

GlobalWafers Co., Ltd. and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023

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The independent auditors' review 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' reviewreport and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of GlobalWafers Co., Ltd. and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting", endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of GlobalWafers Co., Ltd. and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the review resulting in this independent auditors' report are Yung-Hua Huang and Chun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)

May 7, 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 review 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

March 31, 2024, December 31, 2023, and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2024		December 31, 2023		March 31, 2023				March 31, 2024		December 31, 2023		March 31, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (notes 6(1) and 9)	\$ 35,672,250	18	26,164,591	14	76,936,768	43	2100	Short-term borrowings (note 6(11))	\$ 21,184,868	10	24,647,862	13	7,723,950	4
1110	Financial assets at fair value through profit or loss—current (note 6(2))	63	-	9,995	-	9,295	-	2120	Financial liabilities at fair value through profit or loss—current (notes 6(2) and (13))	209,433	-	204,322	-	2,037	-
1170	Notes and accounts receivable, net (note 6(4))	9,898,006	5	10,015,769	5	10,176,017	6	2130	Contract liabilities—current (note 6(20))	10,190,610	5	10,031,291	5	9,763,554	6
1180	Accounts receivable due from related parties, net (note 7)	163,356	-	100,446	-	76,582	-	2170	Notes and accounts payable	3,909,170	2	4,224,605	2	4,757,686	3
130X	Inventories (note 6(5))	10,737,168	5	9,359,353	5	9,233,274	5	2180	Accounts payable to related parties (note 7)	1,279,454	1	802,005	-	235,234	-
1476	Other financial assets—current (notes 6(1) and 8)	35,493,788	18	42,477,896	23	13,341,587	8	2201	Payroll and bonus payable	2,831,367	1	3,033,934	2	2,964,257	2
1479	Other current assets (notes 6(10) and 7)	2,123,105	1	1,973,039	1	1,791,690	1	2216	Dividends payable	-	-	3,488,910	2	-	-
	Total current assets	<u>94,087,736</u>	<u>47</u>	<u>90,101,089</u>	<u>48</u>	<u>111,565,213</u>	<u>63</u>	2230	Current tax liabilities	3,785,429	2	3,946,454	2	5,565,629	3
Non-current assets:								2322	Long-term borrowings, current portion (notes 6(12) and 8)	2,028,285	1	1,606,628	1	187,158	-
1513	Financial assets at fair value through profit or loss—non-current (note 6(2))	11,851,392	6	12,567,498	7	9,343,908	5	2321	Ordinary bonds payable, current portion (note 6(13))	7,099,033	4	7,098,400	4	-	-
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(3))	94,978	-	223,271	-	175,397	-	2270	Convertible bonds payable, current portion (note 6(13))	6,317,819	2	6,647,050	3	-	-
1550	Investments accounted for using equity method (note 6(6))	1,562,964	-	1,392,852	1	1,093,639	1	2399	Other current liabilities (note 6(14))	8,728,656	4	8,542,822	5	5,166,738	3
1600	Property, plant and equipment (notes 6(7), 7 and 8)	82,398,735	41	72,250,814	38	42,873,364	24		Total current liabilities	<u>67,564,124</u>	<u>32</u>	<u>74,274,283</u>	<u>39</u>	<u>36,366,243</u>	<u>21</u>
1755	Right-of-use assets (note 6(8))	917,469	-	929,719	-	956,903	1	2527	Contract liabilities—non-current (note 6(20))	23,436,365	12	23,969,789	13	27,332,594	16
1780	Intangible assets (note 6(9))	2,416,280	1	2,346,556	1	2,332,025	1	2540	Long-term borrowings (notes 6(12) and 8)	2,028,708	1	2,648,537	1	4,388,842	2
1840	Deferred tax assets	3,330,553	2	3,361,628	2	2,513,022	2	2500	Financial liabilities at fair value through profit or loss—non-current (notes 6(2) and (13))	936,183	1	-	-	282,756	-
1980	Other financial assets—non-current (notes 7 and 8)	813,141	-	785,451	-	183,471	-	2530	Convertible bonds payable (note 6(13))	-	-	-	-	21,858,982	12
1900	Other non-current assets (note 6(10))	5,309,837	3	5,029,123	3	4,933,969	3	2531	Ordinary bonds payable (note 6(13))	16,887,792	9	11,893,051	7	18,987,445	11
	Total non-current assets	<u>108,695,349</u>	<u>53</u>	<u>98,886,912</u>	<u>52</u>	<u>64,405,698</u>	<u>37</u>	2532	Overseas equity warrant bonds payable (note 6(13))	10,090,683	5	-	-	-	-
								2570	Deferred tax liabilities	6,449,590	3	5,908,343	3	4,781,313	3
								2670	Other non-current liabilities (note 6(14))	2,292,812	1	2,238,282	1	2,288,489	1
								2640	Net defined benefit liabilities—non-current	1,575,376	1	1,602,091	1	1,515,567	1
									Total non-current liabilities	<u>63,697,509</u>	<u>33</u>	<u>48,260,093</u>	<u>26</u>	<u>81,435,988</u>	<u>46</u>
									Total liabilities	<u>131,261,633</u>	<u>65</u>	<u>122,534,376</u>	<u>65</u>	<u>117,802,231</u>	<u>67</u>
									Equity (note 6(17)):						
								3110	Ordinary share	4,361,137	2	4,361,137	2	4,352,370	2
								3200	Capital surplus	24,248,547	12	24,248,547	13	23,819,388	14
								3300	Retained earnings	48,989,577	24	45,300,230	24	37,699,173	21
								3400	Other equity interest	(6,081,186)	(3)	(7,460,349)	(4)	(7,702,251)	(4)
									Total equity attributable to owners of parent	<u>71,518,075</u>	<u>35</u>	<u>66,449,565</u>	<u>35</u>	<u>58,168,680</u>	<u>33</u>
								3600	Non-controlling interests	3,377	-	4,060	-	-	-
									Total equity	<u>71,521,452</u>	<u>35</u>	<u>66,453,625</u>	<u>35</u>	<u>58,168,680</u>	<u>33</u>
									Total liabilities and equity	<u>\$ 202,783,085</u>	<u>100</u>	<u>188,988,001</u>	<u>100</u>	<u>175,970,911</u>	<u>100</u>
	Total assets	<u>\$ 202,783,085</u>	<u>100</u>	<u>188,988,001</u>	<u>100</u>	<u>175,970,911</u>	<u>100</u>								

See accompanying notes to consolidated financial statements.

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

GlobalWafers Co., Ltd. and subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

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

		For the three months ended March 31,			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(20) and 7)	\$ 15,087,063	100	18,616,154	100
5000	Operating costs (notes 6(5), (21) and 7)	9,919,488	66	11,064,868	59
	Gross profit from operations	5,167,575	34	7,551,286	41
	Operating expenses (notes 6(21) and 7):				
6100	Selling expenses	291,917	2	373,291	2
6200	Administrative expenses	365,078	2	529,746	3
6300	Research and development expenses	544,050	4	525,367	3
6450	Expected credit losses (reversal of gains) (note 6(4))	(1,014)	-	20,252	-
	Total operating expenses	1,200,031	8	1,448,656	8
	Net operating income	3,967,544	26	6,102,630	33
	Non-operating income and expenses:				
7100	Interest income (note 6(22))	733,931	5	741,002	4
7020	Other gains and losses (notes 6(13), (22) and 7)	57,651	-	198,937	1
7050	Finance costs (notes 6(13), (14), (22) and 7)	(201,177)	(1)	(157,141)	(1)
		590,405	4	782,798	4
	Income before income tax	4,557,949	30	6,885,428	37
7950	Less: income tax expense (note 6(16))	1,024,868	7	1,885,200	10
	Net income	3,533,081	23	5,000,228	27
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	73,711	1	16,032	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method (note 6(6))	142,309	1	128,031	1
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	216,020	2	144,063	1
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	1,647,931	11	(1,587,344)	(9)
8399	Less: income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(16))	329,205	2	(287,728)	(2)
	Total items that may be reclassified subsequently to profit or loss	1,318,726	9	(1,299,616)	(7)
8300	Other comprehensive income (after tax)	1,534,746	11	(1,155,553)	(6)
	Total comprehensive income	\$ 5,067,827	34	3,844,675	21
	Net income attributable to:				
	Shareholders of GlobalWafers Co., Ltd	3,533,833	23	5,000,228	27
	Non-controlling interests	(752)	-	-	-
		3,533,081	23	5,000,228	27
	Total comprehensive income attributable to:				
	Shareholders of GlobalWafers Co., Ltd	5,068,510	34	3,844,675	21
	Non-controlling interests	(683)	-	-	-
		5,067,827	34	3,844,675	21
	Earnings per share (NT Dollars) (note 6(19))				
9750	Basic earnings per share	\$ 8.10		11.49	
9850	Diluted earnings per share	\$ 8.01		10.69	

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 three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to shareholders of GlobalWafers Co., Ltd.

							Other equity interest			Total other equity interest	Total	Non-controlling interests	Total equity
	Retained earnings						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				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings							
Balance at January 1, 2023	\$ 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 period	-	-	-	-	5,000,228	5,000,228	-	-	-	-	5,000,228	-	5,000,228
Other comprehensive income for the period	-	-	-	-	-	-	(1,299,616)	144,063	-	(1,155,553)	(1,155,553)	-	(1,155,553)
Comprehensive income for the period	-	-	-	-	5,000,228	5,000,228	(1,299,616)	144,063	-	(1,155,553)	3,844,675	-	3,844,675
Balance at March 31, 2023	<u>\$ 4,352,370</u>	<u>23,819,388</u>	<u>6,550,566</u>	<u>6,135,557</u>	<u>25,013,050</u>	<u>37,699,173</u>	<u>(8,462,722)</u>	<u>760,471</u>	<u>-</u>	<u>(7,702,251)</u>	<u>58,168,680</u>	<u>-</u>	<u>58,168,680</u>
Balance at January 1, 2024	\$ 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
Net income for the period	-	-	-	-	3,533,833	3,533,833	-	-	-	-	3,533,833	(752)	3,533,081
Other comprehensive income for the period	-	-	-	-	-	-	1,318,657	216,020	-	1,534,677	1,534,677	69	1,534,746
Comprehensive income for the period	-	-	-	-	3,533,833	3,533,833	1,318,657	216,020	-	1,534,677	5,068,510	(683)	5,067,827
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	155,514	155,514	-	(155,514)	-	(155,514)	-	-	-
Balance at March 31, 2024	<u>\$ 4,361,137</u>	<u>24,248,547</u>	<u>8,062,380</u>	<u>6,546,698</u>	<u>34,380,499</u>	<u>48,989,577</u>	<u>(7,282,668)</u>	<u>1,201,054</u>	<u>428</u>	<u>(6,081,186)</u>	<u>71,518,075</u>	<u>3,377</u>	<u>71,521,452</u>

See accompanying notes to consolidated financial statements.

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

GlobalWafers Co., Ltd. and subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2024	2023
Cash flows from operating activities:		
Income before income tax	\$ 4,557,949	6,885,428
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	1,851,575	1,600,981
Amortization expenses	5,367	4,165
Expected credit losses (reversal of gains)	(1,014)	20,252
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	65,315	(64,095)
Finance costs	201,177	157,141
Interest income	(733,931)	(741,002)
Dividend income	(2,579)	(2,081)
Shares of profit of associates accounted for using equity method	(26,561)	(24,224)
Loss (gain) on disposal of property, plant and equipment	(21,945)	12,785
Provisions for inventory valuation (reversal of gains)	(16,042)	93,795
Gain on lease modification	(8)	-
Total adjustments	1,321,354	1,057,717
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	55,338	(112,657)
Inventories	(1,362,677)	(789,399)
Prepayments for purchase of materials	31,017	169,264
Other operating assets	(129,946)	(179,356)
Other financial assets	41,353	21,174
Total changes in operating assets	(1,364,915)	(890,974)
Contract liabilities	(1,301,187)	(1,036,092)
Notes and accounts payable (including related parties)	213,863	(1,310,386)
Net defined benefit liabilities	(26,714)	(23,760)
Other operating liabilities	(692,052)	(113,202)
Total changes in operating liabilities	(1,806,090)	(2,483,440)
Total changes in operating assets and liabilities	(3,171,005)	(3,374,414)
Total adjustments	(1,849,651)	(2,316,697)
Cash inflow generated from operations	2,708,298	4,568,731
Interest received	671,632	698,865
Dividends received	2,579	2,081
Interest paid	(329,452)	(68,549)
Income taxes paid	(964,719)	(699,088)
Net cash flows from operating activities	2,088,338	4,502,040

(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 three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ (22,600)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	223,429	-
Proceeds from capital reduction of financial assets at fair value through profit or loss	7,708	2,575
Acquisition of property, plant and equipment, and prepayments of equipment	(10,437,937)	(5,116,015)
Proceeds from disposal of property, plant and equipment	58,497	41,980
Acquisition of intangible assets	-	(1,317)
Decrease (increase) in other financial assets	6,977,362	(4,852,086)
Net cash flows used in investing activities	(3,193,541)	(9,924,863)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(3,462,994)	1,179,950
Proceeds from issuing bonds	16,457,644	-
Repayment of bonds	-	(2,029,803)
Increase in long-term borrowings	-	4,593,264
Repayments of long-term borrowings	(130,227)	-
Increase in guarantee deposits received	25,792	7,324
Proceeds from borrowings from related party	11,961	-
Payment of lease liabilities	(50,819)	(43,343)
Cash dividends	(3,488,910)	(2,829,041)
Net cash flows used in financing activities	9,362,447	878,351
Effect of exchange rate changes on cash and cash equivalents	1,250,415	990,517
Increase (decrease) in cash and cash equivalents	9,507,659	(3,553,955)
Cash and cash equivalents at beginning of period	26,164,591	80,490,723
Cash and cash equivalents at end of period	\$ 35,672,250	76,936,768

See accompanying notes to consolidated financial statements.

