

**GlobalWafers Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report**  
**For the Nine Months Ended September 30, 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' review report 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 September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 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 September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 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)  
November 5, 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**

**September 30, 2024, December 31, 2023, and September 30, 2023**

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

		September 30, 2024		December 31, 2023		September 30, 2023 (Restatement)				September 30, 2024		December 31, 2023		September 30, 2023 (Restatement)	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(1))	\$ 41,728,181	18	26,164,591	14	28,100,018	15	2100	Short-term borrowings (note 6(14))	\$ 41,903,236	18	24,647,862	13	19,140,544	10
1110	Financial assets at fair value through profit or loss— current (note 6(2))	58,209	-	9,995	-	-	-	2110	Short-term notes and bills payable (note 6(13))	1,999,720	1	-	-	998,938	1
1170	Notes and accounts receivable, net (note 6(5))	9,808,310	4	10,015,769	5	9,919,310	5	2120	Financial liabilities at fair value through profit or loss—current (notes 6(2) and (16))	1,294	-	204,322	-	271,858	-
1180	Accounts receivable due from related parties, net (note 7)	72,387	-	100,446	-	124,236	-	2130	Contract liabilities—current (note 6(23))	10,454,563	4	10,031,291	5	9,795,291	5
130X	Inventories (note 6(6))	12,134,160	5	9,359,353	5	9,236,308	5	2170	Notes and accounts payable	4,098,020	2	4,224,605	2	4,432,174	2
1476	Other financial assets—current (notes 6(1) and 8)	26,669,139	12	42,477,896	23	46,621,387	27	2180	Accounts payable to related parties (note 7)	427,649	-	802,005	-	120,100	-
1479	Other current assets (notes 6(12) and 7)	2,402,722	1	1,973,039	1	2,014,509	1	2201	Payroll and bonus payable	3,195,164	1	3,033,934	2	3,530,919	2
	<b>Total current assets</b>	<u>92,873,108</u>	<u>40</u>	<u>90,101,089</u>	<u>48</u>	<u>96,015,768</u>	<u>53</u>	2216	Dividends payable	-	-	3,488,910	2	-	-
<b>Non-current assets:</b>								2230	Current tax liabilities	1,768,833	1	3,946,454	2	3,330,517	2
1513	Financial assets at fair value through profit or loss— non-current (note 6(2))	10,179,823	4	12,567,498	7	11,453,604	6	2322	Long-term borrowings, current portion (notes 6(15) and 8)	2,131,857	1	1,606,628	1	1,125,105	1
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(3))	69,570	-	223,271	-	284,632	-	2321	Ordinary bonds payable, current portion (note 6(16))	-	-	7,098,400	4	7,097,766	4
1535	Non-current financial assets at amortized cost, net (note 6(4))	6,298,350	3	-	-	-	-	2270	Convertible bonds payable, current portion (note 6(16))	-	-	6,647,050	3	6,627,148	4
1550	Investments accounted for using equity method (note 6(7))	1,251,359	1	1,392,852	1	1,090,919	1	2399	Other current liabilities (note 6(17))	<u>8,545,772</u>	<u>4</u>	<u>8,542,822</u>	<u>5</u>	<u>8,140,402</u>	<u>4</u>
1600	Property, plant and equipment (note 6(9), 7 and 8)	107,335,058	47	72,250,814	38	62,006,499	34		<b>Total current liabilities</b>	<u>74,526,108</u>	<u>32</u>	<u>74,274,283</u>	<u>39</u>	<u>64,610,762</u>	<u>35</u>
1755	Right-of-use assets (note 6(10))	883,460	-	929,719	-	984,764	1	<b>Non-Current liabilities:</b>							
1780	Intangible assets (note 6(11))	2,456,662	1	2,346,556	1	2,468,724	1	2527	Contract liabilities—non-current (note 6(23))	21,212,917	9	23,969,789	13	26,705,146	15
1840	Deferred tax assets	3,399,041	2	3,361,628	2	2,547,195	1	2540	Long-term borrowings (notes 6(15) and 8)	1,102,473	1	2,648,537	1	3,110,469	2
1980	Other financial assets—non-current (notes 7 and 8)	809,776	-	785,451	-	177,862	-	2500	Financial liabilities at fair value through profit or loss—non-current (notes 6(2) and (16))	462,879	-	-	-	-	-
1900	Other non-current assets (note 6(12))	4,577,332	2	5,029,123	3	5,413,422	3	2531	Ordinary bonds payable (note 6(16))	16,889,709	7	11,893,051	7	11,892,349	7
	<b>Total non-current assets</b>	<u>137,260,431</u>	<u>60</u>	<u>98,886,912</u>	<u>52</u>	<u>86,427,621</u>	<u>47</u>	2532	Exchangeable bonds with warrants (note 6(16))	10,538,751	5	-	-	-	-
								2570	Deferred tax liabilities	7,055,672	3	5,908,343	3	6,133,946	3
								2670	Other non-current liabilities (note 6(17))	2,269,395	1	2,238,282	1	2,310,255	1
								2640	Net defined benefit liabilities—non-current	<u>1,668,566</u>	<u>1</u>	<u>1,602,091</u>	<u>1</u>	<u>1,492,843</u>	<u>1</u>
									<b>Total non-current liabilities</b>	<u>61,200,362</u>	<u>27</u>	<u>48,260,093</u>	<u>26</u>	<u>51,645,008</u>	<u>29</u>
									<b>Total liabilities</b>	<u>135,726,470</u>	<u>59</u>	<u>122,534,376</u>	<u>65</u>	<u>116,255,770</u>	<u>64</u>
								<b>Equity (note 6(20)):</b>							
								3110	Ordinary share	4,781,137	2	4,361,137	2	4,352,370	2
								3200	Capital surplus	45,719,981	20	24,248,547	13	23,819,390	13
								3300	Retained earnings	49,563,826	21	45,300,230	24	43,893,025	24
								3400	Other equity interest	<u>(5,658,632)</u>	<u>(2)</u>	<u>(7,460,349)</u>	<u>(4)</u>	<u>(5,882,523)</u>	<u>(3)</u>
									<b>Total equity attributable to owners of parent</b>	<u>94,406,312</u>	<u>41</u>	<u>66,449,565</u>	<u>35</u>	<u>66,182,262</u>	<u>36</u>
								3600	Non-controlling interests	<u>757</u>	<u>-</u>	<u>4,060</u>	<u>-</u>	<u>5,357</u>	<u>-</u>
									<b>Total equity</b>	<u>94,407,069</u>	<u>41</u>	<u>66,453,625</u>	<u>35</u>	<u>66,187,619</u>	<u>36</u>
<b>Total assets</b>		<u>\$ 230,133,539</u>	<u>100</u>	<u>188,988,001</u>	<u>100</u>	<u>182,443,389</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 230,133,539</u>	<u>100</u>	<u>188,988,001</u>	<u>100</u>	<u>182,443,389</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 and the nine months ended September 30, 2024 and 2023

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

		For the three months ended September 30,				For the nine months ended September 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(23) and 7)	\$ 15,869,978	100	17,375,910	100	46,282,670	100	53,888,324	100
5000	Operating costs (notes 6(6), (18), (24) and 7)	11,102,915	70	11,014,494	63	31,396,645	68	33,231,688	62
	Gross profit from operations	4,767,063	30	6,361,416	37	14,886,025	32	20,656,636	38
	Operating expenses (notes 6, (18), (24) and 7):								
6100	Selling expenses	356,718	2	335,241	2	978,485	2	1,066,553	2
6200	Administrative expenses	626,936	4	579,145	3	1,613,193	3	1,702,154	3
6300	Research and development expenses	579,749	4	622,822	4	1,757,617	4	1,731,470	3
6450	Expected credit losses (reversal of gains) (note 6(5))	3,525	-	(1,045)	-	2,314	-	18,974	-
	Total operating expenses	1,566,928	10	1,536,163	9	4,351,609	9	4,519,151	8
	Net operating income	3,200,135	20	4,825,253	28	10,534,416	23	16,137,485	30
	Non-operating income and expenses:								
7100	Interest income (note 6(25))	845,979	5	802,048	5	2,703,195	5	2,416,784	5
7020	Other gains and losses (notes 6(16), (25) and 7)	(278,250)	(2)	1,684,555	10	(973,630)	(2)	2,731,175	5
7050	Finance costs (notes 6(16), (17), (25) and 7)	(224,694)	(1)	(164,041)	(1)	(631,399)	(1)	(486,637)	(1)
		343,035	2	2,322,562	14	1,098,166	2	4,661,322	9
	Income before income tax	3,543,170	22	7,147,815	42	11,632,582	25	20,798,807	39
7950	Less: income tax expense (note 6(19))	590,924	4	1,609,325	10	2,268,676	5	5,471,174	10
	Net income	2,952,246	18	5,538,490	32	9,363,906	20	15,327,633	29
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	(10,819)	-	108,235	-	46,966	-	125,279	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method (note 6(7))	(314,259)	(2)	(34,917)	-	(147,430)	-	135,791	-
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	(325,078)	(2)	73,318	-	(100,464)	-	261,070	-
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of foreign operations	1,238,854	8	1,914,124	11	2,571,516	5	541,024	1
8399	Less: income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(19))	247,620	2	382,789	2	513,697	1	137,952	-
	Total items that may be reclassified subsequently to profit or loss	991,234	6	1,531,335	9	2,057,819	4	403,072	1
8300	Other comprehensive income (after tax)	666,156	4	1,604,653	9	1,957,355	4	664,142	1
	Total comprehensive income	\$ 3,618,402	22	7,143,143	41	11,321,261	24	15,991,775	30
	Net income attributable to:								
	Shareholders of GlobalWafers Co., Ltd	\$ 2,953,918	18	5,539,242	32	9,367,333	20	15,328,831	29
	Non-controlling interests	(1,672)	-	(752)	-	(3,427)	-	(1,198)	-
		\$ 2,952,246	18	5,538,490	32	9,363,906	20	15,327,633	29
	Total comprehensive income attributable to:								
	Shareholders of GlobalWafers Co., Ltd	\$ 3,620,048	22	7,143,716	41	11,324,564	24	15,993,006	30
	Non-controlling interests	(1,646)	-	(573)	-	(3,303)	-	(1,231)	-
		\$ 3,618,402	22	7,143,143	41	11,321,261	24	15,991,775	30
	Earnings per share (NT Dollars) (note 6(22))								
9750	Basic earnings per share	\$ 6.18		12.73		20.19		35.22	
9850	Diluted earnings per share	\$ 6.17		12.58		19.81		33.92	

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 nine months ended September 30, 2024 and 2023**

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

**Equity attributable to shareholders of GlobalWafers Co., Ltd.**

							Other equity interest							Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Retained earnings			Total retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) from equity instrument measured at fair value through other comprehensive income	Unearned share-based employee compensation	Total other equity interest	Total				
			Legal reserve	Special reserve	Unappropriated 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	-	-	-	-	15,328,831	15,328,831	-	-	-	-	15,328,831	(1,198)	15,327,633		
Other comprehensive income for the period	-	-	-	-	-	-	403,105	261,070	-	664,175	664,175	(33)	664,142		
Total comprehensive income for the period	-	-	-	-	15,328,831	15,328,831	403,105	261,070	-	664,175	15,993,006	(1,231)	15,991,775		
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	1,511,814	-	(1,511,814)	-	-	-	-	-	-	-	-		
Special reserve appropriated	-	-	-	411,141	(411,141)	-	-	-	-	-	-	-	-		
Cash dividends on ordinary shares	-	-	-	-	(4,134,751)	(4,134,751)	-	-	-	-	(4,134,751)	-	(4,134,751)		
Additional paid-in capital resulting from assets donated	-	2	-	-	-	-	-	-	-	-	2	-	2		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	6,588	6,588		
Balance at September 30, 2023	\$ 4,352,370	23,819,390	8,062,380	6,546,698	29,283,947	43,893,025	(6,760,001)	877,478	-	(5,882,523)	66,182,262	5,357	66,187,619		
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	-	-	-	-	9,367,333	9,367,333	-	-	-	-	9,367,333	(3,427)	9,363,906		
Other comprehensive income for the period	-	-	-	-	-	-	2,057,695	(100,464)	-	1,957,231	1,957,231	124	1,957,355		
Total comprehensive income for the period	-	-	-	-	9,367,333	9,367,333	2,057,695	(100,464)	-	1,957,231	11,324,564	(3,303)	11,321,261		
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	2,022,494	-	(2,022,494)	-	-	-	-	-	-	-	-		
Special reserve appropriated	-	-	-	914,080	(914,080)	-	-	-	-	-	-	-	-		
Cash dividends on ordinary shares	-	-	-	-	(5,259,251)	(5,259,251)	-	-	-	-	(5,259,251)	-	(5,259,251)		
Capital increase by cash	420,000	21,471,434	-	-	-	-	-	-	-	-	21,891,434	-	21,891,434		
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	155,514	155,514	-	(155,514)	-	(155,514)	-	-	-		
Balance at September 30, 2024	\$ 4,781,137	45,719,981	10,084,874	7,460,778	32,018,174	49,563,826	(6,543,630)	884,570	428	(5,658,632)	94,406,312	757	94,407,069		

