



Stock No.: 6182

Wafer Works Corporation

ANNUAL REPORT 2024

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Free inquire website of this annual report: <http://mops.twse.com.tw>

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I. Letter to Shareholders

Dear Shareholders:

The global economic system faced many challenges in 2024 due to continued geopolitical instability, supply chain shifts caused by the constantly evolving international trade relations, cost fluctuations and rising prices. Many countries reduced interest rates to stimulate economic activity, but end-market demand remained weak; creating headwinds for the expected economic recovery.

In the semiconductor industry, the rebound of the market for mature process technologies was slower than anticipated as capital investment flowed primarily into advanced process technologies. According to Semiconductor Equipment and Materials International (SEMI), global silicon wafer shipments in 2024 totaled 12.2 billion square inches, sales revenue reached US\$11.5 billion, marking a year-over-year decline of 6.5%.

Amid this challenging business environment, the company continued to allocate more resources to R&D, focusing its efforts on making breakthroughs in heavy-doped silicon technology and the development of light-doped 12-inch wafers. The team worked actively with our strategic partners by strengthening the existing relationships and securing additional business, we managed to achieve consolidated revenue of NT\$8.721 billion, maintaining break-even performance despite the tough market conditions. In addition, our Shanghai subsidiary successfully went public on the STAR Market of the Shanghai Stock Exchange. Our dedicated team once again demonstrated our ability to be resilient, flexible and adaptive in adverse situations.

Looking ahead to 2025, the global political uncertainties will remain, and the competitive landscape of the semiconductor industry will persist. The company will execute a strategic expansion plan which will put us in a position to capture the potential business up-side when market demand surges. The company will also implement corporate level strategies to align with customer requirements.

We outline our 2025 operational plans to address the increasing customer demands that have been received.

1. Operational Efficiency

The construction of our Erlin and Zhengzhou Phase II plants is underway, preparing us to meet the growing 12-inch silicon wafer demand in key markets. Our disciplined and highly collaborative team will ensure that each milestone is achieved as planned, from the completion of plant construction, equipment installation, product certification to mass production. Our goal is to double Taiwan's revenue within three years of Erlin plant's completion.

Furthermore, our on-going AI-powered smart manufacturing initiatives coupled with supply chain optimization will improve production efficiency and reduce operational costs; thus lay a solid foundation for long-term business growth.

2. Technology Innovation and Product Advancement

We are committed to developing new technologies, advancing into ultra-low resistivity heavy-doped silicon, in order to support customers in developing cutting-edge power devices.

We are also devoted to expanding our product offerings to include specialized silicon wafers for advanced process and advanced packaging applications, as well as developing specialty silicon carbide (SiC) substrates. By focusing on niche markets, we aim to establish a strong presence in the AI-driven technology sector.

3. Global Strategy and Diversification

We do not limit ourselves to a single market and have consistently balanced core business growth with strategic expansions. Over the years, we have successfully established multiple subsidiaries that operated independently and have achieved public listings.

This year, two new subsidiaries will be established to improve our competitiveness and increase potential for growth:

-Silicon Works Tech Corporation will specialize in Silicon-On-Insulator (SOI) Wafers, which are used in power semiconductors and silicon photonics.

-WBG Works Corporation will provide comprehensive Gallium Nitride (GaN) epitaxy material solutions.

As a leading semiconductor material manufacturer in Taiwan, we remain committed to enhancing our presence in the global market, upholding the highest quality standards across all product lines and utilizing our cross-market expertise to optimize operational efficiency. At the same time, strong emphasis will also be placed on sustainability, environmental protection, social responsibility and corporate governance.

We strive to create long-term value for our shareholders and sincerely appreciate the continued trust and support. We look forward to a successful 2025.

Chairman: Ping-Hai, Chiao



President: Hsien-Yuan, Chang



II. Company Governance Report

I. Information of Directors, President, Vice Presidents, Assistant Vice Presidents, Division and Branch Heads

1) Member of the Board

Information on Member of the Board (1)

