a decrease of 9.4%.

In terms of product categories, bolstered by power semiconductors, the revenue of discrete semiconductors in 2023 is expected to grow by 5.8%, the revenue of optoelectronics will decrease by 3%, the revenue of sensors will decrease by 10.9%, and the revenue of integrated circuits will be decreased by 8.9%.

In terms of regional performance, only the European market will grow by about 5.9% in 2023; the American market will decline by 6.1%, Japan will decline by 2%, and the Asia Pacific region will decline by 14.4%.

Looking to 2024, the global semiconductor market is expected to recover, with revenue reaching US\$588.364 billion, growing by 13.1% strongly, with the revenues of discrete semiconductor, optoelectronics, and sensors growing by single-digits. The revenue of memory will surge by 44.8%, becoming the main driving force for the semiconductor revenue growth. All markets are expected to grow in 2024. The European and Japanese markets will grow by 4.3% and 4.4%, respectively. The Americas will lead the growth by 22.3%, and the Asia Pacific region will grow by 12%.

As the macro-economics and foreign exchange rates of various countries are still evolving swiftly, it is uncertain how these factors impact the global semiconductors, the abovementioned are the best forecasts that may be provided under the current circumstance.

(III) Important production and marketing policies

- (1) Actively engaging in the development of large-size silicon wafers and special products (compound semiconductor, SOI, and FZ), and expanding the leading advantages with existing technologies, to quickly enter emerging applications and advanced manufacturing processes.
- (2) Prudentially control the rising costs resulting from the inflation, secure the sources of key materials and parts supplies to ensure smooth production.
- (3) Utilize the broad presence around the world to flexibly deploy the capacities, avoid transportation plights and supply customers locally.
- (4) Continuously research and develop patents and strategic positioning to enhance the core of the leading advantages.

(IV) Development Strategies of the Company in the Future

- (1) Utilize the Group's high-end leading technology to develop GaN/Si/SiC wafers which match next-generation products. Move towards large size wafers for advanced process, heavily-doped crystal growth and epitaxy for power semiconductors.
- (2) Implement green manufacturing and corporate social responsibility, enhance the corporate governance to cement the foundation of sustainable operation.
- (3) By adopting renewable energies, enhancing the energy utilization efficiency, carbon removal and purchasing carbon offsetting goods to achieve the goal of 100% clean energy utilization by 2050.
- (4) Construct a resilient and flexible local supply chain, and establish diversified suppliers to respond to the pandemic and geopolitics impact swiftly.

- (5) To increase the scale of operation through the expansion, and to keep abreast of industrial trends and actively strive for government subsidies, to enhance the competitiveness in the semiconductor wafer industry.
- (6) Actively sign long-term agreements with key partners to consolidate the foundation of 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 links with macroeconomics considerably. Due to the Company's wide customer base, the end products spread across various industries and applications, such as automotive, power management, memory, etc., which can reduce the cyclical risk of single industry. Therefore, 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, patents...etc. However, in the face of new competitors with significant funds, we closely observe the industry's development. In order to prevent the new manufacturers from actively joining and leading to the decline in product prices to affect sales and profit, we continue to combine the technological advantages of our global presence around the world to develop niche products with core technology capabilities, and increase the added value of the product and minimize the cost to increase profit margins.
- (3) The drastic changes in the international circumstance, and regional trade conflicts have shocked the macroeconomics. However, GlobalWafers has production facilities around the world and thus is able to allocate flexibly to respond to the impacts of related regulations, lower duties and operational costs. Clients all over the world also effectively diversify the impacts from the pandemic to the revenue and lower the economic risks from single area. GlobalWafers also keeps close relationships with customers and establishes a resilient local supply chain and business continuity plan (BCP) to cope with various challenges flexibly.
- (4) Carbon neutrality is an international key issue. The governmental regulations, investment institutions, customers and the national policies of trade partners have increasingly scrutinized specifications for energy saving and carbon reduction. The power costs and the carbon tariff at the export destinations are a severe test for the survival ability of enterprises. GlobalWafers is committed to optimizing its existing equipment and introducing various energy-saving measures, to produce in an environmentally friendly manner. In addition, as the parent company, SAS (Sino-American Silicon Products Inc.), the parent company, is a Green Energy Total Solution Provider, its rich experience and vertically integrated supply chain advantages may be adopted to assist the Group in building solar power plants to increase green energy power generation, and the subsidiary, Sustainable Energy Solution, will help in matching the demand for green power. GlobalWafers' new plants have also introduced various energy-saving equipment and solutions during the construction phase, to reduce energy consumption, while comprehensively applying various green solutions, expanding the proportion of green power utilization, and monitoring the impacts of extreme weather at the same time, to minimize operational risks.

Looking to 2024, the semiconductor industry is expected to recover under the influence of the easing global fiscal policy and the stable market demands. With the elevating demands and the emergence of artificial intelligence and automation, the semiconductor industry is likely to resurge. As the global semiconductor equipment market is believed to rebound in 2024, the increased investment in downstream equipment shall stimulate the demands for upstream materials. In addition to comprehensive product specifications, the highly regionalized production locations of GlobalWafers also greatly reduces the risk of carbon emissions and carbon tariffs. By introducing renewable energies, optimizing product processes, and saving energy consumption, GlobalWafers has become a long-term partner of its customers with its unique advantages of sustainability and high regionalization.

Chairperson Hsiu-Lan Hsu



President Mark England



Chief Accountant Yu-Ting Lo



Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 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:



Ming-Ren Yu

May 7, 2024

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, 2023 and 2022, 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 material 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, 2023 and 2022, 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"), or 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 Financial Statement Audit and Attestation Engagements of 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(21) "Revenue from contracts with customers" of the consolidated financial statements for further information.