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements
March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history

GlobalWafers Co., Ltd. (the “Company”) had been a semiconductor operating unit of Sino-American Silicon Products Inc. (“SAS”) and the Company, along with its assets and liabilities, was spun off from SAS on October 1, 2011. The Company was incorporated in October 18, 2011, and authorized by the Hsinchu Science Park Bureau (HSPB). Its registered office is located at No. 8, Industrial East Road 2, Science-Based Park, Hsinchu, Taiwan (R.O.C.). As of March 31, 2024, the consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”). The Group engages mainly in the research, development, production, design, and sales of semiconductor ingots and wafers, and is also engaged in the technology and management consulting service for related products.

On December 2, 2016, the Group acquired the entire outstanding shares of SunEdison Semiconductor Limited (“SunEdison”), who was a semiconductor wafer fabrication and supplier, and had been leading silicon wafer designs since its inception. SunEdison's R&D and manufacturing strongholds spread over the United States, Europe and Asia, and also dedicated to developing the next generation high-performance semiconductor wafers. The Company expands its sales network and upgrades its research and development capability through this acquisition.

The Company’s common shares have been listed on Taipei Exchange (“TPEX”) since September 25, 2015, and were delisted from the Emerging Market at the same date.

2. Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on May 7, 2024.

3. New standards, amendments and interpretations adopted:

- (1) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (the “FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements

- (2) The impact of IFRS issued by the International Accounting Standards Board (the “IASB”) but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

4. Summary of material accounting policies:

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of consolidation

A. Principles of preparation of the consolidated financial statements

Principles of preparation of the consolidated financial statements were the same as those of the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2023.

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B. List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Business	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	GlobalSemiconductor Inc. (GSI)	Investment activities	100 %	100 %	100 %	
The Company	GlobalWafers Japan Co., Ltd. (GWJ)	Manufacturing and trading of silicon wafers	100 %	100 %	100 %	
The Company	GlobalWafers Singapore Pte. Ltd. (GWS)	Investment activities	100 %	100 %	100 %	
The Company	Sunrise PV Four Co., Ltd. (SPV4)	Electricity activities	100 %	100 %	100 %	
The Company	Sunrise PV Electric Power Five Co., Ltd. (SPVE5)	Electricity activities	100 %	100 %	100 %	
The Company	GWC Capital Co., Ltd. (GWH)	Investment activities	100 %	100 %	100 %	
The Company	GlobalWafers GmbH (GW GmbH)	Investment activities	100 %	100 %	100 %	
The Company	GlobalWafers B.V. (GWBV)	Investment activities	100 %	100 %	100 %	
The Company	Crystalwise Technology Inc. (CWT)	Manufacturing and trading of optoelectronic wafers and substrate material	100 %	100 %	-	% note (1)
GSI	Kunshan Sino Silicon Technology Co., Ltd. (SST)	Processing and trading of ingots and wafers	100 %	100 %	100 %	
GWJ	MEMC Japan Ltd. (MEMC Japan)	Manufacturing and trading of silicon wafers	100 %	100 %	100 %	
SST	MEMC Electronic Materials Sdn Bhd (MEMC Sdn Bhd)	Research and development, manufacturing and trading of silicon wafers	100 %	100 %	100 %	

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Name of Investor	Name of Subsidiary	Business	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
SST	Kunshan SST Trading Co., Ltd. (KST)	Sales, marketing and trading activities	100 %	100 %	100 %	
SST	Shanghai Sawyer Shenkai Technology Material Co., Ltd. (SSKT)	Manufacturing and sales of lithium tantalate and lithium niobate wafers	100 %	100 %	-	% note (3)
CWT	Crystalwise Technology (HK) Limited (Crystalwise (HK))	Investment activities	100 %	100 %	-	% note (1)
CWT	Yuan Hong (SHANDONG) Technical Materials Ltd. (YHTM)	Manufacturing and trading of optoelectronic wafers and substrate material	19.69 %	19.06 %	-	% note (1)
GWBV	MEMC Electronic Materials, SpA (MEMC SpA)	Manufacturing and trading of silicon wafers	100 %	100 %	100 %	
MEMC SpA	MEMC Electronic Materials France SarL (MEMC SarL)	Trading	100 %	100 %	100 %	
GWBV	MEMC Korea Company (MEMC Korea)	Manufacturing and trading of silicon wafers	100 %	100 %	100 %	
GWBV	MEMC Ipoh Sdn Bhd (MEMC Ipoh)	Manufacturing and trading of silicon wafers	100 %	100 %	100 %	
GWBV	GlobiTech Incorporated (GTI)	Manufacturing and trading of epitaxial wafers and silicon wafers	100 %	100 %	100 %	
GWBV	Topsil Globalwafers A/S (Topsil A/S)	Manufacturing and trading of silicon wafers	100 %	100 %	100 %	

GlobalWafers Co., Ltd. and subsidiaries
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Name of Investor	Name of Subsidiary	Business	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
Crystalwise (HK)	YHTM	Manufacturing and trading of optoelectronic wafers and substrate material	80.31 %	80.94 %	- %	note (1)
GTI	MEMC LLC	Research and development, manufacturing and trading of silicon wafers	100 %	100 %	100 %	
GTI	GlobalWafers America, LLC (GWA)	Manufacturing and trading of silicon wafers	100 %	100 %	100 %	
Topsil A/S	Topsil Semiconductor sp z o.o. (Topsil PL)	Manufacturing and trading of silicon wafers	- %	- %	100 %	note (2)
SSKT	Yuan Hong Technical Materials Ltd. (MHTM)	Manufacturing and sales of lithium tantalate and lithium niobate wafers	90 %	90 %	- %	note (3)

Note: The Group's organizational restructuring and changes were as follows:

- (1) On November 1, 2023, the Company issued new shares to acquire entire equity interest in CWT and completed the registration process in order to expand its product line and increase its operational advantages. The swap ratio is each share of CWT for 0.02 newly issued shares of the Company.
- (2) The liquidation of Topsil PL has been completed in June, 2023.
- (3) Based on the resolution approved at the board meeting of SST held on February 3, 2023, the Group obtained entire equity interests of SSKT, and had completed the transfer of equity interests on April 23, 2023.

C. Subsidiaries excluded from the consolidated financial statements: None.

GlobalWafers Co., Ltd. and subsidiaries
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(3) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

- A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- B. It is held primarily for the purpose of trading;
- C. It is expected to be realized within twelve months after the reporting period; or
- D. The asset is cash or cash equivalent (As defined by IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

- A. It is expected to be settled in the normal operating cycle;
- B. It is held primarily for the purpose of trading;
- C. It is due to be settled within twelve months after the reporting period; or
- D. The Group does not have the right to defer settlement of the liability for at least twelve months after the reporting period.

(4) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(5) Income tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

GlobalWafers Co., Ltd. and subsidiaries
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5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

6. Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of consolidated financial statements for the year ended December 31, 2023.

(1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 1,844	7,787	7,294
Demand deposits	21,534,450	15,872,257	29,137,197
Time deposits	13,321,086	9,733,678	46,821,219
Repurchase agreement	814,870	550,869	971,058
	<u>\$ 35,672,250</u>	<u>26,164,591</u>	<u>76,936,768</u>

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group reclassified time deposits to other financial assets— current due to liquidity considerations amounting to \$23,025,341 thousand, \$30,483,644 thousand and \$13,006,682 thousand, respectively.

On November 28, 2019 and February 21, 2020, the Group applied to the National Taxation Bureau for the application of the Overseas Fund Repatriation Management, Utilization and Taxation Regulations. After approval, the funds were repatriated. 5% of the repatriated funds can be used freely, and the remaining 95% can only be used for special investment plans approved by the Ministry of Economic Affairs. Funds are deposited in a special account and cannot be used randomly for expenditure within five years. The Group has applied to the Ministry of Economic Affairs for substantial investment, and the funds are expected to be used for capital expenditures on factory expansion and the purchase of machinery, equipment and related assets. As of March 31, 2024, December 31, 2023 and March 31, 2023, the balances of the special accounts were \$2,822,046 thousand, \$2,698,377 thousand and \$2,736,574 thousand recorded in cash and cash equivalents (or other financial assets), respectively.

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In accordance with the IFRSs Q&A updated by the Financial Supervisory Commission and the Securities and Futures Bureau on January 5, 2024, the repatriated offshore funds should be reclassified from other financial assets – current to cash and cash equivalents. As of January 1, 2023, \$2,736,574 thousand of the funds have been reclassified to cash and cash equivalents by the Group. In addition, the "decrease in other financial assets" under consolidated statement of cash flows – investing activities for the three months ended March 31, 2023 was reduced by \$2,736,574 thousand.

Please refer to note 6(23) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(2) Financial assets and liabilities at fair value through profit or loss

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets measured at fair value through profit or loss – current:			
Forward exchange contracts	\$ <u><u>63</u></u>	<u><u>9,995</u></u>	<u><u>9,295</u></u>
Financial assets measured at fair value through profit or loss – non-current:			
Privately offered funds	\$ 230,453	242,864	207,848
Overseas securities held	<u>11,620,939</u>	<u>12,324,634</u>	<u>9,136,060</u>
	\$ <u><u>11,851,392</u></u>	<u><u>12,567,498</u></u>	<u><u>9,343,908</u></u>
Financial liabilities designated as at fair value through profit or loss – current:			
Forward exchange contracts	\$ 6,239	289	2,037
Embedded derivatives of convertible bonds	<u>203,194</u>	<u>204,033</u>	<u>-</u>
	\$ <u><u>209,433</u></u>	<u><u>204,322</u></u>	<u><u>2,037</u></u>
Financial liabilities designated as at fair value through profit or loss – non-current:			
Embedded derivatives of convertible bonds	\$ -	-	282,756
Embedded derivatives of overseas equity warrant bonds	<u>936,183</u>	<u>-</u>	<u>-</u>
	\$ <u><u>936,183</u></u>	<u><u>-</u></u>	<u><u>282,756</u></u>

Please refer to note 6(22) for the amount remeasured at fair value through profit or loss.

For the three months ended March 31, 2024 and 2023, the dividends of \$2,579 thousand and \$2,081 thousand, respectively, were received from investments in financial assets mandatorily measured at fair value through profit or loss.

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The Group issued overseas bonds with warrant the shares of Siltronic AG in January 2023. In addition, the Group lent this financial asset at fair value through profit or loss to others, please refer to Note 6(13) for details.

The Group uses derivative instruments to hedge certain currency risk arising from the Group's operating activities. The Group held the following derivative instruments, which were not qualified for hedge accounting, and accounted them as mandatorily measured at fair value through profit or loss financial assets and held-for-trading financial liabilities as of March 31, 2024, December 31, 2023, and March 31, 2023:

March 31, 2024			
	Contract amount (in thousands)	Currency	Maturity date
Forward exchange contracts sold	USD 24,350	USD to EUR	April 26, 2024 ~ June 27, 2024
December 31, 2023			
	Contract amount (in thousands)	Currency	Maturity date
Forward exchange contracts sold	USD 21,050	USD to EUR	January 6, 2024~ February 27, 2024
March 31, 2023			
	Contract amount (in thousands)	Currency	Maturity date
Forward exchange contracts sold	USD 36,450	USD to EUR	April 27, 2023~ June 28, 2023

(3) Financial assets at fair value through other comprehensive income

	March 31, 2024	December 31, 2023	March 31, 2023
Equity investment in domestic entities	\$ 91,581	218,700	170,217
Equity investment in foreign entities	3,397	4,571	5,180
	\$ 94,978	223,271	175,397

The Group designated the equity investments shown above as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

For the three months ended March 31, 2024 and 2023, the dividend income of \$223,429 thousand and \$68,792 thousand, respectively, related to equity investments at fair value through other comprehensive income, was recognized, respectively.

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Due to the change in investment strategy in 2023, the Group sold domestic equity investments designated to be measured at fair value through other comprehensive gains and losses. The fair value at the time of disposal was \$155,514 thousand, and the accumulated disposal gains amounted to \$47,054 thousand. Therefore, the aforementioned accumulated disposal gains have been transferred from other equity to retained earnings.

The Group did not dispose its strategic investments for the three months ended March 31, and 2023; therefore, there were no transfers of any cumulative gain or loss within equity relating to these investments.

For market risk, please refer to note 6(23).

The financial assets mentioned above were not pledged as collateral.