April 25, 2025

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding held when elected		Current Shareholding		Current Shareholding held by spouse & minor children		Shareholding by nominee arrangement		Experience (Education)	Selected Current Positions at Wafer Works and Other Companies	Executives, Directors or Supervisors Who are Spouses or within second degree of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Ping-Hai, Chiao	Male 71-80	June 21, 2024	3 years	Nov. 4, 1997	12,072,954	2.22%	12,646,405	2.20%	10,527	0%	—	—	MS Chemical Engineering, San Jose State University Chairman of the Board of Directors, Solargiga Energy Holdings Limited Founder and President of Helitek Sr. Manager of Lite-on Semiconductor Corp. PE Manager of Siltec	Note 1	None	None	None	Note 2
Director	R.O.C.	Nan-Yang, Wu	Male 61-70	June 21, 2024	3 years	Mar. 17, 2017	—	—	—	—	—	—	—	—	Master Degree, Stanford University President of Central Technology Venture Capital, Inc. President of Legend Technology Venture Capital Investment Corp., Team Leader of Optoelectronic Laboratory, ITRI	Note 3	None	None	None	—
Director	R.O.C.	Hua Eng Wire & Cable Co., Ltd.	—	June 21, 2024	3 years	Nov. 4, 1997	5,699,013	1.05%	5,951,040	1.04%	—	—	—	—	Not applicable	None	None	None	None	—
	R.O.C.	Representative: Hsiu-Mei, Liu	Female 61-70			Feb. 1, 2022	—	—	—	—	—	—	—	—	MS Accounting, Long Island University, New York Vice President of Management Division of Hue Eng Wire & Cable Co., Ltd.	Note 4	None	None	None	—
Director	R.O.C.	Chung-Hou, Tai	Male 71-80	June 21, 2024	3 years	June 23, 2006	1,518,162	0.28%	1,518,162	0.26%	—	—	—	—	MS Management Science, Tamkang University BS Electric and Control Engineering, NCTU Chairman of Investar Corporation Co-founder of Acer Corp.	Note 5	None	None	None	—
Director	R.O.C.	Grand Sea Investments Limited	—	June 21, 2024	3 years	June 21, 2024	1,599,484	0.29%	1,670,218	0.29%	—	—	—	—	Not applicable	None	None	None	None	—
	R.O.C.	Representative: Zhen-Tu, Liu	Male 71-80			June 25, 2015	124	0%	124	0%	—	—	—	—	Ph.D. Business Administration, Nova Southeastern University, USA CFO of USI Group President of Harbinger Venture Capital President of Liancheng Venture Capital Director of MITAC International Corp. Director of Getac Director of UPC Technology Corporation Director of HanTech Venture Capital Corporation Supervisor of Synnex Technology International Corporation	Note 6	None	None	None	—
Independent Director	R.O.C.	Yong-Song, Tsai	Male 61-70	June 21, 2024	3 years	June 25, 2015	—	—	—	—	—	—	—	—	MS International Business Management, NTU MS Materials Science and Engineering, The Ohio State University, USA Vice President of Walden International Taiwan Co., Ltd.	Note 7	None	None	None	—
Independent Director	R.O.C.	Feng-I, Lin	Male 71-80	June 21, 2024	3 years	June 27, 2018	—	—	—	—	—	—	—	—	MS Economics, Nankai University, Tianjin BA Accounting, Soochow University Director and Vice President of Want Want China Holdings Limited	Note 8	None	None	None	—

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding held when elected		Current Shareholding		Current Shareholding held by spouse & minor children		Shareholding by nominee arrangement		Experience (Education)	Selected Current Positions at Wafer Works and Other Companies	Executives, Directors or Supervisors Who are Spouses or within second degree of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	De-Wai, Chou	Male 51-60	June 21, 2024	3 years	July 23, 2021	—	—	—	—	—	—	—	—	Ph.D. Finance and MS Business Administration, Drexel University, Lebow School of Business, Philadelphia, USA Director of LUNGTEH SHIPBUILDING CO., LTD. (Representative of National development fund) Dean of college of Management, National Taiwan Normal University Independent director of Nanoplus Ltd. CEO of Double Master Degree Program in International Business Management, National Taiwan Normal University Science and technology technician of the Ministry of Science and Technology Visiting Scholar of University of Washington Director of the Graduate Institute of Management, National Taiwan Normal University Professor of the Graduate Institute of Management, National Taiwan Normal University	Note 9	None	None	None	—
Independent Director	R.O.C.	Rui-Hua, Hong	Female 51-60	June 21, 2024	3 years	June 21, 2024	14,210	0%	34,838	0.01%	—	—	—	—	Doctor of Electrical Engineering, National Sun Yat-sen University (Directly pursue a PhD) Bachelor of Electrical Engineering, National Cheng Kung University Department Director of Electronics, National Yang Ming Chiao Tung University Dean of the Institute of Innovation Industry Promotion National Chung Hsing University Lecture professor of National Yang Ming Chiao Tung University	Note 10	None	None	None	—

Note 1: Concurrently holds the positions of CEO of Wafer Works Corporation, President of Helitek Company Ltd., Chairman of Heli-Vantech Corp., Director of Silicon Technology Investment (Cayman) Corp., Director of Wafer Works (Shanghai) Co., Ltd., Director of Wafer Works Epitaxial Corp., Director of Wafer Works Investment Corp., and Director of Wafermaster Investment Corp.