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 nine months ended September 30, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollars)

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023 (Restatement)</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 11,632,582	20,798,807
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expenses	5,928,619	4,939,471
Amortization expenses	16,334	14,293
Expected credit losses	2,314	18,974
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	1,458,834	(1,652,879)
Finance costs	631,399	486,637
Interest income	(2,703,195)	(2,416,784)
Dividend income	(180,678)	(438,261)
Shares of profit of associates accounted for using equity method	(66,585)	(68,073)
Gain on disposal of property, plant and equipment	(32,850)	(71,776)
Provisions for inventory valuation	94,949	79,009
Gain on lease modification	(1,127)	(1,570)
<b>Total adjustments</b>	<b>5,148,014</b>	<b>889,041</b>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	232,471	210,791
Inventories	(2,888,910)	(649,735)
Prepayments for purchase of materials	1,490	338,017
Other financial assets	7,126	15,147
Other operating assets	(56,688)	(473,696)
<b>Total changes in operating assets</b>	<b>(2,704,511)</b>	<b>(559,476)</b>
Contract liabilities	(3,168,056)	(3,089,126)
Notes and accounts payable (including related parties)	129,409	(1,902,362)
Net defined benefit liabilities	66,476	(46,485)
Other operating liabilities	(227,777)	488,381
<b>Total changes in operating liabilities</b>	<b>(3,199,948)</b>	<b>(4,549,592)</b>
<b>Total changes in operating assets and liabilities</b>	<b>(5,904,459)</b>	<b>(5,109,068)</b>
<b>Total adjustments</b>	<b>(756,445)</b>	<b>(4,220,027)</b>
Cash inflow generated from operations	10,876,137	16,578,780
Interest received	2,860,391	1,690,173
Dividends received	180,678	438,261
Interest paid	(1,438,233)	(412,580)
Income taxes paid	(3,989,663)	(5,634,807)
<b>Net cash flows from operating activities</b>	<b>8,489,310</b>	<b>12,659,827</b>

(Continued)

See accompanying notes to consolidated financial statements.

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

**GlobalWafers Co., Ltd. and subsidiaries**

**Consolidated Statements of Cash Flows(Continued)**

**For the nine months ended September 30, 2024 and 2023**

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

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023 (Restatement)</b>
<b>Cash flows from investing activities:</b>		
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 other comprehensive income	13,833	16,160
Acquisition of financial assets at amortized cost	(6,377,393)	-
Acquisition of financial assets at fair value through profit or loss	(35,252)	-
Proceeds from capital reduction of investments accounted for using equity method	60,647	54,328
Acquisition of property, plant and equipment, and prepayments of equipment	(37,835,586)	(24,183,605)
Proceeds from disposal of property, plant and equipment	198,631	195,026
Acquisition of intangible assets	(396)	(7,358)
Net cash outflows resulting from business combination	-	(436,440)
Decrease (increase) in other financial assets	15,620,109	(37,434,120)
<b>Net cash flows used in investing activities</b>	<b>(28,154,578)</b>	<b>(61,796,009)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	17,255,374	12,581,221
Increase in short-term notes and bills payable	1,999,720	998,938
Issuing bonds	17,128,358	-
Repayment of bonds	(14,014,507)	(17,644,805)
Proceeds from in long-term borrowings	36,100	4,349,232
Repayments of long-term borrowings	(1,104,289)	-
Increase in guarantee deposits received	62,410	2,229
Proceeds from borrowings from related party	(575,000)	-
Payment of lease liabilities	(143,903)	(135,974)
Cash dividends	(8,748,161)	(6,963,792)
Capital increase by cash	21,891,434	-
Additional paid-in capital resulting from assets donated	-	2
<b>Net cash flows from (used in) financing activities</b>	<b>33,787,536</b>	<b>(6,812,949)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,441,322</b>	<b>3,558,426</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>15,563,590</b>	<b>(52,390,705)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>26,164,591</b>	<b>80,490,723</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 41,728,181</b>	<b>28,100,018</b>

See accompanying notes to consolidated financial statements.

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

**GlobalWafers Co., Ltd. and subsidiaries**

**Notes to the Consolidated Financial Statements**

**September 30, 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 September 30, 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 November 5, 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 FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 21 “Lack of Exchangeability”

- (3) The impact of IFRS issued by 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:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
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"> <li>● 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.</li> </ul>	January 1, 2027

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>	January 1, 2027

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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards— Volume 11

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

**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 Accounting Standards 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.

B. List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Business	Percentage of Ownership			Note
			September 30, 2024	December 31, 2023	September 30, 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 %	

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

<b>Name of Investor</b>	<b>Name of Subsidiary</b>	<b>Business</b>	<b>Percentage of Ownership</b>			<b>Note</b>
			<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	
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)
The Company	GlobalWafers Capital Co., Ltd. (GWCC)	Investment activities	100 %	- %	- %	note (2)
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 %	
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 %	100 %	
CWT	Crystalwise Technology (HK) Limited (Crystalwise (HK))	Investment activities	100 %	100 %	- %	note (1)

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

Name of Investor	Name of Subsidiary	Business	Percentage of Ownership			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
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 %	
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 %	

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

Name of Investor	Name of Subsidiary	Business	Percentage of Ownership			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
SSKT	Yuan Hong Technical Materials Ltd. (MHTM)	Manufacturing and sales of lithium tantalate and lithium niobate wafers	90 %	90 %	90 %	

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) GWCC was established in April 2024.

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

(3) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- A. It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. It holds the asset primarily for the purpose of trading;
- C. It expects to realize the asset within twelve months after the reporting period; or
- D. The asset is cash or a cash equivalent (as defined in 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.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

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

(4) Employee benefits

The pension cost of defined benefit plans 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.

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

(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.

**5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

In the preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cash on hand	\$ 4,290	7,787	7,544
Demand deposits	17,977,217	15,872,257	18,359,572
Time deposits	18,251,089	9,733,678	9,339,415
Repurchase agreement	5,495,585	550,869	393,487
	<u><u>\$ 41,728,181</u></u>	<u><u>26,164,591</u></u>	<u><u>28,100,018</u></u>

As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group reclassified time deposits to other financial assets— current due to liquidity considerations amounting to \$12,134,710 thousand, \$30,483,644 thousand and \$45,755,360 thousand, respectively.

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

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 September 30, 2024, December 31, 2023, and September 30, 2023, the balances of the special accounts were \$2,924,646 thousand, \$2,698,377 thousand and \$2,837,461 thousand recorded in cash and cash equivalents (or other financial assets), respectively.

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 September 30, 2023, \$2,837,461 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 nine months ended September 30, 2023 was reduced by \$2,837,461 thousand.

Please refer to note 6(26) 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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Financial assets measured at fair value through profit or loss – current:			
Forward exchange contracts	\$ <b><u>58,209</u></b>	<b><u>9,995</u></b>	<b><u>-</u></b>
Financial assets measured at fair value through profit or loss – non-current:			
Privately offered funds	\$ 263,818	242,864	187,958
Overseas securities held	<u>9,916,005</u>	<u>12,324,634</u>	<u>11,265,646</u>
	<b><u>\$ 10,179,823</u></b>	<b><u>12,567,498</u></b>	<b><u>11,453,604</u></b>
Financial liabilities designated as at fair value through profit or loss – current:			
Forward exchange contracts	\$ 1,294	289	27,644
Embedded derivatives of convertible bonds	<u>-</u>	<u>204,033</u>	<u>244,214</u>
	<b><u>\$ 1,294</u></b>	<b><u>204,322</u></b>	<b><u>271,858</u></b>

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

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Financial liabilities designated as at fair value through profit or loss — non-current:			
Embedded derivatives of exchangeable bonds with warrants	\$ <u>462,879</u>	<u>-</u>	<u>-</u>

Please refer to note 6(25) for the amount remeasured at fair value through profit or loss.

For the nine months ended September 30, 2024 and 2023, the dividends of \$179,561 thousand and \$427,439 thousand, respectively, were recognized from investments in financial assets mandatorily measured at fair value through profit or loss.

The Group issued overseas bonds with warrant the shares of Sliteonic AG in January 2024. When warrants are exercised, shares of Siltronic AG will be delivered to the holders. In addition, the Group lent the shares of Siltronic AG which were recognized as financial assets at fair value through profit or loss to a custodian, please refer to Note 6(16) 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 September 30, 2024, December 31, 2023, and September 30, 2023:

<u>September 30, 2024</u>				
	<u>Contract amount</u> <u>(in thousands)</u>		<u>Currency</u>	<u>Maturity date</u>
Forward exchange contracts sold	USD	133,000	USD to TWD	October 7, 2024 ~ October 24, 2024
Forward exchange contracts sold	USD	25,500	USD to EUR	October 25, 2024 ~ December 20, 2024
<u>December 31, 2023</u>				
	<u>Contract amount</u> <u>(in thousands)</u>		<u>Currency</u>	<u>Maturity date</u>
Forward exchange contracts sold	USD	21,050	USD to EUR	January 06, 2024~ February 27, 2024
<u>September 30, 2023</u>				
	<u>Contract amount</u> <u>(in thousands)</u>		<u>Currency</u>	<u>Maturity date</u>
Forward exchange contracts sold	USD	32,600	USD to EUR	October 26, 2023~ December 28, 2023

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Equity investment in domestic entities	\$ 65,504	218,700	280,757
Equity investment in foreign entities	4,066	4,571	3,875
	<u>\$ 69,570</u>	<u>223,271</u>	<u>284,632</u>

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 nine months ended September 30, 2024 and 2023, the dividend income of \$1,117 thousand and \$10,822 thousand, respectively, related to equity investments at fair value through other comprehensive income, was recognized, respectively.

Due to the changes in investment strategy for the nine months ended September 30, 2024 and for the year ended December 31, 2023, the Group disposed domestic equity investments designated to be measured at fair value through other comprehensive gains and losses, at the fair value of \$223,429 thousand and \$68,792 thousand, resulting in the accumulated disposal gains of \$155,514 thousand and \$47,054 thousand, respectively, which were reclassified from other equity to retained earnings.

The Group did not dispose its strategic investments for the nine months ended September 30, 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(26).

The financial assets mentioned above were not pledged as collateral.