Description of key audit matter:

The Group's revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, and because of different sales terms and the trilateral 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 revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and implementation of internal control process and testing its 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(10) "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 methodology 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, 2023 and 2022, 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)

February 27, 2024

Notes to Readers

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

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

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

GlobalWafers Co., Ltd. and subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:											
1100	Cash and cash equivalents (notes 6(1) and 9)	\$ 26,164,591	14	83,458,027	50						
1110	Financial assets at fair value through profit or loss — current (note 6(2))	9,995	-	32,415	-	2100	Short-term borrowings (note 6(12))	\$ 24,647,862	13	6,544,000	4
1170	Notes and accounts receivable, net (note 6(4))	10,015,769	5	10,074,844	6	2120	Financial liabilities at fair value through profit or loss — current (notes 6(2) and (14))	204,322	-	-	-
1180	Accounts receivable due from related parties, net (note 7)	100,446	-	85,299	-	2130	Contract liabilities — current (note 6(21))	10,031,291	5	10,311,903	6
130X	Inventories (note 6(5))	9,359,353	5	8,535,236	5	2170	Notes and accounts payable	4,224,605	2	4,038,089	2
1476	Other financial assets — current (notes 6(1) and 8)	42,477,896	23	5,506,339	3	2180	Accounts payable to related parties (note 7)	802,005	-	138,112	-
1479	Other current assets (notes 6(11) and 7)	<u>1,973,039</u>	<u>1</u>	<u>1,905,571</u>	<u>1</u>	2201	Payroll and bonus payable	3,033,934	2	2,702,368	1
Total current assets		<u>90,101,089</u>	<u>48</u>	<u>109,597,731</u>	<u>65</u>	2216	Dividends payable	3,488,910	2	2,829,041	2
Non-current assets:						2230	Current tax liabilities	3,946,454	2	4,887,206	3
1513	Financial assets at fair value through profit or loss — non-current (note 6(2))	12,567,498	7	9,331,720	6	2322	Long-term borrowings, current portion (notes 6(13) and 8)	1,606,628	1	-	-
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	223,271	-	159,347	-	2321	Ordinary bonds payable, current portion (note 6(14))	7,098,400	4	-	-
1550	Investments accounted for using equity method (note 6(6))	1,392,852	1	941,383	1	2270	Convertible bonds payable, current portion (note 6(14))	6,647,050	3	-	-
1600	Property, plant and equipment (notes 6(8), 7 and 8)	72,250,814	38	39,487,086	23	2399	Other current liabilities (note 6(15))	<u>8,542,822</u>	<u>5</u>	<u>4,342,929</u>	<u>3</u>
1755	Right-of-use assets (note 6(9))	929,719	-	606,754	-	Total current liabilities		<u>74,274,283</u>	<u>39</u>	<u>35,793,648</u>	<u>21</u>
1780	Intangible assets (note 6(10))	2,346,556	1	2,370,157	1	Non-Current liabilities:					
1840	Deferred tax assets (note 6(17))	3,361,628	2	2,545,436	1	2527	Contract liabilities — non-current (note 6(21))	23,969,789	13	28,015,908	17
1980	Other financial assets — non-current (notes 7 and 8)	785,451	-	178,366	-	2540	Long-term borrowings (notes 6(13) and 8)	2,648,537	1	-	-
1900	Other non-current assets (note 6(11))	<u>5,029,123</u>	<u>3</u>	<u>4,277,998</u>	<u>3</u>	2500	Financial liabilities at fair value through profit or loss — non-current (notes 6(2) and (14))	-	-	466,831	-
Total non-current assets		<u>98,886,912</u>	<u>52</u>	<u>59,898,247</u>	<u>35</u>	2530	Convertible bonds payable (note 6(14))	-	-	23,793,835	14
						2531	Ordinary bonds payable (note 6(14))	11,893,051	7	18,986,110	11
						2570	Deferred tax liabilities (note 6(17))	5,908,343	3	4,588,911	3
						2670	Other non-current liabilities (note 6(15))	2,238,282	1	1,987,402	1
						2640	Net defined benefit liabilities — non-current (note 6(16))	<u>1,602,091</u>	<u>1</u>	<u>1,539,328</u>	<u>1</u>
						Total non-current liabilities		<u>48,260,093</u>	<u>26</u>	<u>79,378,325</u>	<u>47</u>
						Total liabilities		<u>122,534,376</u>	<u>65</u>	<u>115,171,973</u>	<u>68</u>
						Equity (note 6(18)):					
						3110	Ordinary share	4,361,137	2	4,352,370	3
						3200	Capital surplus	24,248,547	13	23,819,388	14
						Retained earnings:					
						3310	Legal reserve	8,062,380	4	6,550,566	4
						3320	Special reserve	6,546,698	4	6,135,557	3
						3350	Unappropriated retained earnings	<u>30,691,152</u>	<u>16</u>	<u>20,012,822</u>	<u>12</u>
								<u>45,300,230</u>	<u>24</u>	<u>32,698,945</u>	<u>19</u>
						3400	Other equity interest	<u>(7,460,349)</u>	<u>(4)</u>	<u>(6,546,698)</u>	<u>(4)</u>
						Total equity attributable to owners of parent		<u>66,449,565</u>	<u>35</u>	<u>54,324,005</u>	<u>32</u>
						3600	Non-controlling interests	<u>4,060</u>	<u>-</u>	<u>-</u>	<u>-</u>
						Total equity		<u>66,453,625</u>	<u>35</u>	<u>54,324,005</u>	<u>32</u>
Total assets		<u>\$ 188,988,001</u>	<u>100</u>	<u>169,495,978</u>	<u>100</u>	Total liabilities and equity		<u>\$ 188,988,001</u>	<u>100</u>	<u>169,495,978</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

GlobalWafers Co., Ltd. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(21) and 7)	\$ 70,651,593	100	70,286,871	100
5000	Operating costs (notes 6(5), (22) and 7)	44,211,027	63	39,945,282	57
	Gross profit from operations	26,440,566	37	30,341,589	43
	Operating expenses (notes 6(22) and 7):				
6100	Selling expenses	1,560,587	2	1,651,407	2
6200	Administrative expenses	2,441,149	4	1,608,417	2
6300	Research and development expenses	2,364,071	3	2,089,325	3
6450	Expected credit losses (note 6(4))	16,198	-	9,427	-
	Total operating expenses	6,382,005	9	5,358,576	7
	Net operating income	20,058,561	28	24,983,013	36
	Non-operating income and expenses:				
7100	Interest income (note 6(23))	3,252,801	5	1,143,269	2
7020	Other gains and losses (notes 6(14), (23) and 7)	3,838,384	6	(5,537,537)	(8)
7050	Finance costs (notes 6(14), (23) and 7)	(653,289)	(1)	(481,817)	(1)
		6,437,896	10	(4,876,085)	(7)
	Income before income tax	26,496,457	38	20,106,928	29
7950	Less: income tax expense (note 6(17))	6,726,816	10	4,739,542	7
	Net income	19,769,641	28	15,367,386	22
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	(18,650)	-	58,985	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	133,642	-	(31,223)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method (note 6(6))	437,552	1	(746,960)	(2)
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(17))	(424,494)	-	11,797	-
	Total items that will not be reclassified subsequently to profit or loss	977,038	1	(730,995)	(2)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	(1,760,734)	(2)	406,126	1
8399	Less: income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(17))	(322,394)	-	(39,084)	-
	Total items that may be reclassified subsequently to profit or loss	(1,438,340)	(2)	367,042	1
8300	Other comprehensive income (after tax)	(461,302)	(1)	(363,953)	(1)
	Total comprehensive income	\$ 19,308,339	27	15,003,433	21
	Net income attributable to:				
	Shareholders of GlobalWafers Co., Ltd	19,772,048	28	15,367,386	22
	Non-controlling interests	(2,407)	-	-	-
		19,769,641	28	15,367,386	22
	Total comprehensive income attributable to:				
	Shareholders of GlobalWafers Co., Ltd	19,310,867	27	15,003,433	21
	Non-controlling interests	(2,528)	-	-	-
		19,308,339	27	15,003,433	21
	Earnings per share (NT Dollars) (note 6(20))				
9750	Basic earnings per share	\$ 45.41		35.31	
9850	Diluted earnings per share	\$ 43.91		34.36	

See accompanying notes to consolidated financial statements.