Note 2: When the Chairman and President or equivalent position (Top Executive) of a company is the same person, or spouse for first degree relative of each other, the reason, rationality, necessity, and responsive measure of this situation shall be specified;

The reason that the Chairman of the Company is also the CEO of the Company is for the overall operational consideration. With his outstanding business vision, the Company would like to have the Chairman actually participate in the Company's operation in order to implement the operational decision making and to enhance the operation efficiency. So far 2/3 of the members of the Board of Directors are neither employees or managers. The Company has also established an Audit Committee and Compensation Committee to strengthen the Company governance and to continuously reduce the operational risks through vigorous internal control mechanism.

Note 3: Concurrently holds the positions of Director of Edision Opto Corporatio, Director of Guangdong Jinko Electronics Co., Ltd., and Director of Advanced Photoelectronic Technology Ltd. (Hong Kong).

Note 4: Concurrently holds the positions of Vice President of Management Division of Hua Eng Wire & Cable Co., Ltd., Director of China Ecotek Corporation, Director of Co-Tech Development Corp., Director of Bionime Corporation, Supervisor of Hua Ho Engineering Co., Ltd.,

Note 5: Concurrently holds the positions of Representative/Director of Xuyang Wealth Management Consultancy, Chairman of Investar Corporation, Representative/Director of Heyang Investment Co., Ltd., Representative/Director of Zettabyte Holdings, Inc., Chairman of WBG Works Corporation, Director of Digitimes Inc., Director of Global Testing Corporation., Director of Lumens Digital Optics Inc., Director of Evest Corporation., Independent Director of VNET Group, Inc., Director of Chief Telecom Inc., Independent Director of Asustek Computer Incorporation, Director of Wafer Works (Shanghai) Co., Ltd., and Director of IC Broadcasting Co., Ltd.

Note 6: Concurrently holds the positions of Independent Director of MOSEL VITELIC INC, and Independent Director of Protrade Applied Materials Corp.

Note 7: Concurrently holds the positions of Partner of Asia Parker Capital Limited, and Independent Director of Silergy Corp.

Note 8: Concurrently holds the positions of Independent Director of Sunjuice Holdings Co., Limited, and Director of Shanghai Karon Eco-Valve Manufacturing Co., Ltd.

Note 9: Concurrently holds the positions of Director of the Industrial and Management Research and Development Center at the College of Management, National Taiwan Normal University, Supervisor of Taiwan Association of Board Governance, and Supervisor of Taiwan Institute of Directors, and Executive Director of Chinese United Family Office Associates.

Note 10: Concurrently holds the positions of Independent Director of Apex International Co., Ltd., and The Eighth Board of Directors of the National Synchrotron Radiation Research Center.

Major shareholders of Wafer Works institutional shareholders

April 25, 2025

Institutional Shareholder	Major Shareholders of the Institutional Shareholders
Hua Eng Wire & Cable Co., Ltd.	First Copper Technology Co., Ltd. (32.96%); Hua Horng Investment Co., Ltd. (7.39%); Pi-O, Wang Yang (5.24%); Feng-Shu, Wang (2.55%); Wen-Ling, Wang (2.20%); Hung-Jen, Wang (2.12%); Hung-Ming, Wang (1.46%); Kun-Jung, Chen (0.80%); Mei Da Woods Industry Co., Ltd. (0.62%); Jyun-Syong, Wang (0.48%)
Grand Sea Investments Limited	Ping-Hai, Chiao (100%)

Major Shareholders of Wafer Works' Major Institutional Shareholders

April 25, 2025

Corporate Name	Major Shareholders of Corporate
First Copper Technology Co., Ltd.	Hua Eng Wire & Cable Co., Ltd. (39.44%); Pi-O, Wang Yang (10.49%); Wen-Ling, Wang (1.82%); Ti-Chen, Fu (1.31%); Feng-Chuan, Wang (0.67%); International Shipbreaking Enterprise Co., Ltd. (0.50%); J.P. Morgan Asset Management Special Account under the custody of J.P. Morgan Chase Bank (0.48%); Feng-Shu, Wang (0.43%); Hung-Ming, Wang (0.41%); UBS Europe SE Investment Special Account under the custody of Citibank (0.36%)
Hua Horng Investment Co., Ltd.	Kulsum Industries Limited (Hong Kong) (79.79%); Wen-Ling, Wang (3.19%); Feng-Chuan, Wang (3.19%); Feng-Shu, Wang (3.19%); Hung-Jen, Wang (3.19%); Hung-Ming, Wang (2.87%); Yu-Ting, Wang (2.13%); Pi-O, Wang Yang (1.60%); Feng-Chin, Wang (0.85%)
Mei Da Woods Industry Co., Ltd.	Pi-O, Wang Yang (41.05%); Wen-Ling, Wang (16.32%); Feng-Chuan, Wang (15.79%); Feng-Shu, Wang (15.79%); Hung-Jen, Wang (5.26%); Hung-Ming, Wang (5.26%); Yu-Ting, Wang (0.53%)