(4) Financial assets measured at amortized cost

	September 30, 2024	December 31, 2023	September 30, 2023
Foreign Bonds	<u>\$ 6,298,350</u>	<u>-</u>	<u>-</u>

A. The Group invested in foreign bonds, with the face value of US\$199,000 thousand and a coupon rate ranging from 4.71% to 5.15%, as well as the maturity dates from October 8, 2026 to June 13, 2029. The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

B. The financial assets mentioned above were not pledged as collateral.

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

(5) Notes and accounts receivable, net

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 312,629	230,590	209,475
Accounts receivable	9,509,927	9,799,926	9,727,779
Less: allowance for expected credit loss	(14,246)	(14,747)	(17,944)
	<u>\$ 9,808,310</u>	<u>10,015,769</u>	<u>9,919,310</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 (including related parties) was determined as follows:

	September 30, 2024		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 9,441,551	0%	-
1 to 30 days past due	417,243	0%	-
31 to 60 days past due	11,066	11%	1,199
61 to 90 days past due	9,209	13%	1,156
91 to 120 days past due	5,193	50%	2,597
121 to 150 days past due	-	0%	-
151 to 180 days past due	-	0%	-
More than 181 days past due	9,294	100%	9,294
	<u>\$ 9,893,556</u>		<u>14,246</u>

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

	<b>December 31, 2023</b>		
	<b>Gross amount of notes and accounts receivable</b>	<b>Weighted-average loss rate</b>	<b>Credit loss allowance</b>
Current	\$ 9,920,632	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	11,649	100%	11,649
	<b>\$ 10,130,630</b>		<b>14,747</b>

  

	<b>September 30, 2023</b>		
	<b>Gross amount of notes and accounts receivable</b>	<b>Weighted-average loss rate</b>	<b>Credit loss allowance</b>
Current	\$ 9,737,771	0%	-
1 to 30 days past due	258,610	0%	-
31 to 60 days past due	36,079	6%	2,096
61 to 90 days past due	11,443	12%	1,406
91 to 120 days past due	676	50%	338
121 to 150 days past due	-	0%	-
151 to 180 days past due	-	0%	-
More than 181 days past due	14,104	100%	14,104
	<b>\$ 10,058,683</b>		<b>17,944</b>

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

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Balance on January 1	\$ 14,747	16,463
Credit losses recognized	2,314	18,974
Amount written off which was considered uncollectible in the current period	(3,196)	(20,477)
Acquired through business acquisition	-	2,710
Foreign exchange changes	381	274
Balance on September 30	<b>\$ 14,246</b>	<b>17,944</b>

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

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

(6) Inventories

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Finished goods	\$ 3,138,676	2,199,082	2,544,877
Work in progress	4,007,012	2,811,205	2,773,605
Raw materials	<u>4,988,472</u>	<u>4,349,066</u>	<u>3,917,826</u>
	<u><u>\$ 12,134,160</u></u>	<u><u>9,359,353</u></u>	<u><u>9,236,308</u></u>

Components of operating costs were as follows:

	<u>For the three months</u> <u>ended September 30,</u> <u>2024</u>	<u>2023</u>	<u>For the nine months</u> <u>ended September 30,</u> <u>2024</u>	<u>2023</u>
Cost of sales	\$ 11,091,745	11,046,834	31,174,845	33,049,651
Provisions for inventory valuation loss (reversal of gains)	(36,293)	(67,812)	94,949	79,009
Unallocated fixed manufacturing expense	<u>47,463</u>	<u>35,472</u>	<u>126,851</u>	<u>103,028</u>
	<u><u>\$ 11,102,915</u></u>	<u><u>11,014,494</u></u>	<u><u>31,396,645</u></u>	<u><u>33,231,688</u></u>

The inventories mentioned above were not pledged as collateral.

(7) 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:

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Associates	<u><u>\$ 1,251,359</u></u>	<u><u>1,392,852</u></u>	<u><u>1,090,919</u></u>

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:

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
The carrying amount of investments in the individually insignificant associates	<u><u>\$ 1,251,359</u></u>	<u><u>1,392,852</u></u>	<u><u>1,090,919</u></u>

**GlobalWafers Co., Ltd. and subsidiaries**  
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	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Amount of individually insignificant associates' interests attributable to the Group:				
Net income	\$ 40,547	44,424	66,585	68,073
Other comprehensive income (loss)	(314,259)	(34,917)	(147,430)	135,791
Total	<u>\$ (273,712)</u>	<u>9,507</u>	<u>(80,845)</u>	<u>203,864</u>

The Group holds 30.98% of the shares of the HONG-WANG Investment Co., Ltd., with the largest shareholder owning 39.02% shares of the company, resulting in the Group to have no control over the company.

**B. Collateral**

The investments accounted for using equity method mentioned above were not pledged as collateral as of September 30, 2024 and 2023.

**(8) Business combination**

**A. the Group acquired SSKT as a subsidiary**

- (a) On April 23, 2023, the Group acquired 100% of the shares and voting interests in SSKT, a manufacturer and distributor of lithium tantalate and lithium niobate wafers. As a result, the Group obtained control of SSKT. The Group aims to deepen its business presence into 5G and satellite communication industries through the acquisition of SSKT.

The Group acquired 100% shares of SSKT for CNY \$100,000 thousand (\$443,300 thousand). The details of fair value of identifiable net assets acquired, and liabilities assumed at the acquisition date were as follows:

Cash and cash equivalents	\$ 6,860
Notes and accounts receivable, net	105,560
Inventories	73,246
Other current assets	14,958
Property, plant and equipment	309,691
Intangible assets	33,360
Other non-current assets	6,461
Short-term borrowings	(15,347)
Notes and accounts payable	(81,363)
Other current liabilities	(36,117)
	<u>\$ 417,309</u>

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Goodwill arising from the business acquisitions was determined as follows:

Consideration transferred	\$ 443,300
Add: Non-controlling interest in the acquiree, proportionate share of the fair value of the identifiable net assets	6,588
Less: fair value of the identifiable net assets	<u>(417,309)</u>
Goodwill	<u><u>\$ 32,579</u></u>

- (b) As of September 30, 2023, SSKT contributed revenue of \$74,542 thousand and loss after tax of \$(33,134) thousand to the Group's operating results. If the acquisition had occurred on January 1, 2023, management estimated that consolidated revenue would have increased \$114,497 thousand, and consolidated profit would have increased \$(12,736) thousand.

(9) Property, plant and equipment

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress and equipment awaiting inspection</u>	<u>Total</u>
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	28,595	34,812	136,898	93,056	39,019,794	39,313,155
Disposals	-	(7,879)	(836,639)	(70,425)	(27,324)	(942,267)
Reclassification	-	6,982,247	8,477,714	89,733	(14,949,594)	600,100
Transfer and others	-	-	2,405	-	-	2,405
Effect of changes in exchange rates	60,965	454,203	1,661,730	152,399	705,053	3,034,350
Balance at September 30, 2024	<u>\$ 2,743,403</u>	<u>28,944,965</u>	<u>59,453,969</u>	<u>7,837,997</u>	<u>57,541,815</u>	<u>156,522,149</u>
Balance at January 1, 2023	\$ 2,709,962	17,277,541	45,740,095	6,190,254	6,502,735	78,420,587
Acquired in a business combination	-	-	392,994	29,846	7,163	430,003
Additions	15,967	19,441	49,064	724,918	26,269,378	27,078,768
Disposals	-	(53,125)	(858,794)	(41,814)	(20,350)	(974,083)
Reclassification	8,564	4,257,331	3,313,341	482,927	(8,099,101)	(36,938)
Transfer and others	-	903	7,299	50,382	-	58,584
Effect of changes in exchange rates	(65,974)	(452,802)	(1,711,447)	(39,942)	495,008	(1,775,157)
Balance at September 30, 2023	<u>\$ 2,668,519</u>	<u>21,049,289</u>	<u>46,932,552</u>	<u>7,396,571</u>	<u>25,154,833</u>	<u>103,201,764</u>

**GlobalWafers Co., Ltd. and subsidiaries**  
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					Construction in progress and equipment awaiting inspection	
	Land	Buildings	Machinery and equipment	Other equipment		Total
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	-	668,918	4,637,677	484,455	-	5,791,050
Disposals	-	(7,668)	(768,870)	(69,215)	-	(845,753)
Reclassification	-	5,438	482,667	(1,630)	-	486,475
Transfer and others	-	-	8,441	-	-	8,441
Effect of changes in exchange rates	-	245,727	1,141,278	95,085	1,196	1,483,286
Balance at September 30, 2024	<u>\$ -</u>	<u>10,192,188</u>	<u>35,043,727</u>	<u>3,911,120</u>	<u>40,056</u>	<u>49,187,091</u>
Balance at January 1, 2023	\$ -	8,993,929	26,888,314	3,012,392	38,866	38,933,501
Acquired in a business combination	-	-	98,739	21,573	-	120,312
Depreciation for the period	-	510,998	3,919,700	379,800	-	4,810,498
Disposals	-	(50,626)	(825,012)	(29,073)	-	(904,711)
Reclassification	-	10	(253)	(29,959)	-	(30,202)
Transfer and others	-	-	813	-	-	813
Effect of changes in exchange rates	-	(276,106)	(1,421,352)	(39,462)	1,974	(1,734,946)
Balance at September 30, 2023	<u>\$ -</u>	<u>9,178,205</u>	<u>28,660,949</u>	<u>3,315,271</u>	<u>40,840</u>	<u>41,195,265</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 September 30, 2024	<u>\$ 2,743,403</u>	<u>18,752,777</u>	<u>24,410,242</u>	<u>3,926,877</u>	<u>57,501,759</u>	<u>107,335,058</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 September 30, 2023	<u>\$ 2,668,519</u>	<u>11,871,084</u>	<u>18,271,603</u>	<u>4,081,300</u>	<u>25,113,993</u>	<u>62,006,499</u>

**B. Collateral**

For the nine months ended September 30, 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 for the nine months September 30, 2024 and 2023, were \$57,501,759 thousand and \$25,113,993 thousand, including the capitalized borrowing costs related to the acquisition of the construction of property, plant and equipment of \$1,149,977 thousand and \$79,901 thousand, calculated using a capitalization interest rates of 4.38%~5.60% and 4.56%~6.05%, respectively.

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(10) 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>
<b>Carrying amounts:</b>					
Balance at January 1, 2024	\$ 431,073	53,207	-	445,439	929,719
Balance at September 30, 2024	\$ 405,449	72,373	649	404,989	883,460
Balance at January 1, 2023	\$ 468,834	62,964	112	74,844	606,754
Balance at September 30, 2023	\$ 440,204	61,692	-	482,868	984,764

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 nine months ended September 30, 2024 and 2023, please refer to Note 6(9) of the 2023 Consolidated Financial Statements for other related information.

(11) Intangible assets

The Group did not have any significant additions, deletions, additions or reversals of intangible assets, and other equipment during the nine months ended September 30, 2024 and 2023, please refer to Note 6(10) of the 2023 Consolidated Financial Statements for other related information.

(12) Other assets — current and non-current

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Prepayment for materials	\$ 1,088,430	1,089,920	1,243,615
Refundable tax and overpaid tax	1,331,134	1,179,096	1,123,875
Prepayments for equipment — non-current	3,872,027	4,089,021	4,461,326
Others	688,463	644,125	599,115
	<u>\$ 6,980,054</u>	<u>7,002,162</u>	<u>7,427,931</u>
Current	<u>\$ 2,402,722</u>	<u>1,973,039</u>	<u>2,014,509</u>
Non-current	<u>\$ 4,577,332</u>	<u>5,029,123</u>	<u>5,413,422</u>

(13) Short-term notes and bills payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Commercial paper payable	<u>\$ 1,999,720</u>	<u>-</u>	<u>998,938</u>

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There were no significant issues, repurchases and repayments of short-term notes and bills payable for the nine months ended September 30, 2024 and 2023. Information on interest expense for the period is discussed in note 6(25).