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

GlobalWafers Co., Ltd. and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(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	Unearned share-based employee compensation	Total other equity interest	Treasury shares	Total	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings								
Balance at January 1, 2022	\$ 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	-	45,631,503
Net income for the year	-	-	-	-	15,367,386	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)	-	(363,953)
Comprehensive income for the year	-	-	-	-	15,414,574	15,414,574	367,042	(778,183)	-	(411,141)	-	15,003,433	-	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)	-	(5,216,142)
Additional paid-in capital resulting from assets donated	-	6	-	-	-	-	-	-	-	-	-	6	-	6
Distribution of cash dividends using capital surplus	-	(1,094,795)	-	-	-	-	-	-	-	-	-	(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	-	54,324,005
Net income for the year	-	-	-	-	19,772,048	19,772,048	-	-	-	-	-	19,772,048	(2,407)	19,769,641
Other comprehensive income for the year	-	-	-	-	405,844	405,844	(1,438,219)	571,194	-	(867,025)	-	(461,181)	(121)	(461,302)
Comprehensive income for the year	-	-	-	-	20,177,892	20,177,892	(1,438,219)	571,194	-	(867,025)	-	19,310,867	(2,528)	19,308,339
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	1,511,814	-	(1,511,814)	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	411,141	(411,141)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(7,623,661)	(7,623,661)	-	-	-	-	-	(7,623,661)	-	(7,623,661)
Additional paid-in capital resulting from assets donated	-	2	-	-	-	-	-	-	-	-	-	2	-	2
Unearned share-based employee compensation	-	-	-	-	-	-	-	-	428	428	-	428	-	428
Issuance of ordinary shares to acquire subsidiaries	8,767	429,157	-	-	-	-	-	-	-	-	-	437,924	-	437,924
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	47,054	47,054	-	(47,054)	-	(47,054)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	6,588	6,588
Balance at December 31, 2023	\$ 4,361,137	24,248,547	8,062,380	6,546,698	30,691,152	45,300,230	(8,601,325)	1,140,548	428	(7,460,349)	-	66,449,565	4,060	66,453,625

See accompanying notes to consolidated financial statements.

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

GlobalWafers Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 26,496,457	20,106,928
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	6,713,810	5,883,062
Amortization expenses	19,705	197,447
Expected credit losses	16,198	9,427
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(2,845,403)	9,745,073
Finance costs	653,288	481,817
Interest income	(3,252,801)	(1,143,269)
Dividend income	(442,608)	(404,218)
Shares of profit of associates accounted for using equity method	(67,386)	(60,359)
Gain on disposal of property, plant and equipment	(128,960)	(109,323)
Impairment loss on non-financial assets	-	37,776
Provisions for inventory valuation	252,975	10,490
Gain on lease modification	-	(26)
Total adjustments	918,818	14,647,897
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	140,796	(1,052,173)
Inventories	(975,458)	(1,259,059)
Prepayments for purchase of materials	491,713	1,682,120
Other operating assets	(509,602)	(426,475)
Other financial assets	(28,853)	1,322
Total changes in operating assets	(881,404)	(1,054,265)
Contract liabilities	(4,471,240)	7,096,975
Notes and accounts payable (including related parties)	126,803	4,998
Net defined benefit liabilities	61,457	(240,007)
Other operating liabilities	408,052	(1,476,875)
Total changes in operating liabilities	(3,874,928)	5,385,091
Total changes in operating assets and liabilities	(4,756,332)	4,330,826
Total adjustments	(3,837,514)	18,978,723
Cash inflow generated from operations	22,658,943	39,085,651
Interest received	2,188,722	1,062,056
Dividends received	442,608	404,218
Interest paid	(629,769)	(139,885)
Income taxes paid	(6,095,739)	(2,845,660)
Net cash flows from operating activities	18,564,765	37,566,380

(Continued)

See accompanying notes to consolidated financial statements.

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

GlobalWafers Co., Ltd. and subsidiaries

Consolidated Statements of Cash Flows(Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ -	(3,677)
Proceeds from disposal of financial assets at fair value through other comprehensive income	68,792	-
Acquisition of financial assets at fair value through profit or loss	(33,741)	(28,578)
Proceeds from capital reduction of financial assets at fair value through profit or loss	17,908	8,572
Cash dividends from associates accounted for using equity method	54,328	61,529
Acquisition of property, plant and equipment, and prepayments of equipment	(36,756,705)	(12,358,186)
Proceeds from disposal of property, plant and equipment	282,185	116,282
Acquisition of intangible assets	(7,782)	(6,479)
Net cash outflows resulting from business combination	(314,272)	-
Increase in other financial assets	(36,352,249)	(523,517)
Net cash flows used in investing activities	(73,041,536)	(12,734,054)
Cash flows from financing activities:		
Increase in short-term borrowings	18,088,539	280,000
Repayments of bonds	(17,644,805)	(2,748,404)
Increase in long-term borrowings	4,296,227	-
Repayments of long-term borrowings	(44,688)	-
Increase (decrease) in guarantee deposits received	(25,792)	1,403,599
Proceeds from borrowings from related party	575,039	-
Payment of lease liabilities	(184,143)	(167,566)
Cash dividends and capital surplus distribution	(6,963,792)	(6,963,792)
Additional paid-in capital resulting from assets donated	2	6
Net cash flows used in financing activities	(1,903,413)	(8,196,157)
Effect of exchange rate changes on cash and cash equivalents	(913,252)	927,436
Increase (decrease) in cash and cash equivalents	(57,293,436)	17,563,605
Cash and cash equivalents at beginning of period	83,458,027	65,894,422
Cash and cash equivalents at end of period	\$ 26,164,591	83,458,027

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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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(18) "Revenue from contracts with customers" of the parent-company-only financial statements for further information.