(4) Notes and accounts receivable, net

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 295,918	230,590	117,810
Accounts receivable	9,615,999	9,799,926	10,094,871
Less: allowance for expected credit loss	(13,911)	(14,747)	(36,664)
	<u><u>\$ 9,898,006</u></u>	<u><u>10,015,769</u></u>	<u><u>10,176,017</u></u>

The Group applied the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

The credit loss provision of notes and accounts receivable in renewable energy business segment was determined as follows:

March 31, 2024			
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ <u><u>33,916</u></u>	0%	<u><u>-</u></u>
December 31, 2023			
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ <u><u>28,354</u></u>	0%	<u><u>-</u></u>

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	March 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	<u>\$ 8,535</u>	<u>0%</u>	<u>-</u>

The credit loss provision of notes and accounts receivable (including related parties) in semiconductor business segment was determined as follows:

	March 31, 2024		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 9,831,458	0%	-
1 to 30 days past due	177,735	0%	-
31 to 60 days past due	16,156	14%	2,302
61 to 90 days past due	2,794	29%	814
91 to 120 days past due	2,258	26%	596
121 to 150 days past due	304	70%	213
151 to 180 days past due	-	0%	-
More than 181 days past due	<u>9,986</u>	<u>100%</u>	<u>9,986</u>
	<u>\$ 10,040,691</u>		<u>13,911</u>

	December 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 9,892,278	0%	-
1 to 30 days past due	168,494	0%	-
31 to 60 days past due	25,511	5%	1,267
61 to 90 days past due	1,705	30%	512
91 to 120 days past due	2,639	50%	1,319
121 to 150 days past due	-	0%	-
151 to 180 days past due	-	0%	-
More than 181 days past due	<u>11,649</u>	<u>100%</u>	<u>11,649</u>
	<u>\$ 10,102,276</u>		<u>14,747</u>

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	March 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 10,104,090	0%	-
1 to 30 days past due	123,088	0%	-
31 to 60 days past due	17,343	6%	1,121
61 to 90 days past due	-	0%	-
91 to 120 days past due	3	0%	-
121 to 150 days past due	-	0%	-
151 to 180 days past due	24,459	100%	24,459
More than 181 days past due	11,084	100%	11,084
	\$ 10,280,067		36,664

The movements in the allowance for doubtful accounts related to notes and accounts receivable were as follows:

	For the three months ended March 31,	
	2024	2023
Balance on January 1	\$ 14,747	16,463
Credit losses recognized (reversal of gains)	(1,014)	20,252
Foreign exchange changes	178	(51)
Balance on March 31	\$ 13,911	36,664

The notes and accounts receivable mentioned above were not pledged as collateral.

(5) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	\$ 2,610,244	2,199,082	2,203,410
Work in progress	3,204,417	2,811,205	2,742,160
Raw materials	4,922,507	4,349,066	4,287,704
	\$ 10,737,168	9,359,353	9,233,274

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Components of operating costs were as follows:

	For the three months ended March 31,	
	2024	2023
Cost of sales	\$ 9,894,634	10,938,485
Provisions for inventory valuation loss (reversal of gains)	(16,042)	93,795
Unallocated fixed manufacturing expense	40,896	32,588
	\$ 9,919,488	11,064,868

The inventories mentioned above were not pledged as collateral.

(6) Investments accounted for using equity method

A summary of financial information for investments accounted for using the equity method at the reporting date is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Associates	\$ 1,562,964	1,392,852	1,093,639

A. Associates

The associates of the Group accounted for using the equity method were individually insignificant, and their summarized financial information included in the consolidated financial statements of the Group was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
The carrying amount of investments in the individually insignificant associates	\$ 1,562,964	1,392,852	1,093,639

	For the three months ended March 31,	
	2024	2023
Amount of individually insignificant associates' interests attributable to the Group:		
Net income	\$ 26,561	24,224
Other comprehensive income (loss)	142,309	128,031
Total	\$ 168,870	152,255

B. Collateral

The investments accounted for using equity method mentioned above were not pledged as collateral as of March 31, 2024 and 2023.

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(7) Property, plant and equipment

A. The movements of cost and depreciation of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:						
Balance at January 1, 2024	\$ 2,653,843	21,481,582	50,011,861	7,573,234	32,793,886	114,514,406
Additions	-	10,479	24,204	36,284	10,506,980	10,577,947
Disposals	-	(3,883)	(514,325)	(29,341)	-	(547,549)
Reclassification	-	238,366	3,186,276	17,590	(2,820,239)	621,993
Transfer and others	-	4,355	(2,052)	-	269,189	271,492
Effect of changes in exchange rates	(4,281)	(76,442)	(304,527)	37,642	1,037,089	689,481
Balance at March 31, 2024	<u>\$ 2,649,562</u>	<u>21,654,457</u>	<u>52,401,437</u>	<u>7,635,409</u>	<u>41,786,905</u>	<u>126,127,770</u>
Balance at January 1, 2023	\$ 2,709,962	17,277,541	45,740,095	6,190,254	6,502,735	78,420,587
Additions	4	4,198	8,068	198,107	5,328,965	5,539,342
Disposals	-	(21,398)	(267,846)	(13,866)	-	(303,110)
Reclassification	1,193	20,622	526,833	90,706	(559,927)	79,427
Transfer and others	-	-	8,003	(3,911)	-	4,092
Effect of changes in exchange rates	(67,829)	(237,181)	(1,046,510)	(59,173)	(59,900)	(1,470,593)
Balance at March 31, 2023	<u>\$ 2,643,330</u>	<u>17,043,782</u>	<u>44,968,643</u>	<u>6,402,117</u>	<u>11,211,873</u>	<u>82,269,745</u>
Depreciation and impairment losses:						
Balance at January 1, 2024	\$ -	9,279,773	29,542,534	3,402,425	38,860	42,263,592
Depreciation for the period	-	211,309	1,442,648	150,570	-	1,804,527
Impairment of loss	-	-	(32,881)	-	-	(32,881)
Disposals	-	(3,782)	(463,007)	(28,785)	-	(495,574)
Reclassification	-	5,438	482,667	(1,630)	-	486,475
Transfer and others	-	-	2,819	-	-	2,819
Effect of changes in exchange rates	-	(36,054)	(279,962)	14,454	1,639	(299,923)
Balance at March 31, 2024	<u>\$ -</u>	<u>9,456,684</u>	<u>30,694,818</u>	<u>3,537,034</u>	<u>40,499</u>	<u>43,729,035</u>
Balance at January 1, 2023	\$ -	8,993,929	26,888,314	3,012,392	38,866	38,933,501
Depreciation for the period	-	164,506	1,285,043	110,699	-	1,560,248
Disposals	-	(18,935)	(254,140)	(13,857)	-	(286,932)
Transfer and others	-	-	813	-	-	813
Effect of changes in exchange rates	-	(115,515)	(666,049)	(29,356)	(329)	(811,249)
Balance at March 31, 2023	<u>\$ -</u>	<u>9,023,985</u>	<u>27,253,981</u>	<u>3,079,878</u>	<u>38,537</u>	<u>39,396,381</u>
Carrying amounts:						
Balance at January 1, 2024	<u>\$ 2,653,843</u>	<u>12,201,809</u>	<u>20,469,327</u>	<u>4,170,809</u>	<u>32,755,026</u>	<u>72,250,814</u>
Balance at March 31, 2024	<u>\$ 2,649,562</u>	<u>12,197,773</u>	<u>21,706,619</u>	<u>4,098,375</u>	<u>41,746,406</u>	<u>82,398,735</u>
Balance at January 1, 2023	<u>\$ 2,709,962</u>	<u>8,283,612</u>	<u>18,851,781</u>	<u>3,177,862</u>	<u>6,463,869</u>	<u>39,487,086</u>
Balance at March 31, 2023	<u>\$ 2,643,330</u>	<u>8,019,797</u>	<u>17,714,662</u>	<u>3,322,239</u>	<u>11,173,336</u>	<u>42,873,364</u>

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B. Collateral

For the three months ended March 31, 2024 and 2023, a portion of the property, plant and equipment was pledged as collateral for credit lines. Please refer to note 8.

- C. For the Group's capital expenditure plan, the total amount of expenditures incurred but the construction has not yet been completed is \$41,746,406 thousand, which includes capitalized borrowing costs related to the acquisition of the construction of the property, plant and equipment of \$269,189 thousand, calculated using a capitalization interest rate of 5.26%~5.92%. There is not case for the three months ended March 31, 2023.

(8) Right-of-use assets

The Group leases many assets including land, buildings, machinery and other equipment. The carrying amounts of right-of-use assets were presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Other equipment</u>	<u>Total</u>
Carrying amounts:					
Balance at January 1, 2024	\$ 431,073	53,207	-	445,439	929,719
Balance at March 31, 2024	\$ 421,665	52,882	801	442,121	917,469
Balance at January 1, 2023	\$ 468,834	62,964	112	74,844	606,754
Balance at March 31, 2023	\$ 459,454	55,838	71	441,540	956,903

The Group did not have any significant additions, deletions, additions or reversals of assets recognized as right-of-use of leased land, buildings and structures, machine and equipment, and other equipment during the three months ended March 31, 2024 and 2023, please refer to Note 6(9) of the 2023 Consolidated Financial Statements for other related information.

(9) Intangible assets

The Group did not have any significant additions, deletions, additions or reversals of intangible assets, and other equipment during the three months ended March 31, 2024 and 2023, please refer to Note 6(10) of the 2023 Consolidated Financial Statements for other related information.

(10) Other assets—current and non-current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Prepayment for materials	\$ 1,058,902	1,089,920	1,410,420
Refundable tax and overpaid tax	1,266,286	1,179,096	876,953
Prepayments for equipment—non-current	4,398,857	4,089,021	3,903,731
Others	708,897	644,125	534,555
	<u>\$ 7,432,942</u>	<u>7,002,162</u>	<u>6,725,659</u>

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(11) Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings	\$ 6,708,390	-	-
Unsecured borrowings	14,476,478	24,647,862	7,723,950
	\$ 21,184,868	24,647,862	7,723,950
Range of interest rates at year end	0.39%~5.94%	1.47%~6.07%	3.42%~3.51%

(12) Long-term borrowings

March 31, 2024				
	Currency	Rate	Maturity	Amount
Unsecured bank loans	JPY	0.10%~0.28%	2026.1~2026.3	\$ 4,056,993
Less: current portion				(2,028,285)
Total				\$ 2,028,708
December 31, 2023				
	Currency	Rate	Maturity	Amount
Unsecured bank loans	JPY	0.10%~0.28%	2026.1~2026.3	\$ 4,255,165
Less: current portion				(1,606,628)
Total				\$ 2,648,537
December 31, 2023				
	Currency	Rate	Maturity	Amount
Unsecured bank loans	JPY	0.16%~0.28%	2026.1~2026.3	\$ 4,576,000
Less: current portion				(187,158)
Total				\$ 4,388,842

(13) Bonds payable

The details of bonds payable were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured ordinary bonds	\$ 23,986,825	18,991,451	18,987,445
Unsecured convertible bonds	6,317,819	6,647,050	21,858,982
Overseas equity warrant bonds	10,090,683	-	-
Less: bonds payable due within one year	(13,416,852)	(13,745,450)	-
Total	\$ 26,978,475	11,893,051	40,846,427

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A. The details of issued unsecured bonds as follows:

	First issued of 2021	Second issued of 2021		First issued of 2024	
		Bonds A	Bonds B	Bonds A	Bonds B
Date	May 11, 2021	August 19, 2021	August 19, 2021	March 19, 2024	March 19, 2024
Total amount	\$ 6,500,000	7,100,000	5,400,000	2,500,000	2,500,000
Rate	0.62 %	0.50 %	0.60 %	1.70 %	1.75 %
Period	Five years	Three years	Five years	Five years	Seven years
Due date	May 11, 2026	August 19, 2024	August 19, 2026	March 19, 2029	March 19, 2031

B. On April 21, 2021, the Group's Board of Directors resolved to issue the first unsecured overseas convertible bonds on the Singapore Exchange Limited, which had been approved by the Financial Supervisory Commission with approval No.1100342091 on May 19, 2021. The Group issued the five-year unsecured convertible bond, amounting to US\$1,000,000 thousand at zero coupon rate, with the maturity date on June 1, 2026.

The details of unsecured convertible bonds were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Total outstanding convertible bonds	\$ 6,483,497	6,841,854	22,703,268
Unamortized discount	(165,678)	(194,804)	(844,286)
Cumulative converted amount	-	-	-
Convertible bonds balance at period-end	<u>\$ 6,317,819</u>	<u>6,647,050</u>	<u>21,858,982</u>
Embedded derivative – call and put options, included in financial liabilities at fair value through profit or loss	<u>\$ 203,194</u>	<u>204,033</u>	<u>282,756</u>
	For the three months ended March 31,		
	2024	2023	
Embedded derivatives – gain and losses of re-measurement of calls and put options based on fair value (recorded under other gains and losses)	<u>\$ 9,847</u>	<u>171,203</u>	
Interest expense	<u>\$ 18,922</u>	<u>68,057</u>	

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The convertible bonds may be redeemed in advance by the Group from the day following the third anniversary of the issuance until the maturity date. If the closing price of GlobalWafers' common stock reaches 130% of the amount obtained by multiplying the amount of early redemption by the conversion price and dividing it by the face value for twenty trading days out of thirty consecutive business days, or if the outstanding balance of the convertible bonds is less than 10% of the original total issuance, the Group may redeem the amount in advance and redeem all or part of the convertible bonds.

Except for the early redemption, redemption and cancellation or conversion of the convertible bonds, the holders may request the Group to redeem entire or part of the convertible bonds according to the early redemption amount on the day of June 1, 2024. So, on June 1, 2023, the unsecured convertible bonds were reclassified to current liabilities. It does not mean that the holders will definitely demand repayment of the debt from the Group within the next year.

Except for early redemptions, repurchases and cancellations, exercise of conversion rights by the bondholders, statutory requirements and the cessation of transfer period as otherwise provided in the Trust Deed, from the day following the three months after the issuance of the bonds to (1) ten days before the maturity date or (2) the fifth business day prior to the date of early redemption of the bonds (hereinafter referred to as the "conversion period"), the bondholders may request the issuing company to convert the bonds into shares of common stock newly issued by the issuing company in accordance with the provisions of the relevant laws and the Trust Deed.

As of March 31, 2024, December 31, 2023, and March 31, 2023, the conversion price of the bonds was NT\$956.53, NT\$970.33 and NT\$988.86, after the issuance of the bonds, the conversion price shall be adjusted in accordance with the relevant antidilution provisions of the contract.

The Group redeemed the first unsecured overseas convertible bonds of US\$13,000 thousand and US\$75,600 thousand, respectively, in 2024 and 2023, resulting in the invalid conversion right of \$22,145 thousand and \$128,782 thousand to be reclassified from capital surplus – share options to capital surplus – others. As of March 31, 2024, December 31, 2023, and March 31, 2023, the balance of the Group's first unsecured overseas convertible bonds amounted to US\$235,200 thousand, US\$248,200 thousand and US\$823,600 thousand, respectively.