Information on directors (2)

1) Disclosure of Professional Qualifications of Directors and Independence of Independent Directors:

Criteria Name	Professional qualification and experience	Independence Status	Number of other public companies in which the individual concurrently serve as an Independent Director
Chairman, Ping-Hai, Chiao	He graduated from San Jose State University with a master degree in Chemical Engineering. He is currently the chairman and CEO of the Company. He has dedicated to the semiconductor industry for almost 40 years, and he equips with capabilities of professional leadership, marketing, operational management, and strategic planning to lead the company towards sustainable operations as a pioneer of the industry. There is no circumstance defined in Article 30 of Company Act.	–	0

Criteria Name	Professional qualification and experience	Independence Status	Number of other public companies in which the individual concurrently serve as an Independent Director
Director, Nan-Yang, Wu	<p>Mr. Nan-Yang, Wu graduated from Stanford University with a master degree.</p> <p>He holds the positions of Director of Edison Opto Corporation, Director of Guangdong Jinko Electronics Co., Ltd., and Director of Advanced Photoelectronic Technology Ltd (Hong Kong).</p> <p>He equips with experience in finance, commerce, market investment, industry related operational planning, and management practice experiences.</p> <p>There is no circumstance defined in Article 30 of Company Act.</p>	–	0
Hua Eng Wire & Cable Co., Ltd. Representative: Hsiu-Mei, Liu	<p>Ms. Hsiu-Mei, Liu graduated from Long Island University, New York with a master degree in Accounting.</p> <p>She currently serves as the Vice President of Management Division of Hue Eng Wire & Cable Co., Ltd., Representative of Corporate, Directors of China Ecotek Corporation, and Co-Tech Development Corporation.</p> <p>She equips with experience and professional qualifications in commerce, finance, and the company's business and specialized in corporate finance and accounting affairs, and equipped with rich industrial planning experience.</p> <p>There is no circumstance defined in Article 30 of Company Act.</p>	–	0
Director, Chung-Hou, Tai	<p>Mr. Chung-Hou, Tai graduated from Tamkang University with a master degree in Management Science.</p> <p>He is the co-founder of ACER and he currently serves as the Chairman of Isvestar Corporation, Director of Digitimes Inc., Independent Director of Asustek Computer Incorporation, Director of Chief Telecom Inc.,</p> <p>He equips with industrial experience, and capabilities in strategic management, marketing, leadership, and academic research.</p> <p>There is no circumstance defined in Article 30 of Company Act.</p>	–	1

Criteria Name	Professional qualification and experience	Independence Status	Number of other public companies in which the individual concurrently serve as an Independent Director
Grand Sea Investments Limited Representative: Zhen-Tu, Liu	<p>Dr. Zhen-Tu, Liu graduated from Nova Southeastern University, USA with a doctoral degree in Business Administration.</p> <p>He was once the Director of MITAC International Corp. and Director of Getac and Director of UPC Technology Corporation.</p> <p>He was once the CFO of USI Group.</p> <p>He currently serves as the Independent Director of MOSEL VITELIC INC and Independent Director of Protrade Applied Materials Corp.</p> <p>He equips with the capabilities of corporate governance, accounting information and financial analysis, the insight of industrial development, and the capability of operational management practices.</p> <p>There is no circumstance defined in Article 30 of Company Act.</p>	–	2

Criteria Name	Professional qualification and experience	Independence Status	Number of other public companies in which the individual concurrently serve as an Independent Director
Independent Director, Yong-Song, Tsai	<p>Mr. Yong-Song, Tsai graduated from NTU with a master degree in International Business Management, and has another master's degree in Materials Science and Engineering in The Ohio State University, USA.</p> <p>He is a member of the Company's Compensation Committee and the Audit Committee, partner of Asia Parker Capital Limited, and Independent Director of Silergy Corporation.</p> <p>He equips with more than 5 years of experience and professional qualification in commerce, finance, market investment and the company's business.</p> <p>There is no circumstance defined in Article 30 of Company Act.</p>	<p>Compliance with independence:</p> <ol style="list-style-type: none"> 1. The person, his/her spouse, or his/her relatives within the second degree of kinship have not served as the director, supervisor, or employee of the Company or its affiliated enterprise. 2. The person, his/her spouse, or his/her relatives within the second degree of kinship have not personally (or through nominees) held any share of the Company. 3. The person has not served as the director, supervisor, or employee of the company with specific relationship with the Company. 4. There has not been any amount of remuneration received for providing the company or its affiliated enterprises with commercial, legal, financial, or accounting service in last two years. 	1