(14) Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured borrowings	\$ 30,892,201	24,647,862	19,140,544
Secured borrowings	11,011,035	-	-
	<u>\$ 41,903,236</u>	<u>24,647,862</u>	<u>19,140,544</u>
Range of interest rates at the end of the period	<u>0.5%~5.63%</u>	<u>1.47%~6.07%</u>	<u>1.45%~6.1%</u>

(15) Long-term borrowings

September 30, 2024				
	Currency	Rate	Maturity	Amount
Unsecured bank loans	JPY	0.10%~0.28%	2026.1~2026.3	\$ 3,198,230
Unsecured bank loans	NTD	0.5%	2029.4~2029.6	36,100
Less: current portion				(2,131,857)
Total				<u>\$ 1,102,473</u>
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				<u>\$ 2,648,537</u>
September 30, 2023				
	Currency	Rate	Maturity	Amount
Unsecured bank loans	JPY	0.10%~0.28%	2026.1~2026.3	\$ 4,235,574
Less: current portion				(1,125,105)
Total				<u>\$ 3,110,469</u>

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(16) Bonds payable

The details of bonds payable were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Unsecured ordinary bonds	\$ 16,889,709	18,991,451	18,990,115
Unsecured convertible bonds	-	6,647,050	6,627,148
Exchangeable bonds with warrants	10,538,751	-	-
Less: current portion	<u>-</u>	<u>(13,745,450)</u>	<u>(13,724,914)</u>
Total	<u><b>\$ 27,428,460</b></u>	<u><b>11,893,051</b></u>	<u><b>11,892,349</b></u>

A. The details of issued unsecured bonds as follows:

	<b>First issued of 2021</b>	<b>Second issued of 2021</b>		<b>First issued of 2024</b>	
		<b>Bonds A</b>	<b>Bonds B</b>	<b>Bonds A</b>	<b>Bonds B</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

On August 19, 2024, the Group redeemed all of the unsecured ordinary bonds of Bonds A, which were second issued in 2021.

- 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:

	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Total outstanding convertible bonds	\$ 6,841,854	6,841,854
Unamortized discount	(194,804)	(214,706)
Cumulative converted amount	<u>-</u>	<u>-</u>
Convertible bonds balance at period-end	<u><b>\$ 6,647,050</b></u>	<u><b>6,627,148</b></u>
Embedded derivative – call and put options, included in financial liabilities at fair value through profit or loss	<u><b>\$ 204,033</b></u>	<u><b>244,214</b></u>

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	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Embedded derivatives – gain and losses of re-measurement of calls and put options based on fair value (recorded under other gains and losses)	\$ -	(53,807)	(55,593)	23,313
Interest expense	\$ -	22,846	24,548	142,761

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, repurchases 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 December 31, 2023, and September 30, 2023, the conversion price of the bonds was NT\$970.33 and NT\$970.33. After the issuance of the bonds, the conversion price was adjusted in accordance with the relevant antidilution provisions of the contract.

The Group redeemed the first unsecured overseas convertible bonds of US\$248,200 thousand and US\$651,000 thousand, respectively, during the nine months period ended September 30, 2024 and 2023, resulting in the invalid conversion right of \$422,801 thousand and \$1,108,959 thousand to be reclassified from capital surplus – share options to capital surplus – others.

As of September 30, 2024, the above-mentioned unsecured convertible bonds had been fully redeemed.

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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 warrant 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". Financial liabilities at fair value through profit or loss (FVTPL) as of September 30, 2024 are summarized below:

The details of the Group exchangeable bonds with warrants are as follows:

	<b>September 30, 2024</b>	
Total exchangeable bonds with warrants	\$ 12,213,176	
Unamortized discount	<u>(1,674,425)</u>	
Total exchangeable bonds with warrants period-end	<b><u>\$ 10,538,751</u></b>	
Embedded derivatives options, included in financial liabilities at fair value through profit or loss	<b><u>\$ 462,879</u></b>	
	<b><u>For the three months ended September 30, 2024</u></b>	<b><u>For the nine months ended September 30, 2024</u></b>
Embedded derivatives - gain and losses of re-measurement of options based on fair value (recorded under other gains and losses)	<b><u>\$ 225,133</u></b>	<b><u>1,344,847</u></b>
Interest expense	<b><u>\$ 135,739</u></b>	<b><u>366,092</u></b>

The principal terms of the above exchangeable bonds with warrants are set out below:

- (a) Total amount issued: EUR 345,200 thousand (EUR 100 thousand per sheet).
- (b) Issue period: five years
- (c) Maturity date: January 23, 2029
- (d) Important terms and conditions:
  - i After three years from the issuance date, holders of exchangeable bonds with warrants may exercise the put right to sell back the bonds at par value.
  - ii Warrants are to be exercised for 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 of Siltronic AG. The exercise price was EUR 111.34 per share as of September 30, 2024. The warrants are exercisable immediately from the date of issuance of the exchangeable bonds with warrants.

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- iii The Company is the guarantor of the exchangeable bonds with warrants.
- 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 agent. As of September 30, 2024, GW GmbH had lent 1,500 thousand shares of Siltronic AG to the issuance agent.

(17) Lease liabilities

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current	\$ <u>139,972</u>	<u>150,037</u>	<u>157,136</u>
Non-current	\$ <u>758,181</u>	<u>789,933</u>	<u>834,716</u>

For the maturity analysis, please refer to note 6(26) "Financial instruments".

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ <u>4,020</u>	<u>4,223</u>	<u>12,130</u>	<u>12,075</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>4,446</u>	<u>4,756</u>	<u>10,636</u>	<u>9,086</u>
Expenses relating to short-term leases	\$ <u>12,219</u>	<u>7,478</u>	<u>29,518</u>	<u>18,984</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>3,548</u>	<u>2,724</u>	<u>9,216</u>	<u>7,279</u>

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

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ <u>193,273</u>	<u>171,323</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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(18) 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 \$76,295 thousand, \$68,823 thousand, \$227,011 thousand and \$203,619 thousand for the three months and nine months ended September 30, 2024 and 2023, respectively.

B. Defined contribution plans

Domestic subsidiaries' pension costs incurred from contributions to the defined contribution plan were \$19,454 thousand, \$17,696 thousand, \$57,144 thousand and \$54,207 thousand for the three months and nine months ended September 30, 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 overseas subsidiaries of the Group recognized the pension costs of \$82,318 thousand, \$79,524 thousand, \$241,952 thousand and \$228,936 thousand for the three months and nine months ended September 30, 2024 and 2023, respectively.

(19) 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 September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Income tax expense	\$ <u>590,924</u>	<u>1,609,325</u>	<u>2,268,676</u>	<u>5,471,174</u>

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	<u>\$ 247,620</u>	<u>382,789</u>	<u>513,697</u>	<u>137,952</u>

B. The deferred tax liabilities have not been recognized in respect of the following items:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ (4,384,738)</u>	<u>(4,081,811)</u>	<u>(4,067,687)</u>

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of September 30, 2024 and 2023. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities.

C. Assessment of tax filings

As of September 30, 2024, income tax returns of the Company and its domestic subsidiaries for the years through 2022 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 tax laws of each country shall prevail, and all declarations shall be made on time in accordance with the regulations of the countries where subsidiaries 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.

D. 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 nine months ended September 30, 2024.

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

(20) 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 September 30, 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 September 30, 2024, December 31, 2023, and September 30, 2023, the authorized ordinary shares of the Company amounted to \$10,000,000 thousand, \$10,000,000 thousand and \$6,000,000 thousand, respectively, which were divided into 1,000,000 thousand shares, 1,000,000 thousand shares and 600,000 thousand shares, with a par value of \$10 per share, of which \$200,000 thousand was reserved for employee stock options, preferred shares with stock options or bonds with stock options.

The Company conducted a cash capital increase by issuing 42,000 units of overseas depository receipts (42,000 thousand shares of the Company's common stock) on April 2, 2024, base on a resolution decided during its board meeting held on February 27, 2024. All relevant statutory registration procedures had since been completed. In addition, the Company and CWT engaged in mutually beneficial cooperation and synergy, with the total amount of NT\$8,767 thousand, with the board's approval on May 2, 2023.

The Company's issued the outstanding ordinary shares of \$4,781,137 thousand, \$4,361,137 thousand and \$4,352,370 thousand as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.

Reconciliation of outstanding shares for the nine months ended September 30, 2024 and 2023, were as follows:

(in thousands of shares )	<u>2024</u>	<u>2023</u>
Balance on January 1	436,114	435,237
Capital increase by cash	42,000	-
Balance on September 30	<u><u>478,114</u></u>	<u><u>435,237</u></u>

**GlobalWafers Co., Ltd. and subsidiaries**  
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**B. Capital surplus**

The balances of capital surplus were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Additional paid-in capital	\$ 43,677,693	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
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	8
Other (note 6(16))	1,548,456	1,125,655	1,125,655
	<b><u>\$ 45,719,981</u></b>	<b><u>24,248,547</u></b>	<b><u>23,819,390</u></b>

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; thereafter, the Board resolution is to be 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, it is to be submitted to the Board of Directors for approval.

**GlobalWafers Co., Ltd. and subsidiaries**  
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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:

	<b>2023</b>	
	<b>Cash dividends per share (NT\$)</b>	<b>Amount</b>
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:

	<b>2022</b>	
	<b>Cash dividends per share (NT\$)</b>	<b>Amount</b>
Dividends distributed to ordinary shareholders:		
Interim earnings distribution	\$ 5.265	2,291,523
Annual earnings distribution	9.50	4,134,751
Total	<u><b>\$ 14.765</b></u>	<u><b>6,426,274</b></u>

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

(21) Share-based payment

Except for the following disclosure, there were no significant changes in share-based payment during the periods from January 1 to September 30, 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.

(22) Earnings per share (“EPS”)

A. Basic earnings per share

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income attributable to the shareholders of the Company	<u><b>\$ 2,953,918</b></u>	<u><b>5,539,242</b></u>	<u><b>9,367,333</b></u>	<u><b>15,328,831</b></u>
Weighted-average number of ordinary shares outstanding during the period (in thousands of shares)	<u><b>478,113</b></u>	<u><b>435,237</b></u>	<u><b>464,012</b></u>	<u><b>435,237</b></u>
Basic earnings per share (dollars)	<u><b>\$ 6.18</b></u>	<u><b>12.73</b></u>	<u><b>20.19</b></u>	<u><b>35.22</b></u>

**GlobalWafers Co., Ltd. and subsidiaries**  
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B. Diluted earnings per share

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income attributable to the shareholders of the Company	\$ 2,953,918	5,539,242	9,367,333	15,328,831
Interest expense and gain or loss on embedded derivative of convertible bonds, net of tax	<u>-</u>	<u>61,322</u>	<u>63,953</u>	<u>95,558</u>
Net income attributable to the shareholders of the Company (diluted)	<u><b>\$ 2,953,918</b></u>	<u><b>5,600,564</b></u>	<u><b>9,431,286</b></u>	<u><b>15,424,389</b></u>
Weighted-average number of ordinary shares outstanding during the period (in thousands of shares)	478,113	435,237	464,012	435,237
Effect of the conversion of convertible bonds (in thousands of shares)	-	8,789	11,075	17,937
Effect of the employee remuneration issued by stock (in thousands of shares)	<u>758</u>	<u>1,298</u>	<u>1,034</u>	<u>1,590</u>
	<u><b>478,871</b></u>	<u><b>445,324</b></u>	<u><b>476,121</b></u>	<u><b>454,764</b></u>
Diluted earnings per share (dollars)	<u><b>\$ 6.17</b></u>	<u><b>12.58</b></u>	<u><b>19.81</b></u>	<u><b>33.92</b></u>

The Calculation of the diluted earnings per shares for the three months ended September 30, 2024, was not included due to the overseas convertible bonds issued by the Company on April 21, 2021 had been fully redeemed on May 31, 2024.