Description of key audit matter:

The Company's revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, and because of different sales terms and the triangular trade within the Company 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 parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent-company-only 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 parent-company-only 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)

February 27, 2024

Notes to Readers

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

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

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

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(1) and 9)	\$ 6,821,231	5	35,218,977	22	2100	Short-term borrowings (note 6(10))	\$ 2,930,000	2	-	-
1170	Notes and accounts receivable, net (note 6(4))	2,942,919	2	2,864,253	2	2120	Financial liabilities at fair value through profit or loss — current (note 6(2))	204,033	-	-	-
1180	Accounts receivable due from related parties, net (note 7)	4,366,398	4	3,721,385	2	2130	Contract liabilities — current (note 6(18))	3,251,298	3	3,047,765	2
130X	Inventories (note 6(5))	2,677,880	2	2,594,070	2	2170	Notes and accounts payable	1,152,404	1	1,197,244	1
1476	Other financial assets — current	18,782	-	33,196	-	2180	Accounts payable to related parties (note 7)	2,928,653	2	41,216,208	25
1479	Other current assets (note 7)	386,739	-	868,556	-	2201	Payroll and bonus payable	1,934,758	1	1,523,994	1
	Total current assets	<u>17,213,949</u>	<u>13</u>	<u>45,300,437</u>	<u>28</u>	2216	Dividends payable	3,488,910	3	2,829,041	2
Non-current assets:						2321	Ordinary bonds payable, current portion (note 6(11))	7,098,400	6	-	-
1513	Financial assets at fair value through profit or loss — non-current (note 6(2))	2,133,963	2	1,626,893	1	2270	Convertible bonds payable, current portion (note 6(11))	6,647,050	5	-	-
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	218,700	-	153,850	-	2399	Other current liabilities (note 6(12))	2,460,718	2	3,586,955	2
1550	Investments accounted for using equity method (note 6(6))	100,671,568	79	105,317,816	66		Total current liabilities	<u>32,096,224</u>	<u>25</u>	<u>53,401,207</u>	<u>33</u>
1600	Property, plant and equipment (notes 6(7) and 7)	6,419,006	5	6,101,037	4	2527	Contract liabilities — non-current (note 6(18))	5,831,437	5	6,235,938	4
1755	Right-of-use assets (note 6(8))	414,681	-	449,958	-	2500	Financial liabilities at fair value through profit or loss — non-current (notes 6(2) and (11))	-	-	466,831	-
1780	Intangible assets (note 6(9))	6,660	-	3,428	-	2530	Convertible bonds payable (note 6(11))	-	-	23,793,835	15
1980	Other financial assets — non-current (notes 7 and 8)	80,867	-	80,825	-	2531	Ordinary bonds payable (note 6(11))	11,893,051	9	18,986,110	12
1900	Other non-current assets (note 6(14))	1,379,402	1	1,334,100	1	2622	Long-term accounts payable to related parties (note 7)	7,676,250	6	-	-
	Total non-current assets	<u>111,324,847</u>	<u>87</u>	<u>115,067,907</u>	<u>72</u>	2600	Other non-current liabilities (notes 6(12), (13) and (14))	4,592,269	3	3,160,418	2
							Total non-current liabilities	<u>29,993,007</u>	<u>23</u>	<u>52,643,132</u>	<u>33</u>
							Total liabilities	<u>62,089,231</u>	<u>48</u>	<u>106,044,339</u>	<u>66</u>
							Equity (note 6(15)):				
						3110	Ordinary share	4,361,137	4	4,352,370	3
						3200	Capital surplus	24,248,547	19	23,819,388	15
							Retained earnings:				
						3310	Legal reserve	8,062,380	6	6,550,566	4
						3320	Special reserve	6,546,698	5	6,135,557	4
						3350	Unappropriated retained earnings	30,691,152	24	20,012,822	12
								<u>45,300,230</u>	<u>35</u>	<u>32,698,945</u>	<u>20</u>
						3400	Other equity interest	(7,460,349)	(6)	(6,546,698)	(4)
							Total equity	<u>66,449,565</u>	<u>52</u>	<u>54,324,005</u>	<u>34</u>
							Total liabilities and equity	<u>\$ 128,538,796</u>	<u>100</u>	<u>160,368,344</u>	<u>100</u>
	Total assets	<u>\$ 128,538,796</u>	<u>100</u>	<u>160,368,344</u>	<u>100</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 Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(18) and 7)	\$ 30,931,369	100	30,292,412	100
5000	Operating costs (notes 6(5), (19) and 7)	<u>16,134,353</u>	<u>52</u>	<u>16,261,985</u>	<u>54</u>
	Gross profit from operations	<u>14,797,016</u>	<u>48</u>	<u>14,030,427</u>	<u>46</u>
	Operating expenses (notes 6(19) and 7):				
6100	Selling expenses	483,891	1	574,393	2
6200	Administrative expenses	806,264	3	312,920	1
6300	Research and development expenses	1,539,812	5	1,333,853	4
6450	Expected credit loss (note 6(4))	-	-	-	-
	Total operating expenses	<u>2,829,967</u>	<u>9</u>	<u>2,221,166</u>	<u>7</u>
	Net operating income	<u>11,967,049</u>	<u>39</u>	<u>11,809,261</u>	<u>39</u>
	Non-operating income and expenses:				
7100	Interest income (notes 6(20) and 7)	455,857	1	575,837	2
7020	Other gains and losses (notes 6(20) and 7)	968,553	3	3,955,756	13
7050	Finance costs (notes 6(12), (20) and 7)	(527,589)	(2)	(518,977)	(2)
	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method (note 6(6))	<u>11,382,900</u>	<u>37</u>	<u>1,640,402</u>	<u>5</u>
		<u>12,279,721</u>	<u>39</u>	<u>5,653,018</u>	<u>18</u>
	Income before income tax	24,246,770	78	17,462,279	57
7950	Less: income tax expense (note 6(14))	<u>4,474,722</u>	<u>14</u>	<u>2,094,893</u>	<u>7</u>
	Net income	<u>19,772,048</u>	<u>64</u>	<u>15,367,386</u>	<u>50</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Gains on remeasurements of defined benefit plans (note 6(13))	84,333	-	42,657	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	133,642	-	(31,223)	-
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	860,524	3	(730,632)	(2)
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(14))	<u>101,461</u>	<u>-</u>	<u>11,797</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>977,038</u>	<u>3</u>	<u>(730,995)</u>	<u>(2)</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	(1,760,613)	(6)	406,126	1
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(14))	<u>(322,394)</u>	<u>(1)</u>	<u>39,084</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(1,438,219)</u>	<u>(5)</u>	<u>367,042</u>	<u>1</u>
8300	Other comprehensive income (after tax)	<u>(461,181)</u>	<u>(2)</u>	<u>(363,953)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 19,310,867</u>	<u>62</u>	<u>15,003,433</u>	<u>49</u>
	Earnings per share (NT Dollars) (note 6(17))				
	Basic earnings per share	<u>\$ 45.41</u>		<u>35.31</u>	
	Diluted earnings per share	<u>\$ 43.91</u>		<u>34.36</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, 2023 and 2022
(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	Unearned share-based employee compensation	Total	Treasury shares	Total equity
Balance at January 1, 2022	\$ 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
Net income for the year	-	-	-	-	19,772,048	19,772,048	-	-	-	-	-	19,772,048
Other comprehensive income for the year	-	-	-	-	405,844	405,844	(1,438,219)	571,194	-	(867,025)	-	(461,181)
Comprehensive income for the year	-	-	-	-	20,177,892	20,177,892	(1,438,219)	571,194	-	(867,025)	-	19,310,867
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	1,511,814	-	(1,511,814)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	411,141	(411,141)	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(7,623,661)	(7,623,661)	-	-	-	-	-	(7,623,661)
Additional paid-in capital resulting from assets donated	-	2	-	-	-	-	-	-	-	-	-	2
Unearned share-based employee compensation	-	-	-	-	-	-	-	-	428	428	-	428
Issuance of ordinary shares to acquire subsidiaries	8,767	429,157	-	-	-	-	-	-	-	-	-	437,924
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	47,054	47,054	-	(47,054)	-	(47,054)	-	-
Balance at December 31, 2023	\$ 4,361,137	24,248,547	8,062,380	6,546,698	30,691,152	45,300,230	(8,601,325)	1,140,548	428	(7,460,349)	-	66,449,565