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- C. The Group (subsidiary GW GmbH) issued a bond with 1.5% coupon rate, with interest payable annually on January 23, 2024. At the time of issuance of the bond, the Group separated the option, redemption option and call and put options (collectively referred to as the "options") from the host contract in accordance with IFRS 9 and accounted for "Financial liabilities at fair value through profit or loss-current". Financial liabilities at fair value through profit or loss (FVTPL) as of March 31, 2013 are summarized below:

The details of the Group overseas equity warrant bonds are as follows:

	March 31, 2024
Total overseas equity warrant bonds	\$ 11,895,592
Unamortized discount	(1,804,909)
Total overseas equity warrant bonds period-end	\$ 10,090,683
	For the three months ended March 31, 2024
Embedded derivative - options, included in financial liabilities at fair value through profit or loss	\$ 936,183
Embedded derivatives - gain and losses of re-measurement of calls and put options based on fair value (recorded under other gains and losses)	\$ 837,467
Interest expense	\$ 97,957

The principal terms of issue of the above overseas equity warrant bonds are set out below:

- (a) Total amount issued: EUR 345,200 thousand (EUR 100 thousand per sheet).
- (b) Issue period: five years.
- (c) Expiry date: January 23, 2029
- (d) Important Terms and Conditions:
 - i After three years from the issuance date, holders of overseas equity warrant bonds may exercise the put right to sell back the bonds at par value.
 - ii The options were exercised 3,100,413 ordinary shares of Siltronic AG held by GW GmbH at a price of EUR 111.34 per share, which will be adjusted in subsequent years in accordance with the terms of the contract and the dividend payment situation of Siltronic AG, and the price of EUR 111.34 per share as of March 31, 2024. The share options are exercisable immediately from the date of issuance of the overseas equity warrant bonds.

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- iii The Company is the guarantor of the overseas equity warrant bonds.
- iv In the event of changes of control over the guarantor or stock-delisting in the market of Siltronic AG, the holders may request to redeem entire of the bonds by book value.

In addition, according to the above reasons, GW GmbH had signed a security leading contract with the issuance consultant, as of March 31, 2024, GW GmbH had lent 1,500 thousand shares of Siltronic AG to the issuance consultant.

(14) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	\$ <u>139,269</u>	<u>150,037</u>	<u>144,027</u>
Non-current	\$ <u>788,734</u>	<u>789,933</u>	<u>817,772</u>

For the maturity analysis, please refer to note 6(24) "Financial instruments".

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2024	2023
Interest on lease liabilities	\$ <u>4,082</u>	<u>3,887</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>2,848</u>	<u>1,625</u>
Expenses relating to short-term leases	\$ <u>8,685</u>	<u>6,513</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>2,833</u>	<u>2,197</u>

The amounts recognized in the statement of cash flows were as follows:

	For the three months ended March 31,	
	2024	2023
Total cash outflow for leases	\$ <u>65,185</u>	<u>53,678</u>

Land leases' additional rent payments that are based on changes in local price indices and the public facilities construction costs re-invested annually in each park will be adjusted after being assessed.

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(15) Employee benefits

A. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The expenses recognized in profit or loss for the Group were \$75,967 thousand and \$66,713 thousand for the three months ended March 31, 2024 and 2023, respectively.

B. Defined contribution plans

The Company's domestic subsidiaries' pension costs incurred from contributions to the defined contribution plan were \$18,209 thousand and \$18,610 thousand for the years of 2024 and 2023, respectively. Such contributions were made to the Bureau of the Labor Insurance.

The total periodic pension costs of other subsidiaries were recognized as current expenses in accordance with the local regulations of their respective jurisdictions where they are domiciled.

The Group recognized the pension costs of \$78,711 thousand and \$73,133 thousand for its overseas subsidiaries years of 2024 and 2023, respectively.

(16) Income tax

The income tax expense of the Group is calculated by the profit before tax of interim reporting period multiply by the best estimated measurement of the expected effective tax rate by the management in all the year.

A. Income tax expense

The components of income tax expenses were as follows:

	For the three months ended March 31,	
	2024	2023
Income tax expense	\$ 1,024,868	1,885,200

The amounts of income tax (benefit) recognized in other comprehensive income were as follows:

	For the three months ended March 31,	
	2024	2023
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign financial statements	\$ 329,205	(287,728)

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B. Assessment of tax filings

As of March 31, 2024, income tax returns of the Company and its domestic subsidiaries for the years through 2021 were assessed by the tax authority.

The operations of the Group encompass tax matters in multiple countries. The tax treatment of each country shall be determined by the country in which the operation is situated. The taxes laws of each country shall prevail, and all declarations shall be made on time in accordance with the regulations of the country where they are located. There may be adjustments arising from tax inspections conducted by various regions, and the Group has taken appropriate measures to address these matters.

C. Global minimum top-up tax

The Group operates in Europe, Japan, Korea and Malaysia, which have enacted new legislation to implement the global minimum top-up tax. The Group expects to be subject to the top-up tax in relation to its operations in Korea, where the subsidiary in Korea receives government support through additional tax deductions that reduce its effective tax rate to below 15%. However, since the newly enacted tax legislation in Korea is only effective from January 1, 2024, the related income tax effect has been estimated for the three months ended March 31, 2024.

(17) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to March 31, 2024 and 2023. For the related information, please refer to note 6(18) to the consolidated financial statements for the year ended December 31, 2023.

A. Ordinary shares

As of March 31, 2024, December 31, 2023, and March 31, 2023, the authorized ordinary shares of the Company amounted to \$6,000,000 thousand, which was divided into 600,000 thousand shares, with a par value of \$10 per share, of which \$200,000 thousand was reserved for employee stock options, convertible preferred stock, and convertible bonds. Based on the resolution approved during the board meeting of the Company held on May 2, 2023, the Company resolved that the Company and CWT would engage in mutually beneficial cooperation and synergy, with the total amount of NT\$8,767 thousand issued. The Company's issued and outstanding ordinary shares amounted to \$4,361,137 thousand, \$4,361,137 thousand and \$4,352,370 thousand as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.

The Company's board of directors resolved to issue 42,000 units of overseas depository receipts (42,000 thousand shares of the Company's common stock) on February 27, 2024, which has been approved by the competent authorities, please refer to Note 11.

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B. Capital surplus

The balances of capital surplus were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Additional paid-in capital	\$ 22,206,259	22,206,259	22,206,259
Capital surplus resulting from share swap	429,157	429,157	-
Employee stock options	60,727	60,727	60,727
Due to recognition of equity component of convertible bonds issued	422,801	422,801	1,402,978
Difference between the consideration and the carrying amount of subsidiaries' share acquired or disposed	3,940	3,940	3,940
Additional paid-in capital resulting from assets donated	8	8	6
Other (note 6(13))	1,125,655	1,125,655	145,478
	<u>\$ 24,248,547</u>	<u>24,248,547</u>	<u>23,819,388</u>

According to the R.O.C. Company Act, capital surplus can firstly be used to offset a deficit, and only the realized capital surplus can be used to increase the ordinary shares or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus arising from premium on issuance of capital stock and the fair value of donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, to increase ordinary shares by transferring paid-in capital in excess of par value should not exceed 10% of the total ordinary shares outstanding.

According to the R.O.C Company Act Section 241, the capital surplus may be distributed as cash dividends or stock dividends to the shareholders in proportion to the number of shares held. Distribution of capital surplus, by way of cash dividends, should be approved by the Board of Directors in a meeting attended by two-thirds of the total number of directors, with half of the directors' agreement, and reported during the shareholders' meeting. The distribution of earnings through issuance of new shares shall be resolved during the stockholders' meeting.

C. Retained earnings

According to the Company's Articles of Incorporation, the proposal of earnings distribution or loss off-setting for the first half fiscal year, together with the business report and financial statements, shall be forwarded to the audit committee for auditing before the end of the second half of the fiscal year; thereafter, be submitted to the Board of Directors for approval.

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Distribution of earnings, by way of cash, shall be approved in the Board of Directors meeting. The distribution of earnings through issuance of new shares shall be resolved in the stockholders' meeting.

According to the Company's Articles of Incorporation, earnings distribution on a semiannual basis shall be distributed in the following order:

- (a) Offset the cumulative deficits;
- (b) 10% of the current-period earning should be set aside for legal reserve, until the accumulated legal reserve equals the Company's issued capital;
- (c) Set aside special reserve in accordance with relevant laws or regulations or as requested by the authorities;
- (d) After deducting items (a), (b), and (c) above from the earnings, the remaining undistributed earnings of current and previous years, if any, will be proposed for distribution by the Board of Directors. According to the R.O.C. Company Act Section 240(5), it was authorized that the distribution of earnings, in whole or in part by way of cash dividends, shall be made after a resolution has been approved by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and the resolution is reported to shareholders in their meeting. If the distribution of earnings is made by issuance of new shares, wherein the resolution will be approved during the shareholders meeting.

After considering both the long-term development of the business and the goal of stable growth of earnings per share, the distribution of dividends to shareholders should not be less than 50% of the distributable earnings, which is calculated using the net income of the current year, minus, legal reserve and special reserve. Distribution of cash dividends should not be less than 50% of the total dividends.

D. Earnings distribution

The distribution of cash dividends for the year of 2023 and the first half of 2023, were approved by the Board of Directors on May 7, 2024, and December 12, 2023, as follows:

	2023	
	Cash dividends per share (NT\$)	Amount
Dividends distributed to ordinary shareholders:		
Interim earnings distribution	\$ 8.0	3,488,910
Annual earnings distribution	11.0	5,259,251
Total	<u><u>\$ 19.0</u></u>	<u><u>8,748,161</u></u>

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The distributions of cash dividends for the year of 2022 and the first half of 2022, were approved by the Board of Directors on May 2, 2023, and December 6, 2022, as follows:

	2022	
	Cash dividends per share (NT\$)	Amount
Dividends distributed to ordinary shareholders:		
Interim earnings distribution	\$ 5.265	2,291,523
Annual earnings distribution	9.50	4,134,751
Total	\$ 14.7650	6,426,274

The above-mentioned relevant information can be obtained through channel such as Market Observation Post System.

(18) Share-based payment

Except for the following disclosure, there were no significant changes in share-based payment during the periods from January 1 to March 31, 2024 and 2023. For the related information, please refer to note 6(19) to the consolidated financial statements for the year ended December 31, 2023.

(19) Earnings per share (“EPS”)

A. Basic earnings per share

	For the three months ended March 31,	
	2024	2023
Net income attributable to the shareholders of the Company	\$ 3,533,833	5,000,228
Weighted-average number of ordinary shares outstanding during the period (in thousands of shares)	436,114	435,237
Basic earnings per share (dollars)	\$ 8.10	11.49

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B. Diluted earnings per share

	For the three months ended March 31,	
	2024	2023
Net income attributable to the shareholders of the Company	\$ 3,533,833	5,000,228
Interest expense and gain or loss on embedded derivative of convertible bonds, net of tax	23,016	(71,300)
Net income attributable to the shareholders of the Company (diluted)	<u>3,556,849</u>	<u>4,928,928</u>
Weighted-average number of ordinary shares outstanding during the period (in thousands of shares)	436,114	435,237
Effect of the conversion of convertible bonds (in thousands of shares)	6,877	24,442
Effect of the employee remuneration issued by stock (in thousands of shares)	1,063	1,258
	<u>444,054</u>	<u>460,937</u>
Diluted earnings per share (dollars)	<u>\$ 8.01</u>	<u>10.69</u>

(20) Revenue from contracts with customers

A. Disaggregation of revenues

	For the three months ended March 31, 2024			For the three months ended March 31, 2023		
	Semiconductor Segment	Renewable energy Segment	Total	Semiconductor Segment	Renewable energy Segment	Total
Primary geographical markets:						
Taiwan	\$ 3,512,704	30,189	3,542,893	3,408,001	15,610	3,423,611
Northeast Asia (Japan and Korea)	3,813,904	-	3,813,904	5,169,600	-	5,169,600
Asia - others	2,423,959	-	2,423,959	4,184,873	-	4,184,873
America	2,108,696	-	2,108,696	2,045,230	-	2,045,230
Europe	3,142,257	-	3,142,257	3,661,527	-	3,661,527
Other areas	55,354	-	55,354	131,313	-	131,313
Total	<u>\$ 15,056,874</u>	<u>30,189</u>	<u>15,087,063</u>	<u>18,600,544</u>	<u>15,610</u>	<u>18,616,154</u>
Major product categories:						
Semiconductor wafers	\$ 14,515,870	-	14,515,870	18,270,960	-	18,270,960
Semiconductor ingot	390,243	-	390,243	283,670	-	283,670
Electricity revenue	-	30,189	30,189	-	15,610	15,610
Others	150,761	-	150,761	45,914	-	45,914
	<u>\$ 15,056,874</u>	<u>30,189</u>	<u>15,087,063</u>	<u>18,600,544</u>	<u>15,610</u>	<u>18,616,154</u>

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B. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Contract liabilities	<u>\$ 33,626,975</u>	<u>34,001,080</u>	<u>37,096,148</u>

For details on accounts receivables and allowance for impairment, please refer to note 6(4).

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The Group issues a performance guarantee letter for this purpose, please refer to note 9. The amount of revenue recognized for the three months ended March 31, 2024 and 2023, which was included in the contract liability balance at the beginning of the period, was \$1,335,674 thousand and \$1,781,040 thousand, respectively.

(21) Remuneration to employees and directors

In accordance with the Articles of Incorporation, the Company should contribute between 3% and 15% of the profit as employee compensation and no higher than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and compensation for employees is approved by the Board of Directors. Remuneration to directors is paid in cash. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions. A resolution for employee remuneration in the form of shares has to be approved first in the Board of Directors meeting, wherein at least half of the votes are needed, and two thirds of the members are present during the meeting; thereafter, to be reported during the shareholders' meeting.