(23) Revenue from contracts with customers

A. Disaggregation of revenues

	<b>For the three months ended September 30, 2024</b>	<b>For the three months ended September 30, 2023</b>
	<b>Total</b>	<b>Total</b>
Primary geographical markets:		
Taiwan	\$ 3,220,929	3,685,434
Northeast Asia (Japan and Korea)	3,834,882	4,095,106
Asia - others	3,247,493	3,602,779
America	2,041,108	2,461,602
Europe	3,459,255	3,417,137
Other areas	<u>66,311</u>	<u>113,852</u>
<b>Total</b>	<u><b>\$ 15,869,978</b></u>	<u><b>17,375,910</b></u>

**GlobalWafers Co., Ltd. and subsidiaries**  
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	<b>For the three months ended September 30, 2024</b>	<b>For the three months ended September 30, 2023</b>
	<b>Total</b>	<b>Total</b>
Major product categories:		
Semiconductor wafers	\$ 15,463,167	16,877,127
Semiconductor ingot	310,567	311,050
Electricity revenue	56,515	41,855
Others	39,729	145,878
	<b>\$ 15,869,978</b>	<b>17,375,910</b>
	<b>For the nine Months ended September 30, 2024</b>	<b>For the nine Months ended September 30, 2023</b>
	<b>Total</b>	<b>Total</b>
Primary geographical markets:		
Taiwan	\$ 9,733,133	10,502,365
Northeast Asia (Japan and Korea)	11,116,187	13,416,521
Asia - others	8,768,882	12,076,491
America	6,304,591	6,718,958
Europe	10,186,623	10,813,212
Other areas	173,254	360,777
<b>Total</b>	<b>\$ 46,282,670</b>	<b>53,888,324</b>
Major product categories:		
Semiconductor wafer	\$ 44,889,160	52,503,180
Semiconductor ingot	1,031,051	911,716
Electricity revenue	125,232	85,854
Others	237,227	387,574
	<b>\$ 46,282,670</b>	<b>53,888,324</b>

**B. Contract balances**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Contract liabilities	<b>\$ 31,667,480</b>	<b>34,001,080</b>	<b>36,500,437</b>

For details on accounts receivables and allowance for impairment, please refer to note 6(5).

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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 nine months ended September 30, 2024 and 2023, which was included in the contract liability balance at the beginning of the period, was \$4,315,343 thousand and \$4,701,237 thousand, respectively.

(24) 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 and nine months ended September 30, 2024 and 2023, the Company accrued and recognized its employee remuneration amounting to \$113,273 thousand, \$188,716 thousand, \$344,873 thousand and \$588,488 thousand and directors' remuneration amounting to \$11,320 thousand, \$19,920 thousand, \$34,490 thousand and \$58,850 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 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.

(25) Non-Operating income and expenses

A. Interest income

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest income				
Interest from bank deposits	\$ 845,979	802,048	2,703,195	2,416,784

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B. Other gains and losses

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Foreign exchange gains and losses, net	\$ (92,834)	141,231	147,856	489,033
Gains on disposal of property, plant and equipment	3,096	33,758	32,850	71,776
Valuation gains (losses) on financial assets (liabilities) measured at fair value through profit or loss	(318,023)	1,377,164	(1,496,573)	1,807,121
Dividend income	7,884	22,860	180,678	438,261
Others	<u>121,627</u>	<u>109,542</u>	<u>161,559</u>	<u>(75,016)</u>
	<b><u>\$ (278,250)</u></b>	<b><u>1,684,555</u></b>	<b><u>(973,630)</u></b>	<b><u>2,731,175</u></b>

C. Finance costs

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expense — borrowings	\$ (38,812)	(108,364)	(101,312)	(246,868)
Interest expense — bonds	(181,862)	(51,454)	(517,957)	(227,694)
Interest expense — lease liabilities	<u>(4,020)</u>	<u>(4,223)</u>	<u>(12,130)</u>	<u>(12,075)</u>
	<b><u>\$ (224,694)</u></b>	<b><u>(164,041)</u></b>	<b><u>(631,399)</u></b>	<b><u>(486,637)</u></b>

(26) Financial instruments

Except for the following, there is no significant change in the fair value of the Group'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 September 30, 2024, December 31, 2023, and September 30, 2023, 50%, 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(5).

**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>
<b>September 30, 2024</b>							
Non-derivative financial liabilities							
Short-term borrowings \$	41,903,236	(41,921,415)	(40,270,197)	(1,651,218)	-	-	-
Short-term notes and bills payable	1,999,720	(2,000,000)	(2,000,000)	-	-	-	-
Notes and accounts payable (including related parties)	4,525,669	(4,525,669)	(4,497,471)	(28,198)	-	-	-
Accrued payroll and bonus	3,195,164	(3,195,164)	(2,154,507)	(1,040,657)	-	-	-
Accrued remuneration of directors (other current liabilities)	51,553	(51,553)	(18,263)	(33,290)	-	-	-
Lease liabilities	898,153	(945,589)	(80,393)	(66,892)	(121,929)	(247,257)	(429,118)
Long-term borrowings (including current portion)	3,234,330	(3,243,079)	(1,070,208)	(1,070,722)	(1,076,472)	(25,677)	-
Ordinary bonds (including current portion)	16,889,709	(17,564,150)	-	(158,950)	(12,058,950)	(2,758,750)	(2,587,500)
Exchangeable bonds with warrants	10,538,751	(13,887,601)	(181,751)	(372,960)	(785,296)	(12,547,594)	-
Derivative financial instruments							
Forward exchange contracts:							
Outflows	1,294	(815,586)	(815,586)	-	-	-	-
Inflows	(58,209)	872,501	872,501	-	-	-	-
	<u>\$ 83,179,370</u>	<u>(87,277,305)</u>	<u>(50,215,875)</u>	<u>(4,422,887)</u>	<u>(14,042,647)</u>	<u>(15,579,278)</u>	<u>(3,016,618)</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>
<b>December 31, 2023</b>							
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)
Long-term borrowings (including current portion)	4,255,165	(3,758,661)	(57,145)	(1,046,592)	(2,088,754)	(566,170)	-
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)	-	-	-	-
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>
<b>September 30, 2023</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 19,140,544	(19,260,335)	(19,260,335)	-	-	-	-
Short-term notes and bills payable	998,938	(1,000,000)	(1,000,000)	-	-	-	-
Notes and accounts payable (including related parties)	4,552,274	(4,552,274)	(4,529,738)	(22,536)	-	-	-
Accrued payroll and bonus	3,530,919	(3,530,919)	(2,101,386)	(1,429,533)	-	-	-
Accrued remuneration of directors (other current liabilities)	70,930	(70,930)	(12,080)	(58,850)	-	-	-
Lease liabilities	991,852	(1,041,874)	(88,256)	(78,051)	(118,954)	(256,568)	(500,045)
Long-term borrowings (including current portion)	4,235,574	(4,255,193)	(94,677)	(1,042,252)	(2,080,095)	(1,038,169)	-
Ordinary bonds (including current portion)	18,990,115	(19,253,600)	-	(7,208,200)	(72,700)	(11,972,700)	-
Convertible bonds	6,627,148	(6,841,854)	-	(6,841,854)	-	-	-
Derivative financial instruments:							
Forward exchange contracts:							
Outflows	27,644	(1,043,181)	(1,043,181)	-	-	-	-
Inflows	-	1,015,537	1,015,537	-	-	-	-
	<u>\$ 59,165,938</u>	<u>(59,834,623)</u>	<u>(27,114,116)</u>	<u>(16,681,276)</u>	<u>(2,271,749)</u>	<u>(13,267,437)</u>	<u>(500,045)</u>

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

C. Currency risk

(a) Exposure to foreign currency risk

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

<b>September 30, 2024</b>			
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 476,992	31.65	15,096,798
JPY	15,621,844	0.2223	3,472,736
EUR	192,451	35.38	6,808,910
CNY	58,988	4.523	266,805
<u>Non-Monetary Items</u>			
USD	150,650	31.65	Note
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	306,600	31.65	9,703,889
JPY	15,971,632	0.2223	3,550,494
EUR	101,200	35.38	3,580,443
CNY	42,315	4.523	191,389
<u>Non-Monetary Items</u>			
USD	7,850	31.65	Note
<b>December 31, 2023</b>			
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>
<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

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

<b>December 31, 2023</b>			
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>
<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
<b>September 30, 2023</b>			
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 455,781	32.27	14,708,047
JPY	9,432,035	0.2162	2,039,206
EUR	196,309	33.91	6,656,855
CNY	49,360	4.415	217,923
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	364,830	32.27	11,773,067
JPY	14,315,294	0.2162	3,094,967
EUR	54,018	33.91	1,831,760
CNY	62,849	4.415	277,476
<u>Non-Monetary Items</u>			
USD	32,600	32.27	Note

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

**GlobalWafers Co., Ltd. and subsidiaries**  
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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 September 30, 2024 and 2023, would have increased or decreased the net income before income tax by \$86,190 thousand and increased or decreased by \$66,448 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 and nine months ended September 30, 2024 and 2023, the foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(92,834) thousand, \$141,231 thousand, \$147,856 thousand and \$489,033 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 \$50,926 thousand and decreased or increased by \$14,726 thousand, for the nine months ended September 30, 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.

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

E. Other price risk

For the nine months ended September 30, 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 nine months ended September 30,			
	2024		2023	
	Other comprehensive income before tax	Net income before income tax	Other comprehensive income before tax	Net income before income tax
Increasing 5%	\$ 3,479	495,800	14,232	563,282
Decreasing 5%	(3,479)	(495,800)	(14,232)	(563,282)

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:

	Carrying amount	September 30, 2024			
		Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Forward exchange contract	\$ 58,209	-	58,209	-	58,209
Privately offered fund	263,818	-	-	263,818	263,818
Overseas securities held	9,916,005	9,916,005	-	-	9,916,005
	<u>\$ 10,238,032</u>	<u>9,916,005</u>	<u>58,209</u>	<u>263,818</u>	<u>10,238,032</u>
<b>Financial assets at fair value through other comprehensive income</b>					
Stock listed on domestic market	\$ 65,504	65,504	-	-	65,504
Stock listed on foreign market	4,066	4,066	-	-	4,066
	<u>\$ 69,570</u>	<u>69,570</u>	<u>-</u>	<u>-</u>	<u>69,570</u>

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

		September 30, 2024			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
					Total
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 41,728,181	-	-	-	-
Notes and accounts receivable (including related parties)	9,880,697	-	-	-	-
Other financial assets — current and non-current	27,478,915	-	-	-	-
Foreign bonds	6,298,350	-	-	-	-
	<b>\$ 85,386,143</b>	-	-	-	-
<b>Financial liabilities at fair value through profit or loss</b>					
Forward exchange contract	\$ 1,294	-	1,294	-	1,294
Embedded derivatives of exchangeable bonds with warrants	462,879	-	462,879	-	462,879
	<b>\$ 464,173</b>	-	<b>464,173</b>	-	<b>464,173</b>
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 41,903,236	-	-	-	-
Short-term notes and bills payable	1,999,720	-	-	-	-
Notes and accounts payable (including related parties)	4,525,669	-	-	-	-
Long-term borrowings (including current portion)	3,234,330	-	-	-	-
Accrued remuneration of directors (other current liabilities)	51,553	-	-	-	-
Ordinary bonds (including current portion)	16,889,709	-	-	-	-
Exchangeable bonds with warrants	10,538,751	-	-	-	-
Lease liabilities-current and non-current	898,153	-	-	-	-
	<b>\$ 80,041,121</b>	-	-	-	-

**GlobalWafers Co., Ltd. and subsidiaries**  
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		December 31, 2023				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>						
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>
<b>Financial assets at fair value through other comprehensive income</b>						
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>
<b>Financial assets measured at amortized cost</b>						
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>
<b>Financial liabilities at fair value through profit or loss</b>						
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>
<b>Financial liabilities measured at amortized cost</b>						
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>

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

		September 30, 2023			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
					Total
<b>Financial assets at fair value through profit or loss</b>					
Privately offered fund	\$	187,958	-	-	187,958
Overseas securities held		11,265,646	11,265,646	-	-
	\$	<u>11,453,604</u>	<u>11,265,646</u>	<u>-</u>	<u>187,958</u>
					<u>11,453,604</u>
<b>Financial assets at fair value through other comprehensive income</b>					
Stock listed on domestic market	\$	280,757	280,757	-	-
Stock listed on foreign market		3,875	3,875	-	-
	\$	<u>284,632</u>	<u>284,632</u>	<u>-</u>	<u>-</u>
					<u>284,632</u>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$	28,100,018	-	-	-
Notes and accounts receivable (including related parties)		10,043,546	-	-	-
Other financial assets — current and non-current		46,799,249	-	-	-
	\$	<u>84,942,813</u>	<u>-</u>	<u>-</u>	<u>-</u>
					<u>-</u>
<b>Financial liabilities at fair value through profit or loss</b>					
Forward exchange contract	\$	27,644	-	27,644	-
Embedded derivatives of convertible bonds		244,214	-	244,214	-
	\$	<u>271,858</u>	<u>-</u>	<u>271,858</u>	<u>-</u>
					<u>271,858</u>
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$	19,140,544	-	-	-
Short-term notes and bills payable		998,938	-	-	-
Notes and accounts payable (including related parties)		4,552,274	-	-	-
Long-term borrowings (including related parties)		4,235,574	-	-	-
Accrued remuneration of director (other current liabilities)		70,930	-	-	-
Ordinary bonds (including current portion)		18,990,115	-	-	-
Convertible bonds		6,627,148	-	-	-
Lease liabilities — current and non - current		991,852	-	-	-
	\$	<u>55,607,375</u>	<u>-</u>	<u>-</u>	<u>-</u>
					<u>-</u>

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

(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.