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 24,246,770	17,462,279
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	1,205,839	987,468
Amortization expenses	2,163	182,203
Net (gain) loss on financial assets or liabilities at fair value through loss	(451,301)	1,646,073
Interest expense	527,589	518,977
Interest income	(455,857)	(575,837)
Dividend income	(92,997)	(79,325)
Shares of profit of subsidiaries and associates accounted for using equity method and unrealized gain or loss	(11,025,264)	(1,330,767)
Loss (gain) on disposal of property, plant and equipment	11,644	(3,640)
Loss on disposal of investments	-	2,269
Provisions for inventory valuation (reversal of gains)	2,848	(4,380)
Total adjustments	(10,275,336)	1,343,041
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(735,076)	(550,928)
Inventories	(86,658)	(401,410)
Other operating assets	451,219	1,433,050
Total changes in operating assets	(370,515)	480,712
Contract liabilities	(200,968)	3,779,862
Notes and accounts payable (including related parties)	(707,175)	(1,729,276)
Net defined benefit liabilities	(36,716)	(19,256)
Other operating liabilities	410,350	(1,711,935)
Total changes in operating liabilities	(534,509)	319,395
Total changes in operating assets and liabilities	(905,024)	800,107
Total adjustments	(11,180,360)	2,143,148
Cash inflow generated from operations	13,066,410	19,605,427
Interest received	474,085	560,630
Dividends received	92,997	79,325
Interest paid	(350,791)	(203,406)
Income taxes paid	(3,841,661)	(1,026,179)
Net cash flows from operating activities	9,441,040	19,015,797

(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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	68,792	-
Acquisition of financial assets at fair value through profit or loss	-	(20,651)
Proceeds from disposal of financial assets at fair value through profit or loss	16,790	8,572
Acquisition of investments accounted for using equity method	(36,114,920)	(6,204,779)
Proceeds from capital reduction and liquidation of investments accounted for using equity method	15,171,500	59,818
Cash dividends from subsidiaries accounted for using equity method	7,747	5,288
Cash dividends from associates accounted for using equity method	54,328	61,529
Acquisition of property, plant and equipment, and prepayments of equipment	(1,530,382)	(2,011,997)
Proceeds from disposal of property, plant and equipment	213	4,103
Decrease (Increase) in other receivables due from related parties	80,000	(70,000)
Acquisition of intangible assets	(5,361)	(1,549)
Decrease (Increase) in other financial assets	(42)	4,050,426
Net cash flows used in investing activities	(22,251,335)	(4,119,240)
Cash flows from financing activities:		
Increase in short-term loans	2,930,000	-
Repayments of bonds	(17,644,805)	(2,748,404)
Increase (decrease) in payables to related parties	6,140,750	(10,021,884)
Payment of lease liabilities	(49,606)	(49,602)
Cash dividends paid	(6,963,792)	(6,963,792)
Additional paid-in capital resulting from assets donated	2	6
Net cash flows used in financing activities	(15,587,451)	(19,783,676)
Net decrease in cash and cash equivalents	(28,397,746)	(4,887,119)
Cash and cash equivalents at beginning of year	35,218,977	40,106,096
Cash and cash equivalents at end of year	\$ 6,821,231	35,218,977

Attachment 4

GlobalWafers Co., Ltd.

Earnings Distribution Table Year 2023

(Unit: NTD)

Item	Amount	Total
Beginning unappropriated retained earnings		13,955,116,273
Plus: Current change on defined benefits remeasurements		405,844,025
Plus: Disposal of equity instruments measured at fair value through other comprehensive income		47,054,466
Plus: 2023 net income		19,772,048,487
Distributable earnings		34,180,063,251
Less: Provision of legal reserve		
20231H accumulated provision	(978,958,939)	
2023 provision for discrepancy	(1,043,535,759)	(2,022,494,698)
Less: Provision of special reserve		
20231H accumulated provision	(940,298,325)	
2023 provision for discrepancy	26,218,986	(914,079,339)
Item of distribution :		
Share dividends - cash		
2023 interim earnings that were distributed (NTD 8 per share)	(3,488,909,800)	
2023 earnings to be distributed (NTD 11 per share)	(5,259,250,975)	(8,748,160,775)
Ending unappropriated earnings		22,495,328,439

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.