For the three months ended March 31, 2024 and 2023, the Company accrued and recognized its employee remuneration amounting to \$132,570 thousand and \$192,193 thousand and directors' remuneration amounting to \$13,260 thousand and \$19,220 thousand. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If there would be any changes in accounting estimates the changes shall be accounted for as profit or loss in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through issuance of shares, the calculation of distributable shares shall be calculated using the stock price on the day before a resolution was made by the Board of Directors.

The amounts recognized for employee remuneration were \$752,539 thousand and \$543,508 thousand, respectively, and for directors' remuneration were \$75,250 thousand and \$54,360 thousand, respectively, in the 2023 and 2022 consolidated financial statements and were not significantly different from those approved in the Board of Directors meetings.

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(22) Non-Operating income and expenses

A. Interest income

	For the three months ended March 31,	
	2024	2023
Interest income		
Interest from bank deposits	\$ <u>733,931</u>	<u>741,002</u>

B. Other gains and losses

	For the three months ended March 31,	
	2024	2023
Foreign exchange gains, net	\$ 46,849	99,983
Gains on disposal of property, plant and equipment	21,945	(12,785)
Valuation gains (losses) on financial assets (liabilities) measured at fair value through profit or loss	(40,287)	91,136
Dividend income	2,579	2,081
Others	<u>26,565</u>	<u>18,522</u>
	\$ <u>57,651</u>	<u>198,937</u>

C. Finance costs

	For the three months ended March 31,	
	2024	2023
Interest expense — borrowings	\$ (49,094)	(57,182)
Interest expense — bonds	(148,001)	(96,072)
Interest expense — lease liabilities	<u>(4,082)</u>	<u>(3,887)</u>
	\$ <u>(201,177)</u>	<u>(157,141)</u>

(23) Financial instruments

Except for the following, there is no significant change in the fair value of the consolidated company's financial instruments and exposure to credit risk, liquidity risk, and market risk due to financial instruments. For relevant information, please refer to note 6(24) of consolidated financial statement of 2023.

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

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(b) Concentration of credit risk

The main customers of the Group are from the silicon wafer and related industries. The Group generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Group is mainly influenced by the silicon wafer industry. As of March 31, 2024, December 31, 2023, and March 31, 2023, 48%, 50% and 48%, respectively, of the Group's accounts receivable (including related parties) were from the top 10 customers. Although there is a potential for concentration of credit risk, the Group routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) Credit risk of receivables

For credit risk exposure on notes and accounts receivables, please refer to note 6(4).

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
March 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings \$	21,184,868	(21,264,908)	(21,229,908)	(35,000)	-	-	-
Notes and accounts payable (including related parties)	5,188,624	(5,188,624)	(4,578,765)	(609,859)	-	-	-
Accrued payroll and bonus	2,831,367	(2,831,367)	(2,634,211)	(197,156)	-	-	-
Accrued remuneration of directors (other current liabilities)	88,510	(88,510)	(20,000)	(68,510)	-	-	-
Long-term borrowings (including current portion)	4,056,993	(4,070,070)	(1,019,594)	(1,018,124)	(2,032,352)	-	-
Lease liabilities	928,003	(976,162)	(81,606)	(65,036)	(108,667)	(252,461)	(468,392)
Ordinary bonds (including current portion)	23,986,825	(24,772,350)	(7,175,800)	(118,650)	(158,950)	(14,731,450)	(2,587,500)
Convertible bonds	6,317,819	(6,483,498)	(6,483,498)	-	-	-	-
Overseas equity warrant bonds	10,090,683	(13,700,501)	(174,024)	(177,025)	(739,161)	(12,610,291)	-
Derivative financial instruments							
Forward exchange contracts:							
Outflows	6,239	(776,162)	(776,162)	-	-	-	-
Inflows	(63)	769,986	769,986	-	-	-	-
	<u>\$ 74,679,868</u>	<u>(79,382,166)</u>	<u>(43,403,582)</u>	<u>(2,289,360)</u>	<u>(3,039,130)</u>	<u>(27,594,202)</u>	<u>(3,055,892)</u>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2023							
Non-derivative financial liabilities							
Short-term borrowing	\$ 24,647,862	(24,776,312)	(24,776,312)	-	-	-	-
Notes and accounts payable (including related parties)	5,026,610	(5,026,610)	(4,621,137)	(403,462)	(2,011)	-	-
Accrued payroll and bonus	3,033,934	(3,033,934)	(1,398,252)	(1,635,682)	-	-	-
Accrued remuneration of directors (other current liabilities)	87,340	(87,340)	(12,090)	(75,250)	-	-	-
Dividends payable	3,488,910	(3,488,910)	(3,488,910)	-	-	-	-
Lease liabilities	939,970	(973,009)	(85,557)	(70,506)	(105,227)	(245,753)	(465,966)
Ordinary bonds (including current portion)	18,991,451	(19,253,600)	(40,300)	(7,167,900)	(72,700)	(11,972,700)	-
Convertible bonds	6,647,050	(6,841,854)	(6,841,854)	-	-	-	-
Long-term borrowings (including current portion)	4,255,165	(3,758,661)	(57,145)	(1,046,592)	(2,088,754)	(566,170)	-
Derivative financial instruments							
Forward exchange contracts:							
Outflows	-	(657,024)	(657,024)	-	-	-	-
Inflows	9,707	666,731	666,731	-	-	-	-
	<u>\$ 67,127,999</u>	<u>(67,230,523)</u>	<u>(41,311,850)</u>	<u>(10,399,392)</u>	<u>(2,268,692)</u>	<u>(12,784,623)</u>	<u>(465,966)</u>
March 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	\$ 7,723,950	(7,749,875)	(7,749,875)	-	-	-	-
Notes and accounts payable (including related parties)	4,992,920	(4,992,920)	(4,965,418)	(27,502)	-	-	-
Accrued payroll and bonus	2,964,257	(2,964,257)	(1,680,215)	(1,284,042)	-	-	-
Accrued remuneration of directors (other current liabilities)	73,580	(73,580)	(54,360)	(19,220)	-	-	-
Lease liabilities	961,799	(1,000,842)	(79,095)	(75,279)	(124,816)	(245,152)	(476,500)
Ordinary bonds	18,987,445	(19,361,800)	(108,200)	-	(7,208,200)	(12,045,400)	-
Convertible bonds	21,858,982	(22,703,268)	-	-	-	(22,703,268)	-
Long-term borrowings (including current portion)	4,576,000	(4,603,859)	-	(200,871)	(2,204,397)	(2,198,591)	-
Derivative financial instruments:							
Forward exchange contracts:							
Outflows	-	(1,119,461)	(1,119,461)	-	-	-	-
Inflows	7,258	1,126,719	1,126,719	-	-	-	-
	<u>\$ 62,146,191</u>	<u>(63,443,143)</u>	<u>(14,629,905)</u>	<u>(1,606,914)</u>	<u>(9,537,413)</u>	<u>(37,192,411)</u>	<u>(476,500)</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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C. Currency risk

(a) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

March 31, 2024			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 437,884	32.000	14,012,292
JPY	11,046,939	0.2115	2,336,428
EUR	187,297	34.46	6,454,270
CNY	46,980	4.408	207,086
<u>Non-Monetary Items</u>			
USD	900	32.000	Note
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	400,439	32.000	12,814,055
JPY	13,366,035	0.2115	2,826,916
EUR	57,997	34.46	1,998,561
CNY	46,902	4.408	206,744
<u>Non-Monetary Items</u>			
USD	23,450	32.000	Note
December 31, 2023			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 476,348	30.705	14,626,278
JPY	13,928,580	0.2172	3,025,288
EUR	195,255	33.98	6,634,751
CNY	52,832	4.327	228,605
<u>Non-Monetary Items</u>			
USD	18,850	30.705	Note

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December 31, 2023			
	Foreign currency	Exchange rate	NTD
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	412,974	30.705	12,680,378
JPY	15,247,075	0.2172	3,311,665
EUR	59,147	33.98	2,009,816
CNY	49,646	4.327	214,817
<u>Non-Monetary Items</u>			
USD	2,200	30.705	Note
March 31, 2023			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 633,104	30.45	19,278,016
JPY	7,700,062	0.2288	1,761,774
EUR	194,271	33.15	6,440,083
CNY	34,345	4.431	152,183
<u>Non-Monetary Items</u>			
USD	23,950	30.45	Note
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	146,396	30.45	4,457,762
JPY	14,059,594	0.2288	3,216,835
EUR	218,539	33.15	7,244,572
CNY	62,065	4.431	275,009
<u>Non-Monetary Items</u>			
USD	12,500	30.45	Note

Note: The fair value of forward exchange contracts was measured at the reporting date. For related information, please refer to note 6(2).

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(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, borrowings, and accounts payable, that are denominated in foreign currencies. A weakening (strengthening) of 1% of the NTD against the USD, JPY, EUR and CNY as of March 31, 2024 and 2023, would have increased or decreased the net income before income tax by \$51,638 thousand and decreased or increased by \$124,379 thousand, respectively. The analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis was performed on the same basis for comparative years.

(c) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currencies, the information on foreign exchange gains (losses) on monetary items is disclosed by an aggregate amount. For the three months ended March 31, 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$46,849 thousand and \$99,983 thousand, respectively.

D. Interest rate analysis

Please refer to the notes on liquidity risk management for interest rate exposure of the Group's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rates. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the period.

If the interest rate had increased or decreased by 0.25%, the Group's net income before income tax would have decreased or increased by \$2,317 thousand and increased or decreased by \$8,813 thousand, for the three months ended March 31, 2024 and 2023, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's bank deposits and borrowings with variable rates.

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E. Other price risk

For the three months ended March 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Prices of securities at the reporting date	For the three months ended March 31,			
	2024		2023	
	Other comprehensive income before tax	Net income before income tax	Other comprehensive income before tax	Net income before income tax
Increasing 5%	\$ 4,749	581,047	8,770	456,803
Decreasing 5%	(4,749)	(581,047)	(8,770)	(456,803)

F. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

		March 31, 2024				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Forward exchange contract	\$	63	-	63	-	63
Privately offered fund		230,453	-	-	230,453	230,453
Overseas securities held		11,620,939	11,620,939	-	-	11,620,939
	\$	<u>11,851,455</u>	<u>11,620,939</u>	<u>63</u>	<u>230,453</u>	<u>11,851,455</u>
Financial assets at fair value through other comprehensive income						
Stock listed on domestic market	\$	91,581	91,581	-	-	91,581
Stock listed on foreign market		3,397	3,397	-	-	3,397
	\$	<u>94,978</u>	<u>94,978</u>	<u>-</u>	<u>-</u>	<u>94,978</u>

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		March 31, 2024			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
					Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$	35,672,250	-	-	-
Notes and accounts receivable (including related parties)		10,061,362	-	-	-
Other financial assets — current and non-current		36,306,929	-	-	-
	\$	<u>82,040,541</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					
Forward exchange contract	\$	6,239	-	6,239	-
Embedded derivatives of convertible bonds		203,194	-	203,194	-
Embedded derivatives of overseas equity warrant bonds		936,183	-	936,183	-
	\$	<u>1,145,616</u>	<u>-</u>	<u>1,145,616</u>	<u>-</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$	21,184,868	-	-	-
Notes and accounts payable (including related parties)		5,188,624	-	-	-
Long-term borrowings (including current portion)		4,056,993	-	-	-
Accrued remuneration of directors (other current liabilities)		88,510	-	-	-
Ordinary bonds (including current portion)		23,986,825	-	-	-
Convertible bonds		6,317,819	-	-	-
Overseas equity warrant bonds		10,090,683	-	-	-
Lease liabilities-current and non-current		928,003	-	-	-
	\$	<u>71,842,325</u>	<u>-</u>	<u>-</u>	<u>-</u>

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		December 31, 2023				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Forward exchange contract	\$	9,995	-	9,995	-	9,995
Privately offered fund		242,864	-	-	242,864	242,864
Overseas securities held		12,324,634	12,324,634	-	-	12,324,634
	\$	<u>12,577,493</u>	<u>12,324,634</u>	<u>9,995</u>	<u>242,864</u>	<u>12,577,493</u>
Financial assets at fair value through other comprehensive income						
Stock listed on domestic market	\$	218,700	218,700	-	-	218,700
Stock listed on foreign market		4,571	4,571	-	-	4,571
	\$	<u>223,271</u>	<u>223,271</u>	<u>-</u>	<u>-</u>	<u>223,271</u>
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	26,164,591	-	-	-	-
Notes and accounts receivable (including related parties)		10,116,215	-	-	-	-
Other financial assets—current and non-current		43,263,347	-	-	-	-
	\$	<u>79,544,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss						
Forward exchange contract	\$	289	-	289	-	289
Embedded derivatives of convertible bonds		204,033	-	204,033	-	204,033
	\$	<u>204,322</u>	<u>-</u>	<u>204,322</u>	<u>-</u>	<u>204,322</u>
Financial liabilities measured at amortized cost						
Short-term borrowings	\$	24,647,862	-	-	-	-
Notes and accounts payable (including related parties)		5,026,610	-	-	-	-
Long-term borrowings (including current portion)		4,255,165	-	-	-	-
Accrued remuneration of directors (other current liabilities)		87,340	-	-	-	-
Dividends payable		3,488,910	-	-	-	-
Ordinary bonds (including current portion)		18,991,451	-	-	-	-
Convertible bonds		6,647,050	-	-	-	-
Lease liabilities—current and non-current		939,970	-	-	-	-
	\$	<u>64,084,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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		March 31, 2023				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Forward exchange contract	\$	9,295	-	9,295	-	9,295
Privately offered fund		207,848	-	-	207,848	207,848
Overseas securities held		9,136,060	9,136,060	-	-	9,136,060
	\$	<u>9,353,203</u>	<u>9,136,060</u>	<u>9,295</u>	<u>207,848</u>	<u>9,353,203</u>
Financial assets at fair value through other comprehensive income						
Stock listed on domestic market	\$	170,217	170,217	-	-	170,217
Stock listed on foreign market		5,180	5,180	-	-	5,180
	\$	<u>175,397</u>	<u>175,397</u>	<u>-</u>	<u>-</u>	<u>175,397</u>
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	76,936,768	-	-	-	-
Notes and accounts receivable (including related parties)		10,252,599	-	-	-	-
Other financial assets—current and non-current		13,525,058	-	-	-	-
	\$	<u>100,714,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss						
Forward exchange contract	\$	2,037	-	2,037	-	2,037
Embedded derivatives of convertible bonds		282,756	-	282,756	-	282,756
	\$	<u>284,793</u>	<u>-</u>	<u>284,793</u>	<u>-</u>	<u>284,793</u>
Financial liabilities measured at amortized cost						
Short-term borrowings	\$	7,723,950	-	-	-	-
Notes and accounts payable (including related parties)		4,992,920	-	-	-	-
Long-term borrowings (including related parties)		4,576,000	-	-	-	-
Accrued remuneration of director (other current liabilities)		73,580	-	-	-	-
Ordinary bonds		18,987,445	-	-	-	-
Convertible bonds		21,858,982	-	-	-	-
Lease liabilities - current and non - current		961,799	-	-	-	-
	\$	<u>59,174,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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(b) Valuation techniques for financial instruments not measured at fair value