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

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

	<b>Financial assets measured at fair value through profit or loss</b>
January 1, 2024	\$ 242,864
Addition in investment	35,252
Recognized in profit or loss	(465)
Capital reduction of investment	(13,833)
September 30, 2024	<b>\$ 263,818</b>
January 1, 2023	\$ 185,793
Recognized in profit or loss	18,325
Capital reduction of investment	(16,160)
September 30, 2023	<b>\$ 187,958</b>

- (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 nine months ended September 30, 2024 and 2023, there was no transfer at fair value level.

(27) Financial risk management

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

(28) 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.

(29) Cash flow information

- A. For acquisition of right-of-use assets by lease, please refer to note 6(10).

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

	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>Foreign exchange movement and others</b>	<b>September 30, 2024</b>
Short-term borrowings	\$ 24,647,862	17,255,374	-	41,903,236
Short-term notes and bills payable	-	1,999,720	-	1,999,720
Borrowings from related parties	575,000	(575,000)	-	-
Long-term borrowings (including current portion)	4,255,165	(1,068,189)	47,354	3,234,330
Lease liabilities	939,970	(143,903)	102,086	898,153
Bonds payable (including current portion)	25,638,501	3,113,851	(1,323,892)	27,428,460
Guarantee deposit received	<u>1,377,807</u>	<u>62,410</u>	<u>(42)</u>	<u>1,440,175</u>
Total liabilities from financing activities	<u><b>\$ 57,434,305</b></u>	<u><b>20,644,263</b></u>	<u><b>(1,174,494)</b></u>	<u><b>76,904,074</b></u>

	<b>January 1, 2023</b>	<b>Cash flows</b>	<b>Foreign exchange movement and others</b>	<b>September 30, 2023</b>
Short-term borrowings	\$ 6,544,000	12,581,221	15,323	19,140,544
Short-term notes and bills payable	-	998,938	-	998,938
Long-term borrowings (including current portion)	-	4,349,232	(113,658)	4,235,574
Lease liabilities	610,428	(135,974)	517,398	991,852
Bonds payable (including current portion)	42,779,945	(17,644,805)	482,123	25,617,263
Guarantee deposit received	<u>1,403,599</u>	<u>2,229</u>	<u>-</u>	<u>1,405,828</u>
Total liabilities from financing activities	<u><b>\$ 51,337,972</b></u>	<u><b>150,841</b></u>	<u><b>901,186</b></u>	<u><b>52,389,999</b></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 September 30, 2024, it owns 46.64% of all shares outstanding of the Company and has issued the consolidated financial statements available for public use.

**GlobalWafers Co., Ltd. and subsidiaries**  
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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)
HONG-WANG Investment Co., Ltd. ("HONGWANG")	Affiliated Company
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:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 79,251	100,454	224,156	317,127
Post-employment benefits	127	136	415	495
	<u>\$ 79,378</u>	<u>100,590</u>	<u>224,571</u>	<u>317,622</u>

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The Group provided a car costing \$1,500 thousand and two cars costing \$3,000 thousand, for key management use for the nine months ended September 30, 2024 and 2023, respectively.

(4) Significant transactions with related parties

A. Sales

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Parent company	\$ 4,703	67,970	100,713	223,692
Other related parties	74,011	91,192	255,598	249,137
	<b>\$ 78,714</b>	<b>159,162</b>	<b>356,311</b>	<b>472,829</b>

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 nine months ended September 30, 2024 and 2023, while those for related parties were 30 to 90 days after month-end both for the nine months ended September 30, 2024 and 2023.

B. Purchases and process outsourcing

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

<b>Related parties</b>	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Parent company	\$ 454,303	138,959	1,192,959	880,107
Other related parties	-	(336)	-	717
	<b>\$ 454,303</b>	<b>138,623</b>	<b>1,192,959</b>	<b>880,824</b>

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 September 30, 2024 and 2023, while those of related parties were 30 to 90 days after the following month-end both in the period ended September 30, 2024 and 2023.

**GlobalWafers Co., Ltd. and subsidiaries**  
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C. Receivables from related parties

The receivables from related parties were as follows:

<u>Related parties</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Parent company	\$ 4,280	5,627	27,730
Other related parties	66,720	94,487	93,699
	<u>\$ 71,000</u>	<u>100,114</u>	<u>121,429</u>

D. Payables to related parties

The payables to related parties were as follows:

<u>Related parties</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Parent company	\$ 329,852	72,218	26,698
Other related parties	234	141	959
	<u>\$ 330,086</u>	<u>72,359</u>	<u>27,657</u>

E. Prepayments

The prepayments to the parent company were for material purchases which were paid in full. As of September 30, 2024, December 31, 2023, and September 30, 2023, the balance of prepayments, which were recognized as other current assets, amounted to \$11,440 thousand, \$59,709 thousand and \$158,440 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 September 30, 2024 and 2023 were as follows:

<u>Related parties</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Receivable from related parties	<u>\$ 296</u>	<u>3</u>	<u>4</u>
Payable to related parties	<u>\$ (1,033)</u>	<u>(133)</u>	<u>(580)</u>

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

G. Transactions of property, plant and equipment

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

<b>Related parties</b>	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Parent company	\$ 13,609	98,434	126,740	566,382
Other related parties	-	-	-	350
	<u><b>\$ 13,609</b></u>	<u><b>98,434</b></u>	<u><b>126,740</b></u>	<u><b>566,732</b></u>

As of September 30, 2024, December 31, 2023, and September 30, 2023, the payables were \$64,193 thousand, \$119,430 thousand and \$67,467 thousand, respectively.

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

<b>Related parties</b>	<b>For the three months ended September 30, 2024</b>		<b>For the nine months ended September 30, 2023</b>	
	<b>Disposal price</b>	<b>Receivables</b>	<b>Disposal price</b>	<b>Receivables</b>
Parent company	\$ 40	-	-	-
Other related parties	-	-	2,577	-
	<u><b>\$ 40</b></u>	<u><b>-</b></u>	<u><b>2,577</b></u>	<u><b>-</b></u>

The gains on disposal of fixed assets to related parties were \$0 thousand and \$800 thousand for the nine months ended September 30, 2024 and 2023, respectively.

H. Leases

The Group to parent company SAS rented a plant from the parent company. The total value of the contract was \$11,290 thousand. For the nine months ended September 30, 2024 and 2023, the Group recognized the amount of \$88 thousand and \$71 thousand as the interest expense, respectively. As of September 30, 2024, December 31, 2023, and September 30, 2023, the balance of lease liabilities amounted to \$8,488 thousand, \$5,409 thousand and \$8,090 thousand, respectively.

I. Refundable deposits

The Group signed an offshore wind power purchase contract via other related parties in response to its sustainable green energy implementation plan. As of September 30, 2024, December 31, 2023, and September 30, 2023, the deposits of \$23,500 thousand had been classified under the other financial assets-noncurrent.

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

**J. Borrowings from Related Parties**

The borrowings from related parties were as follows:

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

  

<b>September 30, 2023</b>			
<u>Related parties</u>	<u>Ending balance</u>	<u>Rate</u>	<u>Interest</u>
Other related parties	\$ <u>-</u>	3.70%	<u>-</u>

The maturity date for these borrowings is on December 25, 2024 and July 21, 2023. As of September 30, 2024 and 2023, the unpaid interest of the above-mentioned debt and interest was \$4,910 thousand and \$389 thousand. There was no borrowing from related parties as of September 30, 2024.

**K. Dividends receivable**

The cash dividends of \$60,647 thousand and \$54,328 thousand from related parties to be distributed to the Group had been received as of September 30, 2024 and 2023.

**L. 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:

<u>Related parties</u>		<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Parent Company and other related parties		\$ <u>1,562</u>	<u>709</u>	<u>4,136</u>	<u>2,171</u>

  

<u>Items</u>	<u>Categories</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Receivable from related parties	Parent company	\$ 1,089	304	457
Receivable from related parties	Other related parties	<u>2</u>	<u>25</u>	<u>2,346</u>
		<u>\$ 1,091</u>	<u>329</u>	<u>2,803</u>

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

- (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:

<b>Related parties</b>		<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Parent company and other related parties		<u>\$ 39,319</u>	<u>24,514</u>	<u>116,561</u>	<u>94,228</u>

  

<b>Items</b>	<b>Categories</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Payable to related parties	Parent company	\$ 32,337	34,970	24,380
Payable to related parties	Other related parties	-	-	16
		<u>\$ 32,337</u>	<u>34,970</u>	<u>24,396</u>

**8. Pledged assets:**

The carrying values of pledged assets were as follows:

<b>Pledged assets</b>	<b>Purpose of pledge</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Property, plant and equipment	Credit lines of borrowings	\$ 2,011,308	2,050,146	2,080,825
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	14,000	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	40,728
Time deposits (recognized in other financial assets — current)	Guarantee for bank financing projects	13,451,250	10,746,750	-
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	7,498,078	-	-
		<u>\$ 23,017,383</u>	<u>12,855,904</u>	<u>2,145,553</u>

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

**9. Commitments and contingencies:**

(1) Significant unrecognized contractual commitments

- A. As of September 30, 2024, December 31, 2023, and September 30, 2023, the purchase amounts for future procurement from suppliers under the existing agreements were \$11,987,028 thousand, \$15,065,848 thousand and \$22,955,777 thousand, respectively.
- B. As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group's unused letters of credit amounted to \$321,974 thousand, \$257,707 thousand and \$272,178 thousand, respectively.
- C. As of September 30, 2024, December 31, 2023, and September 30, 2023, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to \$36,471,599 thousand, \$49,381,852 thousand and \$63,156,562 thousand, respectively.
- D. As of September 30, 2024, December 31, 2023, and September 30, 2023, a guarantee letter for the Customs Administration and research and development projects issued by the bank amounted to \$33,284 thousand, \$44,000 thousand and \$44,000 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 September 30, 2024, December 31, 2023, and September 30, 2023, a guarantee letter for the customer issued by the bank amounted to \$4,525,730 thousand, \$4,452,951 thousand and \$4,572,357 thousand, respectively.
- F. As of September 30, 2024, December 31, 2023, and September 30, 2023, the total amount of promissory notes deposited in banks by the Group due to bank financing is \$100,961,745 thousand, \$64,488,077 thousand and \$59,743,961 thousand, respectively.

(2) Contingent liabilities: None.