Policies and Procedures for Financial Derivatives Transactions Comparison Chart

Article	Before	After	Remark
4	<p>The types of derivatives that may be traded</p> <p>Derivative products that the Company can buy or sell <u>include foreign currency forward contracts, option contracts and swaps of foreign currency as well as interest rate.</u></p>	<p>The types of derivatives that may be traded</p> <p>Derivative products that the Company can buy or sell <u>are limited to derivative products as defined in Article two and three of this procedure.</u></p>	In response to the company's financial activities and fundraising, derivative product scope will be adjusted to accommodate hedging needs.
5	<p>Transaction principle and guideline</p> <p>The profit of the Company shall be derived from operation. The Company engages in hedge-oriented transaction of the above derivatives transactions <u>shall be based on the principle of hedging currency and interest rate risks only,</u> which means the purpose of holding or issuing derivatives commodity is not to earn through price differences of a commodity. The Company does not allow opportunism transaction. The instruments shall meet the Company's actual hedging needs.</p>	<p>Transaction principle and guideline</p> <p>The profit of the Company shall be derived from operation. The Company engages in hedge-oriented transaction of the above derivatives transactions <u>should be on safeguarding the company's operational profit and mitigating risks such as exchange rate, interest rate, or asset-liability price fluctuations through hedging transactions,</u> which means the purpose of holding or issuing derivatives commodity is not to earn through price differences of a commodity. The Company does not allow opportunism transaction. The instruments shall meet the Company's actual hedging needs.</p>	As in Article 4.
6	The loss ceiling on total trading	The loss ceiling on total trading	In the event of

	<p>and for individual</p> <p>Loss limit of <u>“Hedge-oriented transactions”</u> is 20% of the contract amount. The term applies in any individual contract or for all contracts in aggregate.</p>	<p>and for individual</p> <p>Loss limit of “Hedge-oriented transactions” is 20% of the contract amount. The term applies in any individual contract or for all contracts in aggregate.</p> <p><u>If contract losses exceed the specified limit, the Finance Department must promptly report to the Chairperson and take necessary actions, followed by presenting a special report to the latest Board for review and recordation.</u></p> <p><u>If there are offsetting gains or losses from hedging positions on assets or liabilities, equal to the contract loss amount, they will not be subject to the above limit on loss amounts.</u></p>	<p>contract loss surpassing the limit, requisite actions must be taken and reported to the board.</p> <p>Furthermore, the contract loss amount should be factored in alongside the profit and loss of hedged positions.</p>
7	<p>Ceiling of total amount of derivatives contracts</p> <p>The total contract amount from foreign exchange hedging operation underwritten from daily operation, shall not exceed the total foreign currency position of accounts receivable and accounts payable (including funds lending among companies in the consolidated financial statements) and deposit, and shall be reported to the latest BOD meeting after transaction. Apart from daily operation, any <u>currency hedging</u> should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling,</p>	<p>Ceiling of total amount of derivatives contracts</p> <p>The total contract amount from foreign exchange hedging operation underwritten from daily operation, shall not exceed the total foreign currency position of accounts receivable and accounts payable (including funds lending among companies in the consolidated financial statements) and deposit, and shall be reported to the latest BOD meeting after transaction. Apart from daily operation, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example <u>(including but not limited to,</u> overseas acquisition adopts acquisition price as ceiling, fund lending</p>	<p>To meet the company's hedging requirements, adjustments are made to broaden hedging operations beyond foreign exchange categories, accompanied by textual refinements.</p>

	<p>overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.</p>	<p>adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling, and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.</p>	
8	<p>Division of authority and duties</p> <p>(1) Finance Department is responsible for building currency strategy and negotiation, as well as setting up quarterly hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and balance position for risk control.</p> <p>(2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for President's approval. Any deviation can only be executed upon receiving President's approval.</p>	<p>Division of authority and duties</p> <p>(1) Finance Department is responsible for building hedging strategy and negotiation, as well as setting up quarterly case-specific hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and other relevant indicators and data and balance position for risk control.</p> <p>(2) Finance Department shall pay attention to currency as well as capital position, and other relevant indicators and data at all times, submit hedging strategy according to actual needs for President's approval. Any deviation can only be executed upon receiving President's approval.</p>	As in Article 7

10	Finance Department shall evaluate the financial institution with better condition, and engage in derivative trading within the agreement after getting the approval of President and Chairperson.	Finance Department shall evaluate the financial institution with better condition, and engage in hedging transactions within the agreement after getting the approval of President and Chairperson.	As in Article 7.
12	Finance Department shall make trading slip and details regarding derivatives transaction in accordance with transaction voucher and submit to the manager in charge for review. Finance department personnel shall confirm transaction contents with banks are in accordance with the aforementioned trading slips and details and submit to President for approval.	Finance Department shall make trading slip and details regarding hedging transaction in accordance with transaction voucher and submit to the manager in charge for review. Finance department personnel shall confirm transaction contents with banks are in accordance with the aforementioned trading slips and details and submit to President for approval.	As in Article 7.
13	The balance from the derivative trading shall be settled by the Finance Department immediately.	The balance from the hedging transactions shall be settled by the Finance Department immediately.	As in Article 7.
15	Internal Control 1. Internal Control (1) Derivative commodity trading personnel and personnel involved in confirmation, delivery, and other operations shall not hold dual positions. Related risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph	Internal Control 1. Internal Control (1) Derivative commodity trading personnel and personnel involved in confirmation, delivery, and other operations shall not hold dual positions. Related risk measurement, monitoring, and control personnel shall be assigned to a different department that the	As in Article 7.

	<p>and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.</p> <p>(2) Trading personnel shall submit foreign exchange trading slip to confirmation personnel for record.</p> <p>(3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.</p> <p>(4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.</p> <p>2. Risk Management (Omit)</p> <p>3. Periodic evaluation</p> <p>(1) The Finance Department shall assess market prices and evaluate hedging performance. “Hedge-oriented” amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</p> <p>(Below Omitted)</p>	<p>personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.</p> <p>(2) Trading personnel shall submit trading slip to confirmation personnel for record.</p> <p>(3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.</p> <p>(4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.</p> <p>2. Risk Management (Omit)</p> <p>3. Periodic evaluation</p> <p>(1) The Finance Department shall assess market prices and evaluate hedging performance. “Hedge-oriented” amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</p> <p>(Below Omitted)</p>	
18	<p>Enforcement and history</p> <p>The Procedure was enacted on</p>	<p>Enforcement and history</p> <p>The Procedure was enacted on</p>	Add amendment date.

	<p>October 25th, 2011.</p> <p>The 1st amendment was made on June 25, 2013.</p> <p>The 2nd amendment was made on January 19, 2015.</p> <p>The 3rd amendment was made on February 20, 2017.</p> <p>The 4th amendment was made on June 25, 2019.</p> <p>The 5th amendment was made on August 24, 2021.</p>	<p>October 25th, 2011.</p> <p>The 1st amendment was made on June 25, 2013.</p> <p>The 2nd amendment was made on January 19, 2015.</p> <p>The 3rd amendment was made on February 20, 2017.</p> <p>The 4th amendment was made on June 25, 2019.</p> <p>The 5th amendment was made on August 24, 2021.</p> <p><u>The 6th amendment was made on June 18, 2024.</u></p>	
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Attachment 6

GlobalWafers Co., Ltd.