The methods and assumptions used by the Group to estimate its financial assets not measured at fair value are as follows:

i. Financial assets measured at amortized cost

If the quoted prices in active markets are available, the fair value will be based on the market price. Otherwise, the estimated valuation or prices used by competitors are adopted.

ii. Financial assets and financial liabilities measured at amortized cost

If there is a quoted price deriving from a transaction, the recent transaction price and quoted price data will be used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

(c) Valuation techniques for financial instruments measured at fair value

i. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments in an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique, including a model using observable market data at the reporting date.

ii. Derivative financial instruments

Measurements of the fair value of derivative instruments are based on the valuation techniques generally accepted by market participants, such as the discounted cash flow or option pricing models. The fair value of forward currency is usually determined based by the forward currency exchange rate.

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- (d) Transfer between Level 1 and Level 2: None.
- (e) Reconciliation of Level 3 fair value

	Financial assets measured at fair value through profit or loss
January 1, 2024	\$ 242,864
Recognized in profit or loss	(4,703)
Capital reduction of investment	(7,708)
March 31, 2024	<u>\$ 230,453</u>
January 1, 2023	\$ 185,793
Recognized in profit or loss	24,630
Capital reduction of investment	(2,575)
March 31, 2023	<u>\$ 207,848</u>

- (f) The fair value of the Group's financial instruments that use Level 3 inputs to measure fair value was based on the price of the third party. The Group did not disclose quantified information and sensitivity analysis on significant unobservable inputs because the unobservable inputs used in fair value measurement were not established by the Group.
- (g) The valuation technique of privately offered funds is based on net asset value method. For the three months ended March 31, 2024 and 2023, there was no transfer at fair value level.

(24) Financial risk management

There are no significant changes in the financial risk management objectives and policies of the consolidated company from those disclosed in Note 6 (25) of the 2023 annual consolidated financial statements.

(25) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6(26) of the consolidated financial statements for the year ended December 31, 2023 for related information.

(26) Cash flow information

- A. For acquisition of right-of-use assets by lease, please refer to note 6(8).

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B. Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Foreign exchange movement and others	March 31, 2024
Short-term borrowings	\$ 24,647,862	(3,462,994)	-	21,184,868
Long-term borrowings (including current portion)	4,255,165	(130,227)	(67,945)	4,056,993
Lease liabilities	939,970	(50,819)	38,852	928,003
Bonds payable (including current portion)	25,638,501	16,457,644	(1,700,818)	40,395,327
Guarantee deposit received	<u>1,377,807</u>	<u>25,792</u>	<u>-</u>	<u>1,403,599</u>
Total liabilities from financing activities	<u><u>\$ 56,859,305</u></u>	<u><u>12,839,396</u></u>	<u><u>(1,729,911)</u></u>	<u><u>67,968,790</u></u>

	January 1, 2023	Cash flows	Foreign exchange movement and others	March 31, 2023
Short-term borrowings	\$ 6,544,000	1,179,950	-	7,723,950
Long-term borrowings (including current portion)	-	4,593,264	(17,264)	4,576,000
Lease liabilities	610,428	(43,343)	394,714	961,799
Bonds payable (including current portion)	42,779,945	(2,029,803)	96,285	40,846,427
Guarantee deposit received	<u>1,403,599</u>	<u>7,324</u>	<u>-</u>	<u>1,410,923</u>
Total liabilities from financing activities	<u><u>\$ 51,337,972</u></u>	<u><u>3,707,392</u></u>	<u><u>473,735</u></u>	<u><u>55,519,099</u></u>

7. Related-party transactions:

- (1) Parent company and ultimate controlling company

Sino-American Silicon Product Inc. (“SAS”) is both the parent company and the ultimate controlling party of the Group. As of March 31, 2024, it owns 51.14% of all shares outstanding of the Company and has issued the consolidated financial statements available for public use.

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(2) Names and relationship with related parties

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Sino-American Silicon Product Inc. (“SAS”)	The parent company
Taiwan Specialty Chemical Co., Ltd.	Subsidiary of SAS
Sustainable Energy Solution Corp.	Subsidiary of SAS
Actron Technology Corp. (“Actron”)	Subsidiary of SAS (note 2)
Crystalwise Technology Inc. (“CWT”)	Directly held subsidiary (note 3)
Yuan Hong (ShanDong) Technical Materials Ltd. (“YHTM”)	Indirectly held subsidiary (note 3)
Yuan Hong Technical Materials Ltd. (“MHTM”)	Indirectly held subsidiary (note 1)
Taiwan's Mosel Electronics Co., Ltd. (“Mosel”)	Subsidiary of Actron (note 2)
Advanced Wireless Semiconductor Company (“AWSC”)	Subsidiary of SAS

Note1: The Group obtained entire equity interests of SSKT from CWT, and obtained control of MHTM through SSKT which was merged into the consolidated financial report from April 23, 2023.

Note2: SAS obtained control of Actron on October 2, 2023, which was previously an investment accounted for using the equity method, and Actron became a subsidiary of SAS. SAS at the same time obtained the control of Mosel, a subsidiary of Actron.

Note 3: The Company issued new shares to acquire entire equity interest in CWT and completed the registration process on November 1, 2023. CWT became a subsidiary of the Company. The Company indirectly obtained control of YHTM, a subsidiary of CWT.

(3) Key management personnel compensation

Key management personnel compensation comprised of:

	For the three months ended	
	March 31,	
	2024	2023
Short-term employee benefits	\$ 73,645	99,299
Post-employment benefits	153	180
	\$ 73,798	99,479

The Group provided two cars costing \$3,000 thousand and a car costing \$1,500 thousand, for key management use for the three months ended March 31, 2024 and 2023, respectively.

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements

(4) Significant transactions with related parties

A. Sales

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended March 31,	
	2024	2023
Parent company	\$ 91,194	11,896
Other related parties	90,310	79,352
	\$ 181,504	91,248

The sales price for sales to the related parties was determined by market price and adjusted according to the sales area and sales volume.

The credit terms for third parties were 0 to 120 days after month-end both for the three months ended March 31, 2024 and 2023, while those for related parties were 30 to 90 days after month-end both for the three months ended March 31, 2024 and 2023.

B. Purchases and process outsourcing

The amounts of purchases and process outsourcing by the Group from related parties were as follows:

Related parties	For the three months ended March 31,	
	2024	2023
Parent company	\$ 313,493	343,598

The prices of purchases and process outsourcing were determined by market rates.

The payment terms to third parties were 0 to 150 days after month-end both in the period ended March 31, 2024 and 2023, while those of related parties were 30 to 90 days after the following month-end both in the period ended March 31, 2024 and 2023.

C. Receivables from related parties

The receivables from related parties were as follows:

Related parties	March 31, 2024	December 31, 2023	March 31, 2023
Parent company	\$ 71,363	5,627	10,334
Other related parties	91,327	94,487	65,587
	\$ 162,690	100,114	75,921

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements

D. Payables to related parties

The payables to related parties were as follows:

Related parties	March 31, 2024	December 31, 2023	March 31, 2023
Parent company	\$ 596,402	72,218	178,133
Other related parties	174	141	105
	<u><u>\$ 596,576</u></u>	<u><u>72,359</u></u>	<u><u>178,238</u></u>

E. Prepayments

The prepayments to the parent company were for material purchases which were paid in full. As of March 31, 2024, December 31, 2023, and March 31, 2023, the balance of prepayments, which were recognized as other current assets, amounted to \$59,709 thousand, \$59,709 thousand and \$257,171 thousand, respectively.

F. Payment on behalf of others

The receivables from related parties and payables to related parties generated from material purchases, insurance and utilities payments and manpower support of related parties as of March 31, 2024 and 2023 were as follows:

Related parties	March 31, 2024	December 31, 2023	March 31, 2023
Receivable from related parties	\$ <u>4</u>	<u>3</u>	<u>6</u>
Payable to related parties	\$ <u>(2,684)</u>	<u>(133)</u>	<u>(179)</u>

G. Transactions of property, plant and equipment

- (a) Purchase amounts of property, plant and equipment from related parties were summarized as follows:

Related parties	For the three months ended March 31,	
	2024	2023
Parent company	\$ <u>90,560</u>	<u>22,771</u>

As of March 31, 2024, December 31, 2023, and March 31, 2023, the payables were \$52,951 thousand, \$119,430 thousand and \$23,036 thousand, respectively.

GlobalWafers Co., Ltd. and subsidiaries
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- (b) Disposal amounts of property, plant and equipment to related parties were summarized as follows:

Related parties	For the three months ended March 31, 2024		For the three months ended March 31, 2023	
	Disposal price	Gain (loss) on disposal	Disposal price	Gain (loss) on disposal
Parent company	\$ <u>40</u>	<u>42</u>	-	-

H. Leases

The Group to parent company SAS rented a plant from the parent company. A two-year lease contract was signed. The total value of the contract was \$10,756 thousand. For the three months ended March 31, 2024 and 2023, the Group recognized the amount of \$26 thousand and \$10 thousand as the interest expense. As of March 31, 2024, December 31, 2023, and March 31, 2023, the balance of lease liabilities amounted to \$2,712 thousand, \$5,409 thousand and \$2,718 thousand.

I. Refundable deposits

The Group signed an offshore wind power purchase contract with other related parties in response to the sustainable green energy implementation plan. As of March 31, 2024, December 31, 2023, and March 31, 2023, the deposits of \$23,500 thousand had been classified under the other financial assets-noncurrent.

J. Borrowings from Related Parties

The borrowings from related parties for the three month ended March 31, 2024 were as follows:

Related parties	March 31, 2024		
	Ending balance	Rate	Interest
Parent company	\$ <u>587,000</u>	1.8%	<u>2,743</u>

Related parties	December 31, 2023		
	Ending balance	Rate	Interest
Parent company	\$ <u>575,000</u>	1.8%~3.7%	<u>113</u>

The maturity date for these borrowings is on December 27, 2024 and January 7, 2025. As of March 31, 2024, the unpaid interest of the above-mentioned debt and interest was \$2,630 thousand.

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements

K. Others

- (a) The Group provides other services for related parties, including service support, machine usage, human resources and plant lease, etc. Details of related other income and receivables from related parties were as follows:

			For the three months ended March 31,	
			2024	2023
Related parties				
Parent Company and other related parties			\$ 1,195	777
Items	Categories	March 31, 2024	December 31, 2023	March 31, 2023
Receivable from related parties	Parent company	\$ 617	304	593
Receivable from related parties	Other related parties	3	25	62
		\$ 620	329	655

- (b) The related parties charged the Group for their services, including administrative assistance, technical service, legal work engagement, and plant lease. Details of related other expenses and payables to related parties were as follows:

			For the three months ended March 31,	
			2024	2023
Related parties				
Parent company and other related parties			\$ 45,225	30,077
Items	Categories	March 31, 2024	December 31, 2023	March 31, 2023
Payable to related parties	Parent company	\$ 37,468	34,970	33,708
Payable to related parties	Other related parties	32	-	73
		\$ 37,500	34,970	33,781

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements

8. Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Purpose of pledge	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	Credit lines of borrowings	\$ 2,082,298	2,050,146	2,410,659
Time deposits (recognized in other financial assets — non-current)	Guarantee for gas consumption from CPC Corporation	2,000	2,000	2,000
Time deposits (recognized in other financial assets — non-current)	Guarantee payment for import VAT	16,280	16,280	14,000
Time deposits (recognized in other financial assets — non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	40,747	40,728	40,727
Time deposits (recognized in other financial assets — current)	Guarantee for bank financing projects	11,200,000	10,746,750	-
Time deposits (recognized in other financial assets — non-current)	Guarantee pledge for bank financing projects	-	-	106,924
Time deposits (recognized in other financial assets — non-current)	Guarantee for bank tenders	-	-	8,000
Financial assets at fair value through profit or loss — non-current	Provision of siltronic AG shares to the trustee for security pledge	8,782,267	-	-
		<u><u>\$ 22,123,592</u></u>	<u><u>12,855,904</u></u>	<u><u>2,582,310</u></u>

9. Commitments and contingencies:

(1) Significant unrecognized contractual commitments

- A. As of March 31, 2024, December 31, 2023, and March 31, 2023, the purchase amounts for future procurement from suppliers under the existing agreements were \$14,480,161 thousand, \$15,065,848 thousand and \$15,927,177 thousand, respectively.
- B. As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group's unused letters of credit amounted to \$268,576 thousand, \$257,707 thousand and \$118,599 thousand, respectively.
- C. As of March 31, 2024, December 31, 2023, and March 31, 2023, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to \$49,947,917 thousand, \$49,381,852 thousand and \$16,771,956 thousand, respectively.