**10. Losses due to major disasters: None.**

**11. Subsequent events:**

To expand the Group's business operation, the subsidiary, MEMC Electronic Material Sdn. Bhd., signed a contract for purchasing land and building on October 15, 2024, at a total amount of MYR146,000 thousand.

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

**12. Other:**

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

By function By item	For the three months ended September 30,					
	2024			2023		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	2,070,774	694,365	2,765,139	2,139,058	708,802	2,847,860
Labor and health insurance	276,887	74,491	351,378	272,239	60,105	332,344
Pension	148,602	29,465	178,067	141,134	24,909	166,043
Others	48,002	13,160	61,162	61,715	20,072	81,787
Depreciation	2,039,971	56,553	2,096,524	1,655,960	97,605	1,753,565
Amortization	4,692	830	5,522	4,564	584	5,148

By function By item	For the nine months ended September 30,					
	2024			2023		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	5,923,617	1,755,984	7,679,601	6,331,302	2,089,947	8,421,249
Labor and health insurance	832,628	224,951	1,057,579	794,804	176,839	971,643
Pension	438,526	87,581	526,107	413,783	72,979	486,762
Others	169,485	62,314	231,799	185,878	58,865	244,743
Depreciation	5,751,443	177,176	5,928,619	4,788,576	150,895	4,939,471
Amortization	13,831	2,503	16,334	11,762	2,531	14,293

**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 September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

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

- D. Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT\$300 million or 20% of the capital stock: Please refer to Table 4.
  - 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 5.
  - H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 6.
  - I. Trading in derivative instruments: Please refer to note 6(2).
  - J. Business relationships and significant intercompany transactions: Please refer to Table 7.
- (2) Information on investees: Please refer to Table 8.
- (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 9(1).
  - B. Limitation on investment in Mainland China: Please refer to Table 9(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”.
- (4) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Sino-American Silicon Product Inc.		223,007,864	46.64 %

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

**14. Segment information:**

The Group operating segment information and reconciliations were as follows:

<b>For the three months ended September 30, 2024</b>				
	<b>Semiconductor segment</b>	<b>Power plant segment</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Revenue:				
External customers	\$ 15,813,463	56,515	-	15,869,978
Intersegment	-	-	-	-
Total revenue	<u>\$ 15,813,463</u>	<u>56,515</u>	<u>-</u>	<u>15,869,978</u>
Reportable segment profit or loss	<u>\$ 2,898,778</u>	<u>12,921</u>	<u>-</u>	2,911,699
Share of profit (loss) of associates accounted for using equity method				40,547
				<u>\$ 2,952,246</u>
<b>For the three months ended September 30, 2023</b>				
	<b>Semiconductor segment</b>	<b>Power plant segment</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Revenue:				
External customers	\$ 17,334,055	41,855	-	17,375,910
Intersegment	-	-	-	-
Total revenue	<u>\$ 17,334,055</u>	<u>41,855</u>	<u>-</u>	<u>17,375,910</u>
Reportable segment profit or loss	<u>\$ 5,486,495</u>	<u>7,571</u>	<u>-</u>	5,494,066
Share of profit (loss) of associates accounted for using equity method				44,424
				<u>\$ 5,538,490</u>
<b>For the nine months ended September 30, 2024</b>				
	<b>Semiconductor segment</b>	<b>Power plant segment</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Revenue:				
External customers	\$ 46,157,438	125,232	-	46,282,670
Intersegment	-	-	-	-
Total revenue	<u>\$ 46,157,438</u>	<u>125,232</u>	<u>-</u>	<u>46,282,670</u>
Reportable segment profit or loss	<u>\$ 9,283,369</u>	<u>13,952</u>	<u>-</u>	9,297,321
Share of profit (loss) of associates accounted for using equity method				66,585
				<u>\$ 9,363,906</u>

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

<b>For the nine months ended September 30, 2023</b>				
	<b>Semiconductor segment</b>	<b>Power plant segment</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Revenue:				
External customers	\$ 53,802,470	85,854	-	53,888,324
Intersegment	-	-	-	-
Total revenue	<u>\$ 53,802,470</u>	<u>85,854</u>	<u>-</u>	<u>53,888,324</u>
Reportable segment profit or loss	<u>\$ 15,248,322</u>	<u>11,238</u>	<u>-</u>	15,259,560
Share of profit (loss) of associates accounted for using equity method				68,073
				<u>\$ 15,327,633</u>
	<b>Semiconductor segment</b>	<b>Power plant segment</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Reportable segment assets:				
September 30, 2024	<u>\$ 227,451,123</u>	<u>1,782,766</u>	<u>(351,709)</u>	228,882,180
Investments accounted for using equity metho				1,251,359
				<u>\$ 230,133,539</u>
December 31, 2023	<u>\$ 185,650,952</u>	<u>1,947,151</u>	<u>(2,954)</u>	187,595,149
Investments accounted for using equity method				1,392,852
				<u>\$ 188,988,001</u>
September 30, 2023	<u>\$ 179,837,638</u>	<u>1,716,100</u>	<u>(201,268)</u>	181,352,470
Investments accounted for using equity method				1,090,919
				<u>\$ 182,443,389</u>
Reportable segment liabilities				
September 30, 2024	<u>\$ 135,494,344</u>	<u>583,835</u>	<u>(351,709)</u>	<u>135,726,470</u>
December 31, 2023	<u>\$ 121,921,669</u>	<u>615,661</u>	<u>(2,954)</u>	<u>122,534,376</u>
September 30, 2023	<u>\$ 116,073,556</u>	<u>383,482</u>	<u>(201,268)</u>	<u>116,255,770</u>

**GlobalWafers Co., Ltd. and Subsidiaries**

**Loans to other parties**

**For the period ended September 30, 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	SPVE5	Receivable from related parties	Yes	100,000	100,000	10,000	1.80%	2	-	Operating capital	-	-	-	37,762,525	37,762,525
0	The Company	SPV4	Receivable from related parties	Yes	500,000	500,000	340,000	1.80%	2	-	Operating capital	-	-	-	37,762,525	37,762,525
0	The Company	CWT	Receivable from related parties	Yes	350,000	350,000	58,000	1.80%	2	-	Operating capital	-	-	-	37,762,525	37,762,525
1	GWJ	MEMC Japan	Receivable from related parties	Yes	15,872,220	15,872,220	13,693,680	0.84182%	2	-	Operating capital	-	-	-	19,431,821	19,431,821
2	MEMC SpA	GWS	Receivable from related parties	Yes	2,770,560	2,759,640	-	7.499%	2	-	Operating capital	-	-	-	11,979,700	11,979,700
3	GWS	GWBV	Receivable from related parties	Yes	1,313,400	1,266,000	1,071,226	6.04%	2	-	Operating capital	-	-	-	37,471,071	37,471,071
3	GWS	GW GmbH	Receivable from related parties	Yes	4,440,000	4,422,500	4,422,500	2.70%	2	-	Operating capital	-	-	-	37,471,071	37,471,071
3	GWS	The Company	Receivable from related parties	Yes	9,850,500	9,495,000	3,671,400	5.44%~5.46%	2	-	Operating capital	-	-	-	37,471,071	37,471,071
4	GTI	MEMC LLC	Receivable from related parties	Yes	5,632,200	1,582,500	729,849	5.33607%	2	-	Operating capital	-	-	-	13,353,246	13,353,246
5	GWBV	GW GmbH	Receivable from related parties	Yes	2,131,200	2,122,800	1,132,160	2.70%	2	-	Operating capital	-	-	-	52,250,100	52,250,100
5	GWBV	Topsil A/S	Receivable from related parties	Yes	639,360	636,840	-	4.492%~4.553%	2	-	Operating capital	-	-	-	52,250,100	52,250,100
6	SST	SSKT	Receivable from related parties	Yes	105,445	65,584	-	3.45%	2	-	Operating capital	-	-	-	3,183,310	3,183,310

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	95,445	94,983	88,199	3.45%	2	-	Operating capital	-	-	-	135,998	135,998
8	YHTM	SSKT	Receivable from related parties	Yes	38,633	38,446	38,446	3.45%	2	-	Operating capital	-	-	-	42,296	42,296

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 September 30, 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	283,218,936	22,399,000	15,921,000	12,213,176	-	16.86 %	283,218,936	Y	N	N
0	The Company	GWH	2	283,218,936	1,100,000	800,000	-	-	0.85 %	283,218,936	Y	N	N
0	The Company	SPV4	2	283,218,936	535,067	535,067	63,667	-	0.57 %	283,218,936	Y	N	N
0	The Company	SPVE5	2	283,218,936	114,800	114,800	85,900	-	0.12 %	283,218,936	Y	N	N
0	The Company	GWS	2	283,218,936	5,594,129	5,437,915	5,342,965	-	5.76 %	283,218,936	Y	N	N
0	The Company	MEMC SpA	2	283,218,936	3,125,760	3,113,440	3,078,060	-	3.30 %	283,218,936	Y	N	N
0	The Company	GWA	2	283,218,936	1,189,483	1,189,483	-	-	1.26 %	283,218,936	Y	N	N
0	The Company	CWT	2	283,218,936	1,084,253	1,082,475	35,500	-	1.15 %	283,218,936	Y	N	N
1	GTI	MEMC LLC	2	66,766,230	3,283,500	3,165,000	316,500	-	23.70 %	66,766,230	N	N	N
2	SST	KST	2	15,916,550	1,447,222	1,440,217	1,440,217	-	45.24 %	15,916,550	N	N	Y
3	GWS	GWA	2	187,355,355	28,746,000	28,485,000	11,011,035	-	76.02 %	187,355,355	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 September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures)**

**September 30, 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	-	165,814	3.85 %	165,814	Note
The Company	Siltronic AG	None	Financial assets at fair value through profit or loss — non-current	650	1,571,845	2.17 %	1,571,845	
GW GmbH	Siltronic AG	None	Financial assets at fair value through profit or loss — non-current	3,101	7,498,078	10.34 %	7,498,078	
GWBV	Siltronic AG	None	Financial assets at fair value through profit or loss — non-current	350	846,082	1.17 %	846,082	
The Company	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	621	65,504	0.05 %	65,504	
SST	Foreign Securities	None	Financial assets at fair value through other comprehensive income	16	4,066	0.04 %	4,066	
GWH	Foreign Privately Securities	None	Financial assets at fair value through profit or loss — non-current	-	98,004	1.93 %	98,004	
CWT	CGK International Co., Ltd	None	Financial assets at fair value through other comprehensive income	1,800	-	4.12 %	-	
CWT	Giga Electronic Technology Co., Ltd	None	Financial assets at fair value through other comprehensive income	3,000	-	9.09 %	-	
CWT	ALOX Technology Crop. (original name: B Crystal Corp.)	None	Financial assets at fair value through other comprehensive income	4	-	8.00 %	-	
CWT	Pinecone Material Inc.	None	Financial assets at fair value through profit comprehensive income	3,333	-	11.30 %	-	
YHTM	Dushan Jingke Photoelectric Information Material Co., Ltd	None	Financial assets at fair value through other comprehensive income	18,467	-	11.00 %	-	

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	
GWS	Citigroup Global Markets Holdings Inc. USD Fixed rate Bond	None	Financial assets measured at amortized cost — non-current	-	6,298,350	- %	-	

Note: 1,500 thousand shares were loaned to others, please refer to note 6(16).

**GlobalWafers Co., Ltd. and Subsidiaries**

**Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT\$300 million or 20% of the capital stock**

**For the period ended September 30, 2024**

Table 4

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter- party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount (Note)
GWS	Citigroup Global Markets Holdings Inc. USD Fixed rate Bond	Financial assets measured at amortized cost— non-current	-	None	-	-	-	6,349,394	-	-	-	-	-	6,298,350

Note: The difference was due to fluctuation of the exchange rate.