Director (Including Independent Director) Candidate

Position	Name	Education and Experience	Concurrent Job	Shares (GlobalWafers)
Director	Hsiu-Lan Hsu	M.S. in Computer Science from University of Illinois President of Sino-American Silicon Products Inc.	Chairperson & CEO of GlobalWafers. Chairperson & CEO of Sino-American Silicon Products Inc. The legal Board of Director representative of Actron Technology Corporation The legal Board of Director representative of Advanced Wireless Semiconductor Company Chairperson of Taiwan Speciality Chemicals Corporation. Director representative of SAS Sunrise Pte. Ltd. Chairperson of Sunrise PV Three Co., Ltd. Chairperson of SAS Holding Co., Ltd. Chairperson of Sustainable Energy Solution Co., Ltd. Chairperson of Sunrise PV Four Co., Ltd. Chairperson of GWC Capital Co., Ltd. Director of GlobalSemiconductor Inc. Chairperson & CEO of GlobiTech Incorporated Chairperson of GlobalWafers Japan Co., Ltd. Chairperson of MEMC Japan Limited. Vice Chairperson of Kunshan Sino Silicon Technology Co., Ltd. Chairperson of Topsil GlobalWafers A/S Director of GlobalWafers Singapore Pte. Ltd. Director of GlobalWafers B.V. Director of MEMC Korea Company Chairperson of GlobalWafers America, LLC Chairperson of Crystalwise Technology Inc. Director of Crystalwise Technology (HK) Limited	847,879
Director	Sino-American Silicon Products Inc. Representative: Ming-Kuang Lu	Honorary Doctorate of Science in National Chiao Tung University Honorary Doctorate of	Director & Honorary Chairperson of Sino-American Silicon Products Inc. The legal Board of Director representative of GlobalWafers Co.,	223,007,864

		<p>Engineering in National Tatung University</p> <p>ITRI Laureate</p> <p>Chairperson of Sino-American Silicon Products Inc.</p> <p>Chairperson & CEO of Actron Technology Corporation</p> <p>President of Lite-On Semiconductor Corporation</p> <p>President of Vishay Lite-On Power Semiconductor Corporation</p> <p>Vice President of Silitek Corporation</p>	<p>Ltd.</p> <p>Director & Honorary Chairperson of Actron Technology Corporation.</p> <p>Chairperson of REC Technology Corporation.</p> <p>Chairperson of Bigbest Solutions Inc.</p> <p>The legal Board of Director representative of Formica Optoelectronics Inc.</p> <p>Independent Director of LITE-ON Technology Corporation</p> <p>The legal Board of Director representative of SAS Holding Co., Ltd.</p> <p>The legal Board of Director representative of GWC Capital Co., Ltd.</p>	
Director	<p>Sino-American Silicon Products Inc.</p> <p>Representative: Tan-Liang Yao</p>	<p>MBA from Tamkang University</p> <p>President of Sino American Silicon Products Inc.</p> <p>Assistant Vice President at Lite-On Semiconductor Corporation</p>	<p>Vice Chairperson of Sino-American Silicon Products Inc.</p> <p>The legal Board of Director Representative of GlobalWafers Co., Ltd.</p> <p>Chairman and CEO of Actron Technology Corporation</p> <p>The legal Board of Director Representative of Advanced Wireless Semiconductor Company</p> <p>The Legal Board of Director Representative of Taiwan Speciality Chemicals Corporation</p> <p>The legal Board of Director Representative of REC Technology Corporation</p> <p>The legal Board of Director Representative of Ding-Wei Technology Co., Ltd.</p> <p>The legal Board of Director Representative of Mosel Vitelic Inc.</p> <p>The legal Board of Director representative of Sunrise PV Three Co.</p> <p>The legal Board of Director representative of SAS Holding Co., Ltd.</p> <p>The legal Board of Director representative of GWC Capital Co., Ltd.</p> <p>Director of GlobiTech Incorporated</p> <p>Director of GlobalWafers Japan Co., Ltd.</p> <p>Chairperson of Kunshan Sino Silicon Technology Co., Ltd.</p>	223,007,864

			<p>Director of GWafers Singapore Pte. Ltd.</p> <p>Director of GlobalWafers America, LLC</p> <p>Director of Yuan Hong (SHANDONG) Technical Materials Ltd.</p>	
Director	Kuo-Chow Chen	<p>Nan Ying Vocation High School</p> <p>Chairperson of Nan-hai Photoelectric Co., Ltd.</p> <p>Director of COTA Commercial Bank</p>	<p>Director of Nan-hai Photoelectric Co., Ltd.</p>	665,773
Independent Director	Ming-Ren Yu	<p>MBA from New York University</p> <p>Vice President of J.P. Morgan</p> <p>Coretronic Corporation CFO & President of Backlight Module Business Group</p> <p>Executive Vice President of Yuanta Securities Co., Ltd. In Investment Banking Department</p> <p>Senior Vice President & Executive Director of FIH Mobile Limited</p> <p>Vice President of Elite Material Co., Ltd.</p>	<p>CFO of Taiwan Cement Ltd.</p> <p>The legal Board of Director representative of Phihong Technology Co. Ltd.</p> <p>Representative of the Corporate Supervisor of Ho-Ping Power Company</p>	0
Independent Director	Ta-Hsien Lo	<p>Ph. D in Institute of Management Technology of National Chiao Tung University</p> <p>General Director of ITRI College in Industrial Technology Research Institute</p> <p>Director of President's Office in Industrial Technology Research Institute,</p> <p>General Director in Office of Strategy and R&D Planning of Industrial Technology Research Institute</p> <p>Director of Operations and Planning, Computer & Communications Research Laboratories, Industrial Technology Research Institute, Information and Communications</p> <p>Manager/ Marketing Director of Electronics Research and Service Organization, Industrial</p>	<p>Chairperson of Chinese Professional Management Association</p> <p>Distinguished Expert at the Industrial Technology Research Institute (ITRI)</p> <p>CEO of Pan Wen-Yuan Foundation</p> <p>Secretary-general of Industrial Technology Research Institute Alumni association</p> <p>National Tsing Hua University, College of Technology Management, Adjunct Professor</p> <p>Adjunct Professor in the EMBA Program at Feng Chia University</p>	0

		Technology Research Institute Vice President of Guanchen Electronics Co., Ltd. Director of Quality Control, Texas Instruments Taiwan		
Independent Director	Chung-Fern Wu	Ph.D. in Accounting Information Management from the University of California, Los Angeles (UCLA) Professor in the Department of Accounting at National Taiwan University Commissioner at the Financial Supervisory Commission Independent Director of Chunghwa Telecom Co., Ltd. Supervisor of Taiwan Cooperative Bank Director of Taiwan Cooperative Financial Holding Co., Ltd. Public Interest Director at Taiwan Stock Exchange Corporation Public Interest Director at the Taipei Exchange Association	Independent Director of Chunghwa Precision Test Tech. Co., Ltd. Independent Director of Kinpo Electronics Inc. Independent Director of Everlight Chemical Independent Director at Taiwan Sugar Corporation	0
Independent Director	Tzu-Hsuan Tsai	Ph.D. in Chemical Engineering, National Taiwan University Director of Institute of Mineral Resources Engineering, National Taipei University of Technology Associate Professor of Institute of Mineral Resources Engineering, National Taipei University of Technology Associate Professor of Department of Materials and Mineral Resources Engineering Associate Research Fellow at the Taiwan & Research Academia of Economic and Technology Assistant Professor in the Department of Chemical and Materials Engineering at Tamkang University	Director of Institute of Mineral Resources Engineering, National Taipei University of Technology Associate Professor of Institute of Mineral Resources Engineering, National Taipei University of Technology Associate Professor of Department of Materials and Mineral Resources Engineering	0

Attachment 7

GlobalWafers Co., Ltd.