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements

- D. As of March 31, 2024, December 31, 2023, and March 31, 2023, a guarantee letter for the Customs Administration and research and development projects issued by the bank amounted to \$44,500 thousand, \$44,000 thousand and \$92,099 thousand, respectively.
- E. The Group signed a long-term sales contract with certain customers and received advance payments. The customer is required to order minimum quantity according to the contract. As of March 31, 2024, December 31, 2023, and March 31, 2023, a guarantee letter for the customer issued by the bank amounted to \$4,436,079 thousand, \$4,452,951 thousand and \$4,653,249 thousand, respectively.
- F. March 31, 2024, December 31, 2023, and March 31, 2023, the total amount of promissory notes deposited in banks by the Group due to bank financing is \$62,715,080 thousand, \$64,488,077 thousand and \$39,220,835 thousand, respectively.

(2) Contingent liabilities: None.

10. Losses due to major disasters: None.

11. Subsequent events:

- (1) The Company issued 42,000 thousand units of ODRs (representing 42,000 thousand common shares of the Company) on the Luxembourg Stock Exchange at a price of US\$16.40 (equivalent to NT\$522.68) per share, raising total proceeds of US\$688,800 thousand, with March 26, 2024 as the pricing date. April 2, 2024.
- (2) In order to expand the production capacity to meet the market demand, the Group entered into an equipment procurement contract with a specific vendor in April, 2024, with a total contract price of \$45,174,400 thousand.

12. Other:

A summary of the employee benefits, depreciation, and amortization expenses, by function is as follows:

By function	For the three months ended March 31,					
	2024			2023		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
By item						
Employee benefits						
Salary	1,878,453	386,882	2,265,335	2,127,929	680,201	2,808,130
Labor and health insurance	276,410	72,814	349,224	253,073	57,948	311,021
Pension	144,726	28,161	172,887	135,659	22,797	158,456
Others	64,667	22,964	87,631	63,675	19,760	83,435
Depreciation	1,786,566	65,009	1,851,575	1,556,886	44,095	1,600,981
Amortization	4,524	843	5,367	3,182	983	4,165

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements

13. Other disclosures:

(1) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- A. Loans to other parties: Please refer to Table 1.
- B. Guarantees and endorsements for other parties: Please refer to Table 2.
- C. Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.
- D. Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 4.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 5.
- I. Trading in derivative instruments: Please refer to note 6(2).
- J. Business relationships and significant intercompany transactions: Please refer to Table 6.

(2) Information on investees: Please refer to Table 7.

(3) Information on investment in mainland China:

- A. The names of investees in Mainland China, the main businesses and products and other information: Please refer to Table 8(1).
- B. Limitation on investment in Mainland China: Please refer to Table 8(2).
- C. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in the “Information on significant transactions”.

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements

(4) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Sino-American Silicon Product Inc.		223,007,864	51.14 %

14. Segment information:

The Group operating segment information and reconciliations were as follows:

	For the three months ended March 31, 2024			
	Semiconductor segment	Power plant segment	Reconciliation and elimination	Total
Revenue:				
External customers	\$ 15,056,874	30,189	-	15,087,063
Intersegment	-	-	-	-
Total revenue	<u>\$ 15,056,874</u>	<u>30,189</u>	<u>-</u>	<u>15,087,063</u>
Reportable segment profit or loss	<u>\$ 3,508,372</u>	<u>(1,852)</u>	<u>-</u>	3,506,520
Share of profit (loss) of associates accounted for using equity method				26,561
				<u>\$ 3,533,081</u>
	For the three months ended March 31, 2023			
	Semiconductor segment	Power plant segment	Reconciliation and elimination	Total
Revenue:				
External customers	\$ 18,600,544	15,610	-	18,616,154
Intersegment	-	-	-	-
Total revenue	<u>\$ 18,600,544</u>	<u>15,610</u>	<u>-</u>	<u>18,616,154</u>
Reportable segment profit or loss	<u>\$ 4,975,258</u>	<u>746</u>	<u>-</u>	4,976,004
Share of profit (loss) of associates accounted for using equity method				24,224
				<u>\$ 5,000,228</u>

GlobalWafers Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements

	Semiconductor segment	Power plant segment	Reconciliation and elimination	Total
Reportable segment assets:				
March 31, 2024	<u><u>\$ 199,325,066</u></u>	<u><u>1,895,055</u></u>	<u><u>-</u></u>	201,220,121
Investments accounted for using equity metho				<u>1,562,964</u>
				<u><u>\$ 202,783,085</u></u>
December 31, 2023	<u><u>\$ 185,650,952</u></u>	<u><u>1,947,151</u></u>	<u><u>(2,954)</u></u>	187,595,149
Investments accounted for using equity method				<u>1,392,852</u>
				<u><u>\$ 188,988,001</u></u>
March 31, 2023	<u><u>\$ 173,480,868</u></u>	<u><u>1,516,974</u></u>	<u><u>(120,570)</u></u>	174,877,272
Investments accounted for using equity method				<u>1,093,639</u>
				<u><u>\$ 175,970,911</u></u>
Reportable segment liabilities				
March 31, 2024	<u><u>\$ 130,696,217</u></u>	<u><u>575,267</u></u>	<u><u>(9,851)</u></u>	<u><u>131,261,633</u></u>
December 31, 2023	<u><u>\$ 121,921,669</u></u>	<u><u>615,661</u></u>	<u><u>(2,954)</u></u>	<u><u>122,534,376</u></u>
March 31, 2023	<u><u>\$ 117,735,702</u></u>	<u><u>187,099</u></u>	<u><u>(120,570)</u></u>	<u><u>117,802,231</u></u>

GlobalWafers Co., Ltd. and Subsidiaries

Loans to other parties

For the period ended March 31, 2024

Table 1

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
0	The Company	SPE5	Receivable from related parties	Yes	100,000	-	-	1.50%	2	-	Operating capital	-	-	-	28,607,230	28,607,230
0	The Company	SPV4	Receivable from related parties	Yes	400,000	-	-	1.60%	2	-	Operating capital	-	-	-	28,607,230	28,607,230
0	The Company	CWT	Receivable from related parties	Yes	350,000	350,000	-	1.80%	2	-	Operating capital	-	-	-	28,607,230	28,607,230
1	GWJ	MEMC Japan	Receivable from related parties	Yes	15,136,800	15,101,100	12,076,650	0.69273%	2	-	Operating capital	-	-	-	17,788,276	17,788,276
2	MEMC SpA	GWS	Receivable from related parties	Yes	2,687,880	2,687,880	1,185,838	7.499%	2	-	Operating capital	-	-	-	11,565,355	11,565,355
3	GWS	GWBV	Receivable from related parties	Yes	1,280,000	1,280,000	1,083,072	6.04%	2	-	Operating capital	-	-	-	35,910,400	35,910,400
3	GWS	GW GmbH	Receivable from related parties	Yes	4,307,500	4,307,500	4,307,500	2.70%	2	-	Operating capital	-	-	-	35,910,400	35,910,400
3	GWS	The Company	Receivable from related parties	Yes	9,600,000	9,600,000	8,512,000	5.81%~6.08%	2	-	Operating capital	-	-	-	35,910,400	35,910,400
4	GTI	MEMC LLC	Receivable from related parties	Yes	5,632,200	1,600,000	688,000	5.92466%	2	-	Operating capital	-	-	-	13,907,252	13,907,252
5	GWBV	GW GmbH	Receivable from related parties	Yes	2,067,600	2,067,600	1,516,240	2.70%	2	-	Operating capital	-	-	-	51,434,794	51,434,794
5	GWBV	Topsil A/S	Receivable from related parties	Yes	620,280	620,280	206,760	4.553%	2	-	Operating capital	-	-	-	51,434,794	51,434,794
6	SST	SSKT	Receivable from related parties	Yes	103,588	103,588	70,528	3.45%	2	-	Operating capital	-	-	-	3,062,021	3,062,021

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
7	SSKT	MHTM	Receivable from related parties	Yes	92,568	92,568	68,324	3.45%	2	-	Operating capital	-	-	-	148,099	148,099

Note 1: The nature of financing purposes:

(1)Code 1 represents entities with business transaction with the Group.

(2)Code 2 represents where an inter-company or inter-firm short-term financing facility is necessary.

Note 2: For entities who have business transactions with the Company, the amount of financing shall not exceed the amount of business transaction for the current year. For the purpose of lending operating capital, the amount of financing offered to a single company and to an investee whose voting shares, directly or indirectly, owned by the Company shall not exceed 40 percent of the lender's net worth.

Note 3: The total amount available for financing purposes shall not exceed 40 percent of the lender's net worth. The total amount available for financing to investees whose voting shares, directly or indirectly, owned by the Company shall not exceed 40 percent of the Company's net worth.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

GlobalWafers Co., Ltd. and Subsidiaries
Guarantees and endorsements for other parties
For the period ended March 31, 2024

Table 2

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3, 4)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	GW GmbH	2	214,554,225	22,399,000	15,507,000	11,895,592	-	21.68 %	214,554,225	Y	N	N
0	The Company	GWH	2	214,554,225	1,100,000	1,100,000	-	-	1.54 %	214,554,225	Y	N	N
0	The Company	SPV4	2	214,554,225	135,000	135,000	37,600	-	0.19 %	214,554,225	Y	N	N
0	The Company	SPVE5	2	214,554,225	114,800	114,800	79,800	-	0.16 %	214,554,225	Y	N	N
0	The Company	GWS	2	214,554,225	5,445,600	5,445,600	5,349,600	-	7.61 %	214,554,225	Y	N	N
0	The Company	MEMC SpA	2	214,554,225	3,032,480	3,032,480	3,032,480	-	4.24 %	214,554,225	Y	N	N
0	The Company	GWA	2	214,554,225	1,134,370	1,131,694	-	-	1.58 %	214,554,225	Y	N	N
0	The Company	CWT	2	214,554,225	883,000	883,000	64,000	-	1.23 %	214,554,225	Y	N	N
1	GTI	MEMC LLC	2	69,536,260	3,200,000	3,200,000	3,189,664	-	23.01 %	69,536,260	N	N	N
2	SST	KST	2	15,310,105	1,403,599	1,403,599	1,403,599	-	45.84 %	15,310,105	N	N	Y
3	GWS	GWA	2	179,552,000	16,000,000	16,000,000	6,547,136	-	44.56 %	179,552,000	N	N	N

Note 1: The characters of guarantees and endorsements are coded as follows:

(1) The issuer is coded "0".

(2) The investee is coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relation between guarantor and guarantee and their endorsement should be disclosed as one of the following:

(1) Ordinary business relationship.

(2) Subsidiary which owned more than 50 percent by the guarantor.

(3) An investee owned more than 50 percent in total by both the guarantor and its subsidiary.

(4) An investee owned more than 90 percent by the guarantor or its subsidiary.

(5) Fulfillment of contractual obligations by providing mutual endorsements and guarantor for peer or joint builders in order to undertake a construction project.

(6) An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.

(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for per-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The total amount of external endorsements and/or guarantees shall worth no more than triple of the Company's net worth.

Note 4: The total amount of external endorsements and/or guarantees for any single company shall not exceed 10 percent of the Company's net worth. However, for subsidiaries shall not exceed 3 times of the Company's net worth.

GlobalWafers Co., Ltd. and Subsidiaries
Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures)
March 31, 2024

Table 3

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss — non-current	-	174,318	3.85 %	174,318	Note
The Company	Siltronic AG	None	Financial assets at fair value through profit or loss — non-current	650	1,841,198	2.17 %	1,841,198	
GW GmbH	Siltronic AG	None	Financial assets at fair value through profit or loss — non-current	3,101	8,782,955	10.34 %	8,782,955	
GWBV	Siltronic AG	None	Financial assets at fair value through profit or loss — non-current	350	996,786	1.17 %	996,786	
The Company	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	621	91,581	0.06 %	91,581	
SST	Foreign Securities	None	Financial assets at fair value through other comprehensive income	16	3,397	0.04 %	3,397	
GWH	Foreign Privately Securities	None	Financial assets at fair value through profit or loss — non-current	-	56,135	1.93 %	56,135	

Note: 1,500 thousand shares were loaned to others, please refer to note 6(13).