**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 September 30, 2024**

Table 5

(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	500,982	4 %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(31,665)	(1)%	
The Company	GTI	Indirectly held subsidiaries	Purchase	1,302,319	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(245,707)	(2)%	
The Company	SST	Indirectly held subsidiaries	Purchase	1,103,998	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(224,786)	(2)%	
The Company	GWJ	Directly held subsidiaries	Purchase	5,121,944	11 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(2,047,183)	(21)%	
The Company	Topsil A/S	Indirectly held subsidiaries	Purchase	1,265,318	3 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(94,258)	(1)%	
The Company	GWS	Directly held subsidiaries	Purchase	362,233	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(88,259)	(1)%	
The Company	KST	Indirectly held subsidiaries	Purchase	219,025	- %	Net 45 days from the end of the month upon issuance of invoice	-	-	(31,370)	-%	
SAS	The Company	Parent Company	Purchase	100,713	- %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(3,846)	-%	
GWS	The Company	Directly held subsidiaries	Purchase	5,505,863	12 %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(686,080)	(7)%	
GTI	The Company	Indirectly held subsidiaries	Purchase	2,451,328	5 %	Net 90 days from the end of the next month upon issuance of invoice	-	-	(312,360)	(3)%	
SST	The Company	Indirectly held subsidiaries	Purchase	610,760	1 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(64,812)	(1)%	
Topsil A/S	The Company	Indirectly held subsidiaries	Purchase	358,777	1 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(133,887)	(1)%	

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)	
KST	The Company	Indirectly held subsidiaries	Purchase	207,975	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	(161,850)	(2)%	
Mosel	The Company	Subsidiary of Parent Company SAS	Purchase	138,766	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	(30,499)	-%	
GWJ	The Company	Directly held subsidiaries	Purchase	1,478,292	3 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(440,098)	(4)%	
MEMC Sdn Bhd	The Company	Indirectly held subsidiaries	Purchase	134,005	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	(31,468)	-%	
MEMC Korea	The Company	Indirectly held subsidiaries	Purchase	149,324	- %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(31,670)	-%	
CWT	SAS	Parent Company	Purchase	691,977	9 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(282,476)	(6)%	
MEMC SpA	CWT	Directly held subsidiaries	Purchase	304,832	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(92,025)	(1)%	
MEMC Korea	CWT	Directly held subsidiaries	Purchase	914,052	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(257,846)	(3)%	
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	1,071,475	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(270,796)	(3)%	
GWS	MEMC LLC	Indirectly held subsidiaries	Sale	(541,204)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	178,609	2%	
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	1,030,445	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(202,024)	(2)%	
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(313,961)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	52,202	1%	
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	2,447,019	5 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(571,116)	(6)%	
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(5,660,748)	(12)%	Net 60 days from the end of the month upon issuance of invoice	-	-	1,284,298	13%	
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	1,124,795	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(356,285)	(4)%	

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 Japan	Indirectly held subsidiaries	Purchase	3,883,568	8 %	Net 60 days from the end of the month upon issuance of invoice	-		(1,183,982)	(12)%	
GWS	MEMC Japan	Indirectly held subsidiaries	Sale	(1,483,818)	(3) %	Net 60 days from the end of the month upon issuance of invoice	-		444,601	5%	

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**

**September 30, 2024**

Table 6

(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	GTI	Indirectly held subsidiaries	312,360	6.41	-		-	-
The Company	GWJ	Directly held subsidiaries	440,098	3.09	-		-	-
The Company	GWS	Directly held subsidiaries	686,080	7.76	-		668,824	-
The Company	Topsil A/S	Indirectly held subsidiaries	133,887	2.52	-		49,867	-
The Company	SST	Indirectly held subsidiaries	161,850	2.62	-		-	-
GTI	The Company	Indirectly held subsidiaries	245,707	7.65	-		127,191	-
SST	The Company	Directly held subsidiaries	224,786	6.74	-		121,420	-
GWJ	The Company	Indirectly held subsidiaries	2,047,183	3.40	-		625,510	-
CWT	MEMC Korea	Indirectly held subsidiaries	257,846	9.45	-		45,489	-
SAS	CWT	Directly held subsidiaries	282,476	6.53	-		-	-
GWS	MEMC Japan	Indirectly held subsidiaries	444,601	5.82	-		214,150	-
GWS	MEMC SpA	Indirectly held subsidiaries	1,284,298	5.04	-		-	-
GWS	MEMC LLC	Indirectly held subsidiaries	178,609	4.73	-		99,262	-
MEMC Sdn Bhd	GWS	Directly held subsidiaries	202,024	6.00	-		80,310	-
MEMC SpA	GWS	Directly held subsidiaries	571,116	5.64	-		314,707	-
MEMC Korea	GWS	Directly held subsidiaries	356,285	5.35	-		162,849	-
MEMC Japan	GWS	Directly held subsidiaries	1,183,982	5.47	-		388,314	-
MEMC LLC	GWS	Directly held subsidiaries	270,796	3.77	-		170,065	-
The Company	SPV4	Directly held subsidiaries	341,660	-	-		-	-
				(Note 3)				
GWS	The Company	Directly held subsidiaries	3,828,988	-	-		-	-
				(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		
GWJ	MEMC Japan	Indirectly held subsidiaries	13,693,686	- (Note 3)	-		-	-
GWS	GWBV	Directly held subsidiaries	1,129,724	- (Note 3)	-		-	-
GWS	GW GmbH	Directly held subsidiaries	4,503,857	- (Note 3)	-		-	-
GWBV	GW GmbH	Directly held subsidiaries	1,158,411	- (Note 3)	-		-	-
GTI	MEMC LLC	Indirectly held subsidiaries	742,212	- (Note 3)	-		6,329	-

Note 1: The amount received in subsequent period as of October 25, 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 September 30, 2024**

Table 7

(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	GTI	1	Purchase	1,302,319	Net 60 days from the end of the month upon issuance of invoice	2.81%
0	The Company	SST	1	Purchase	1,103,998	Net 60 days from the end of the month upon issuance of invoice	2.39%
0	The Company	GWJ	1	Purchase	5,121,944	Net 60 to 90 days from the end of the month upon issuance of invoice	11.07%
0	The Company	Topsil A/S	1	Purchase	1,265,318	Net 30 to 60 days from the end of the month upon issuance of invoice	2.73%
0	The Company	GTI	1	Sale	2,451,328	Net 90 days from the end of the next month upon issuance of invoice	5.30%
0	The Company	SST	1	Sale	610,760	Net 30 days from the end of the month upon issuance of invoice	1.32%
0	The Company	GWJ	1	Sale	1,478,292	Net 60 to 90 days from the end of the month upon issuance of invoice	3.19%
0	The Company	GWS	1	Sale	5,505,863	Net 60 days from the end of the month upon issuance of invoice	11.90%
1	CWT	MEMC Korea	3	Sale	914,052	Net 60 days from the end of the month upon issuance of invoice	1.97%
2	GWS	MEMC LLC	3	Purchase	1,071,475	Net 60 days from the end of the month upon issuance of invoice	2.32%
2	GWS	MEMC LLC	3	Sale	541,204	Net 60 days from the end of the month upon issuance of invoice	1.17%
2	GWS	MEMC SpA	3	Purchase	2,447,019	Net 60 days from the end of the month upon issuance of invoice	5.29%
2	GWS	MEMC SpA	3	Sale	5,660,748	Net 60 days from the end of the month upon issuance of invoice	12.23%
2	GWS	MEMC Korea	3	Purchase	1,124,795	Net 60 days from the end of the month upon issuance of invoice	2.43%
2	GWS	MEMC Japan	3	Sale	1,483,818	Net 60 days from the end of the month upon issuance of invoice	3.21%
2	GWS	MEMC Japan	3	Purchase	3,883,568	Net 60 days from the end of the month upon issuance of invoice	8.39%
2	GWS	MEMC Sdn Bhd	3	Purchase	1,030,445	Net 60 days from the end of the month upon issuance of invoice	2.23%

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)
2	GWS	The Company	2	Intercompany Loan	3,828,998	-	1.66%
2	GWS	GW GmbH	3	Intercompany Loan	4,503,857	-	1.96%
3	GWJ	MEMC Japan	3	Intercompany Loan	13,693,686	-	5.95%

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 September 30, 2024**

Table 8

(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 September 30, 2024			Net income (losses) of investee	Share of profits/ losses of investee	Note
				September 30, 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 %	3,213,340	119,961	123,469	Subsidiary
The Company	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	19,455,178	994,213	1,019,052	Subsidiary
The Company	GWS	Singapore	Investment activities	2,207,377	2,207,377	41,674	100.00 %	35,883,749	2,820,743	2,786,828	Subsidiary
The Company	GW GmbH	Germany	Trading	1,952,235 (EUR 62,525)	1,952,235 (EUR 62,525)	48,025	100.00 %	(6,191,970)	(1,052,271)	(1,052,271)	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 %	52,250,100	196,377	196,377	Subsidiary
The Company	HONG-WANG Investment Co., Ltd.	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,251,359	214,956	66,585	Associate
The Company	SPV4	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,060,713	13,092	13,092	Subsidiary
The Company	SPVE5	Taiwan	Electricity activities	141,340	278,000	14,134	100.00 %	138,218	860	860	Subsidiary
The Company	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	263,700	6,000	6,000	Subsidiary
The Company	CWT	Taiwan	Manufacturing and trading of optoelectronic wafers and substrate material	437,924	437,924	43,836	100.00 %	492,691	279,091	71,422	Subsidiary
The Company	GWCC	Taiwan	Investment activities	8,132,250 (USD 250,000)	-	32,529	100.00 %	8,070,380	159,861	159,861	Subsidiary
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY 100,000)	373,413 (JPY 100,000)	750	100.00 %	2,545,329	78,643	-	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 %	11,979,700	146,094	-	Notes 2 and 3
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	4,250	564	-	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 %	24,178,116	381,639	-	Notes 2 and 3

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/ losses of investee	Note
				September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of Ownership	Carrying value			
GWBV	GTI	United States	Manufacturing and trading of epitaxial wafers	2,779,849 (USD91,262)	2,779,849 (USD91,262)	1	100.00 %	14,656,021	(416,322)	-	Notes 2 and 3
GWBV	MEMC Ipoh	Malaysia	Manufacturing and trading of silicon wafers	93,907 (USD1,323)	93,907 (USD1,323)	612,300	100.00 %	5,277	547	-	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 %	2,710,698	43,872	-	Notes 2 and 3
CWT	Crystalwise HK	Hong Kong	Investment activities	- (USD47,650)	- (USD48,100)	47,650	100.00 %	34,831	1,242	-	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 %	5,341,303	(401,932)	-	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 %	1,329,350	51,243	-	Notes 2 and 3
GTI	GWA	United States	Manufacturing and trading of silicon wafers	31 (USD 1)	31 (USD 1)	1	100.00 %	2,939,742	(299,828)	-	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 September 30, 2024**

Table 9

(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 September 30, 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)	119,703	100%	119,703	3,183,310	-
KST	Trading and marketing business	26,587	Note 6	-	-	-	-	6,784	100%	6,784	92,701	-
SSKT	Manufacturing and distributing lithium tantalate and lithium niobate wafers	102,776	Note 7	-	-	-	-	(56,406)	100%	(56,406)	339,996	-
MHTM	Manufacturing and distributing lithium tantalate and lithium niobate wafers	159,588	Note 8	-	-	-	-	(30,841)	90%	(30,841)	6,807	-
YHTM	Manufacturing and sales of optoelectronic and communication materials	1,787,164	Note 9 and Note 10	1,846,602 (USD59,300)	-	59,823 (USD1,850)	1,786,779 (USD57,450)	172	100%	172	42,296	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	2,479,138 (USD79,337) (Note 11)	3,476,061 (USD114,002) (Note 3 and 11)	56,643,787 (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 September 30, 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. And Capital reduction of \$59,823 thousand (USD\$1,850 thousand) remitted back to CWT in June 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\$57,608 thousand in the Mainland China and an amount approved by the Department of Investment Review is US\$57,838 thousand.