The List of Individuals Released From Non-Competition Restrictions

Position	Name	Concurrent Job
Director	Hsiu-Lan Hsu	<p>Chairperson & CEO of Sino-American Silicon Products Inc.</p> <p>The legal Board of Director representative of Actron Technology Corporation.</p> <p>The legal Board of Director representative of Advanced Wireless Semiconductor Company</p> <p>Chairperson of Taiwan Speciality Chemicals Corporation</p> <p>Director representative of SAS Sunrise Pte. Ltd.</p> <p>Chairperson of Sunrise PV Three Co., Ltd.</p> <p>Chairperson of SAS Holding Co., Ltd.</p> <p>Chairperson of Sustainable Energy Solution Co., Ltd.</p> <p>Chairperson of Sunrise PV Four Co., Ltd.</p> <p>Chairperson of GWC Capital Co., Ltd.</p> <p>Director of GlobalSemiconductor Inc.</p> <p>Chairperson & CEO of GlobiTech Incorporated.</p> <p>Chairperson of GlobalWafers Japan Co., Ltd.</p> <p>Chairperson of MEMC Japan Limited.</p> <p>Vice Chairperson of Kunshan Sino Silicon Technology Co., Ltd.</p> <p>Chairperson of Topsil GlobalWafers A/S.</p> <p>Director of GlobalWafers Singapore Pte. Ltd.</p> <p>Director of GlobalWafers B.V.</p> <p>Director of MEMC Korea Company.</p> <p>Chairperson of GlobalWafers America, LLC</p> <p>Chairperson of Crystalwise Technology Inc.</p> <p>Director of Crystalwise Technology (HK) Limited</p>
Director	Sino-American Silicon Products Inc.	<p>Operating within the scope of the company's business:</p> <p>The legal Board of Director of Actron Technology Corporation.</p> <p>The legal Board of Director of Advanced Wireless Semiconductor Company</p> <p>The legal Board of Director of Taiwan Speciality Chemicals Corporation</p> <p>The legal Board of Director of Sino Silicon Technology Inc.</p> <p>The legal Board of Director of SAS Sunrise Inc.</p> <p>The legal Board of Director of Sunrise PV Three Co., Ltd.</p> <p>The legal Board of Director of SAS Holding Co., Ltd.</p>

		<p>The legal Board of Director of Sustainable Energy Solution Co., Ltd.</p> <p>The legal Board of Director of Accusolarpower Co., Ltd.</p> <p>The legal Board of Director of Billion Electric Co., Ltd.</p> <p>The legal Board of Director of Billion Watts Technologies Co., Ltd.</p>
Director	Ming-Kuang Lu (Sino-American Silicon Products Inc. Representative)	<p>Director & Honorary Chairperson of Sino-American Silicon Products Inc.</p> <p>Director & Honorary Chairperson of Actron Technology Corporation.</p> <p>Chairperson of REC Technology Corporation.</p> <p>Chairperson of Bigbest Solutions Inc.</p> <p>The legal Board of Director representative of Formerica Optoelectronics Inc.</p> <p>Independent Director of LITE-ON Technology Corporation</p> <p>The legal Board of Director representative of SAS Holding Co., Ltd.</p> <p>The legal Board of Director representative of GWC Capital Co., Ltd.</p>
Director	Tan-Liang Yao (Sino-American Silicon Products Inc. Representative)	<p>Vice Chairperson of Sino-American Silicon Products Inc.</p> <p>Chairman and CEO of Actron Technology Corporation.</p> <p>The legal Board of Director Representative of Advanced Wireless Semiconductor Company</p> <p>The Legal Board of Director Representative of Taiwan Speciality Chemicals Corporation</p> <p>The legal Board of Director Representative of REC Technology Corporation</p> <p>The legal Board of Director Representative of Ding-Wei Technology Co., Ltd.</p> <p>The legal Board of Director Representative of Mosel Vitelic Inc.</p> <p>The legal Board of Director representative of Sunrise PV Three Co.</p> <p>The legal Board of Director representative of SAS Holding Co., Ltd.</p> <p>The legal Board of Director representative of GWC Capital Co., Ltd.</p> <p>Director of GlobiTech Incorporated.</p> <p>Director of GlobalWafers Japan Co., Ltd.</p> <p>Chairperson of Kunshan Sino Silicon Technology Co., Ltd.</p> <p>Director of GWafers Singapore Pte. Ltd.</p> <p>Director of GlobalWafers America, LLC</p> <p>Director of Yuan Hong (SHANDONG) Technical Materials Ltd.</p>
Director	Kuo-Chow Chen	Director of Nan-hai Photoelectric Co., Ltd.
Independent Director	Ming-Ren Yu	<p>CFO of Taiwan Cement Ltd.</p> <p>The legal Board of Director representative of Phihong Technology Co. Ltd.</p> <p>Representative of the Corporate Supervisor of Ho-Ping Power Company</p>
Independent Director	Ta-Hsien Lo	<p>Chairperson of Chinese Professional Management Association</p> <p>Distinguished Expert at the Industrial Technology Research Institute (ITRI)</p> <p>CEO of Pan Wen-Yuan Foundation</p> <p>Secretary-general of Industrial Technology Research Institute Alumni</p>

		<p>association</p> <p>National Tsing Hua University, College of Technology Management, Adjunct Professor</p> <p>Adjunct Professor in the EMBA Program at Feng Chia University</p>
Independent Director	Chung-Fern Wu	<p>Independent Director of Chunghwa Precision Test Tech. Co., Ltd.</p> <p>Independent Director of Kinpo Electronics Inc.</p>
Independent Director	Tzu-Hsuan Tsai	<p>Director of Institute of Mineral Resources Engineering, National Taipei University of Technology</p> <p>Associate Professor of Institute of Mineral Resources Engineering, National Taipei University of Technology</p> <p>Associate Professor of Department of Materials and Mineral Resources Engineering</p>