GlobalWafers Co., Ltd. and Subsidiaries

Related-party transactions for purchases and sales with amounts exceeding the lower than NT\$100 million or 20% of the capital stock

For the period ended March 31, 2024

Table 4

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	SAS	Parent Company	Purchase	313,493	18 %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(333,634)	(7)%	
The Company	GTI	Indirectly held subsidiaries	Purchase	339,943	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(259,121)	(3)%	
The Company	SST	Indirectly held subsidiaries	Purchase	362,928	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(246,314)	(2)%	
The Company	GWJ	Directly held subsidiaries	Purchase	1,507,225	10 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(1,736,163)	(17)%	
The Company	Topsil A/S	Indirectly held subsidiaries	Purchase	461,952	3 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(138,567)	(1)%	
GWS	The Company	Indirectly held subsidiaries	Purchase	1,669,527	11 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(1,170,023)	(12)%	
GTI	The Company	Indirectly held subsidiaries	Purchase	758,215	5 %	Net 45 days from the end of the month upon issuance of invoice	-	-	(794,028)	(8)%	
SST	The Company	Indirectly held subsidiaries	Purchase	208,882	1 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(77,638)	(1)%	
GWJ	The Company	Directly held subsidiaries	Purchase	448,706	3 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(632,084)	(6)%	
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	336,872	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(215,024)	(2)%	
GWS	MEMC LLC	Indirectly held subsidiaries	Sales	(149,359)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	91,096	1%	
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	343,502	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(237,815)	(2)%	

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(115,204)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	87,012	1%	
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	845,724	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(621,481)	(6)%	
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(1,795,364)	(12)%	Net 60 days from the end of the month upon issuance of invoice	-	-	1,306,486	13%	
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	316,743	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(229,460)	(2)%	
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	1,068,024	7 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(820,191)	(8)%	
GWS	MEMC Japan	Indirectly held subsidiaries	Sale	(438,715)	(3) %	Net 60 days from the end of the month upon issuance of invoice	-	-	279,546	3%	

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

GlobalWafers Co., Ltd. and Subsidiaries

Receivables from related parties with amounts exceeding the lower than NT\$100 million or 20% of the capital stock

March 31, 2024

Table 5

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	SAS	Parent company	333,634	1.57	-		339,849	-
The Company	GTI	Indirectly held subsidiaries	794,028	1.01	-		288	-
The Company	GWJ	Directly held subsidiaries	632,084	0.61	-		4,973	-
The Company	GWS	Indirectly held subsidiaries	1,170,023	5.62	-		514,090	-
The Company	Topsil A/S	Indirectly held subsidiaries	227,604	0.40	-		46,521	-
GTI	The Company	Indirectly held subsidiaries	259,121	5.96	-		-	-
SST	The Company	Indirectly held subsidiaries	246,314	6.36	-		21,923	-
GWJ	The Company	Directly held subsidiaries	1,736,163	3.17	-		-	-
Topsil A/S	The Company	Indirectly held subsidiaries	138,567	17.77	-		138,592	-
GWS	MEMC Japan	Indirectly held subsidiaries	279,546	7.03	-		136,323	-
GWS	MEMC SpA	Indirectly held subsidiaries	1,305,486	4.88	-		629,338	-
MEMC Sdn Bhd	GWS	Indirectly held subsidiaries	237,815	5.70	-		120,691	-
MEMC SpA	GWS	Indirectly held subsidiaries	621,481	5.69	-		289,939	-
MEMC Korea	GWS	Indirectly held subsidiaries	229,460	5.77	-		80,956	-
MEMC Japan	GWS	Indirectly held subsidiaries	820,191	5.39	-		182,178	-
MEMC LLC	GWS	Indirectly held subsidiaries	215,025	3.95	-		150,539	-
GWS	The Company	Indirectly held subsidiaries	8,639,217	- (Note 3)	-		-	-
GWJ	MEMC Japan	Indirectly held subsidiaries	12,076,716	- (Note 3)	-		-	-
MEMC SpA	GWS	Indirectly held subsidiaries	1,209,802	- (Note 3)	-		-	-

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
GWS	GWBV	Indirectly held subsidiaries	1,109,418	- (Note 3)	-		-	-
GWS	GW GmbH	Indirectly held subsidiaries	4,353,510	- (Note 3)	-		-	-
GWBV	GW GmbH	Indirectly held subsidiaries	1,533,741	- (Note 3)	-		-	-
GWBV	Topsil A/S	Indirectly held subsidiaries	207,752	- (Note 3)	-		-	-
GTI	MEMC LLC	Indirectly held subsidiaries	691,722	- (Note 3)	-		-	-
SST	SSKT	Indirectly held subsidiaries	72,796	- (Note 3)	-		-	-
SSKT	MHTM	Indirectly held subsidiaries	69,846	- (Note 3)	-		-	-

Note 1: The amount received in subsequent period as of April 22, 2024.

Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 3: Receivables from related-party for financing purpose.

GlobalWafers Co., Ltd. and Subsidiaries
Business relationships and significant intercompany transactions
For the period ended March 31, 2024

Table 6

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
0	The Company	SAS	2	Purchase	313,493	Net 30 days from the end of the next month upon issuance of invoice	2.08%
0	The Company	GTI	1	Purchase	339,943	Net 60 days from the end of the month upon issuance of invoice	2.25%
0	The Company	SST	1	Purchase	362,928	Net 60 days from the end of the month upon issuance of invoice	2.41%
0	The Company	GWJ	1	Purchase	1,507,225	Net 60 to 90 days from the end of the month upon issuance of invoice	9.99%
0	The Company	Topsil A/S	1	Purchase	461,952	Net 30 to 60 days from the end of the month upon issuance of invoice	3.06%
0	The Company	GTI	1	Sale	758,215	Net 45 days from the end of the month upon issuance of invoice	5.03%
0	The Company	SST	1	Sale	208,882	Net 30 days from the end of the month upon issuance of invoice	1.38%
0	The Company	GWJ	1	Sale	448,706	Net 60 to 90 days from the end of the month upon issuance of invoice	2.97%
0	The Company	GWS	1	Sale	1,669,527	Net 60 days from the end of the month upon issuance of invoice	11.07%
1	GWS	MEMC LLC	3	Purchase	336,872	Net 60 days from the end of the month upon issuance of invoice	2.23%
1	GWS	MEMC SpA	3	Purchase	845,724	Net 60 days from the end of the month upon issuance of invoice	5.61%
1	GWS	MEMC SpA	3	Sale	1,795,364	Net 60 days from the end of the month upon issuance of invoice	11.90%
1	GWS	MEMC Korea	3	Purchase	316,743	Net 60 days from the end of the month upon issuance of invoice	2.10%
1	GWS	MEMC Japan	3	Sale	438,715	Net 60 days from the end of the month upon issuance of invoice	2.91%
1	GWS	MEMC Japan	3	Purchase	1,068,024	Net 60 days from the end of the month upon issuance of invoice	7.08%
1	GWS	MEMC Sdn Bhd	3	Purchase	343,502	Net 60 days from the end of the month upon issuance of invoice	2.28%
1	GWS	The Company	2	Intercompany Loan	8,639,217	-	4.26%

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
1	GWS	GW GmbH	3	Intercompany Loan	4,353,510	-	2.15%
2	GWJ	MEMC Japan	3	Intercompany Loan	12,076,716	-	5.96%

Note 1: The characters of business transactions between parent company and its subsidiaries are coded as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relationships with transactions are as follows:

- (1) Parent company to its subsidiaries.
- (2) Subsidiaries to the parent company.
- (3) Transactions between subsidiaries.

Note 3: The ratio of the transaction amount of the consolidated total sales revenue and consolidated total assets are calculated as follows:

- (1) For transaction amount accounted for as asset or liability, the ratio is calculated based on the closing balance amount of the consolidated total assets.
- (2) For transaction amount accounted for as profit or loss, the ratio is calculated based on the accumulated amount at the end of the financial period of the consolidated total sales revenue.

Note 4: The table represented the amount of significant transaction exceeding 1 percent of the consolidated operating revenue or total assets.

GlobalWafers Co., Ltd. and Subsidiaries
Information on investees
For the period ended March 31, 2024

Table 7

(In Thousands of New Taiwan Dollars/other currencies)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/ losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of Ownership	Carrying value			
The Company	GSI	Cayman	Investment in various business and triangular trade centers with subsidiaries in Mainland China	698,419 (USD24,555)	698,419 (USD24,555)	23,000	100.00 %	3,092,061	35,854	39,461	Subsidiary
The Company	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	17,788,625	292,271	294,102	Subsidiary
The Company	GWafers Singapore	Singapore	Investment activities	2,207,377	2,207,377	41,674	100.00 %	34,337,667	916,913	897,586	Subsidiary
The Company	GW GmbH	Germany	Trading	1,952,235 (EUR 62,525)	1,952,235 (EUR 62,525)	48,025	100.00 %	(4,955,349)	39,642	39,642	Subsidiary
The Company	GWBV	Netherlands	Investment activities	40,367,464 (USD 1,321,076)	40,367,464 (USD 1,321,076)	0.1	100.00 %	51,434,794	34,826	34,826	Subsidiary
The Company	HONG-WANG Investment Co., Ltd.	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,562,964	85,747	26,561	Associate
The Company	SPV4	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,046,194	(1,427)	(1,427)	Subsidiary
The Company	SPVE5	Taiwan	Electricity activities	278,000	278,000	27,800	100.00 %	273,593	(425)	(425)	Subsidiary
The Company	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	264,077	3,261	3,261	Subsidiary
The Company	CWT	Taiwan	Manufacturing and trading of optoelectronic wafers and substrate material	437,924	437,924	43,836	100.00 %	389,858	104,748	(30,338)	Subsidiary
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY100,000)	373,413 (JPY100,000)	750	100.00 %	2,371,675	28,470	-	Notes 2 and 3
Topsil A/S	Topsil PL	Poland	Manufacturing and trading of silicon wafers	-	-	-	- %	-	-	-	Notes 2, 3 and 5
GWBV	MEMC SpA	Italy	Manufacturing and trading of silicon wafers	6,732,641 (USD204,788)	6,732,641 (USD204,788)	65,000	100.00 %	11,565,355	41,291	-	Notes 2 and 3
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	3,798	214	-	Notes 2 and 3
GWBV	MEMC Korea	Korea	Manufacturing and trading of silicon wafers	11,851,262 (USD384,605)	11,851,262 (USD384,605)	25,200	100.00 %	23,527,838	129,355	-	Notes 2 and 3
GWBV	GTI	United States	Manufacturing and trading of epitaxial wafers	2,779,849 (USD91,262)	2,779,849 (USD91,262)	1	100.00 %	15,224,434	(9,207)	-	Notes 2 and 3

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/ losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of Ownership	Carrying value			
GWBV	MEMC Ipoh	Malaysia	Manufacturing and trading of silicon wafers	93,907 (USD1,323)	93,907 (USD1,323)	612,300	100.00 %	4,711	(77)	-	Notes 2 and 3
GWBV	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers	1,843,604 (USD60,996)	1,843,604 (USD60,996)	1,000	100.00 %	2,587,618	(20,651)	-	Notes 2 and 3
CWT	Crystalwise HK	Hong Kong	Investment activities	- (USD48,100)	- (USD48,100)	48,100	100.00 %	92,538	(12)	-	Notes 2 and 3
GTI	MEMC LLC	United States	Research and development, manufacturing and trading of silicon wafers	543,384 (USD17,839)	543,384 (USD17,839)	-	100.00 %	5,723,353	(76,997)	-	Notes 2 and 3
SST	MEMC Sdn Bhd	Malaysia	Research and development, manufacturing and trading of silicon wafers	898,016 (USD 27,315)	898,016 (USD 27,315)	1,036	100.00 %	1,303,470	15,766	-	Notes 2 and 3
GTI	GWA	United States	Manufacturing and trading of silicon wafers	31 (USD 1)	31 (USD 1)	1	100.00 %	3,201,889	(68,539)	-	Notes 2 and 3

Note 1: A limited company.

Note 2: The investees are indirectly held subsidiaries of the Company.

Note 3: The investor's profits and losses included the profits and losses of the investees; therefore, the investee's profits and losses need not be disclosed.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 5: The liquidation of Topsil PL has been completed in June, 2023.

GlobalWafers Co., Ltd. and Subsidiaries

The names of investees in Mainland China, the main businesses and products and other information

For the period ended March 31, 2024

Table 8

(In Thousands of New Taiwan Dollars/other currencies)

(1) The names of investees in Mainland China, the main businesses and products, and other information

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
SST	Processing and trading of ingots and wafers	1,429,778 (Note 5)	Note 1	713,300 (USD21,729)	-	-	713,300 (USD21,729)	35,764	100%	35,764	3,062,021	-
KST	Trading and marketing business	26,587	Note 6	-	-	-	-	4,347	100%	4,347	88,004	-
SSKT	Manufacturing and distributing lithium tantalate and lithium niobate wafers	102,776	Note 7	-	-	-	-	(16,883)	100%	(16,883)	370,246	-
MHTM	Manufacturing and distributing lithium tantalate and lithium niobate wafers	159,588	Note 8	-	-	-	-	(6,764)	90%	(6,764)	30,390	-
YHTM	Manufacturing and sales of optoelectronic and communication materials	1,435,282	Note 9	1,494,720 (USD48,000)	-	-	1,494,720 (USD48,000)	110	80.31%	88	33,056	-
YHTM	Manufacturing and sales of optoelectronic and communication materials	351,882	Note 10	351,882 (USD11,300)	-	-	351,882 (USD11,300)	110	19.69%	22	8,105	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	2,538,961 (USD81,187) (Note 11)	3,535,884 (USD115,852) (Note 3 and 11)	42,910,845 (Note 4)

Note 1: Investments through GSI.

Note 2: The basis for investment income (loss) recognition is from the audited financial statements.

Note 3: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the Historical Foreign Exchange Rate.

Note 4: Pursuant to the 'Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, the total amount of investment shall not exceed 60% of the Group's net worth on March 31, 2024.

Note 5: Retained earnings transferred to capital was included.

Note 6: KST was funded by using the capital of SST, which cannot be considered as investment limit because there was no remittance from Taiwan.

Note 7: SSKT was funded by using the capital of SST, which cannot be considered as investment limit because there was no remittance from Taiwan.

Note 8: MHTM is China-based company invested by SSKT.

Note 9: YHTM is China-based company invested by Crystalwise HK. Capital reduction of \$59,438 thousand (USD\$1,900 thousand) remitted back to crystal wise HK in March 2024.

Note 10: Investment made directly by Taiwan-based investment company.

Note 11: Includes the investment amount on November 1, 2023 for the merger of YHTM etc, a subsidiary of CWT. The cumulative investment amount is US\$59,458 thousand in the Mainland China and an amount approved by the Department of Investment Review is US\$59,688 thousand.