Criteria Name	Professional qualification and experience	Independence Status	Number of other public companies in which the individual concurrently serve as an Independent Director
Independent Director, Feng-I, Lin	<p>Mr. Feng-I, Lin graduated from Soochow University with a bachelor degree in Accounting and graduated from Nankai University, Tianjin with a master's degree in Economics.</p> <p>He is the convenor of the Company's Audit Committee and the member of the Company's Compensation Committee.</p> <p>He was once the Independent Director of Grape King Bio Ltd.,</p> <p>He currently serves as the Independent Director of Sunjuice Holdings Co., Limited.</p> <p>He equips with more than 5 years of experience and professional qualification in commerce, finance, accounting and the company's business.</p> <p>There is no circumstance defined in Article 30 of Company Act.</p>	<p>Compliance with independence:</p> <ol style="list-style-type: none"> 1. The person, his/her spouse, or his/her relatives within the second degree of kinship have not served as the director, supervisor, or employee of the Company or its affiliated enterprise. 2. The person, his/her spouse, or his/her relatives within the second degree of kinship have not personally (or through nominees) held any share of the company. 3. The person has not served as the director, supervisor, or employee of the company with specific relationship with the Company. 4. There has not been any amount of remuneration received for providing the company or its affiliated enterprises with commercial, legal, financial, or accounting service in last two years. 	1

Criteria Name	Professional qualification and experience	Independence Status	Number of other public companies in which the individual concurrently serve as an Independent Director
Independent Director, De-Wai, Chou	<p>Mr. De-Wai, Chou graduated from Drexel University, Lebow School of Business, Philadelphia, USA, with a master degree in Business Administration and a doctoral degree in Finance.</p> <p>He is the convenor of the Company's Compensation Committee and the member of the Company's Audit Committee. Professor of the Graduate Institute of Management of National Taiwan Normal University. He was once the Director of Lungtech Shipbuilding Co., Ltd., and Executive Supervisor of Taiwan Association of Business Schools.</p> <p>He currently serves as Supervisor of Taiwan Association of Board Governance, and Supervisor of Taiwan Institute of Directors, Executive Director of Chinese United Family Office Associates.</p> <p>He equips with more than 5 years of experience in commerce, finance, accounting, and the professional qualification as a college professor in the department related to the Company's business.</p> <p>There is no circumstance defined in Article 30 of Company Act.</p>	<p>Compliance with independence:</p> <ol style="list-style-type: none"> 1. The person, his/her spouse, or his/her relatives within the second degree of kinship have not served as the director, supervisor, or employee of the Company or its affiliated enterprise. 2. The person, his/her spouse, or his/her relatives within the second degree of kinship have not personally (or through nominees) held any share of the Company. 3. The person has not served as the director, supervisor, or employee of the company with specific relationship with the Company. 4. There has not been any amount of remuneration received for providing the company or its affiliated enterprises with commercial, legal, financial, or accounting service in last two years. 	0

Criteria Name	Professional qualification and experience	Independence Status	Number of other public companies in which the individual concurrently serve as an Independent Director
Independent Director, Rui-Hua, Hong	<p>Ms. Rui-Hua, Hong graduated from National Sun Yat-sen University with a Ph.D. in Electrical Engineering (direct-entry doctoral program) and National Cheng Kung University with a Bachelor's degree in Electrical Engineering.</p> <p>She is a member of the Company's Compensation Committee and the Audit Committee.</p> <p>Holds the position of Distinguished Professor at NYCU, formerly served as the Chair of the Department of Electronics at NYCU, and as the Dean of the College of Innovation and Industry Liaison at NCHU.</p> <p>Concurrently holds the positions of Independent Director of Apex International Co., Ltd., and The Eighth Board of Directors of the National Synchrotron Radiation Research Center</p> <p>She equips with more than 5 years of experience in commerce and the professional qualification as a college professor in the department related to the Company's business.</p> <p>There is no circumstance defined in Article 30 of Company Act.</p>	<p>Compliance with independence:</p> <p>1. The person, his/her spouse, or his/her relatives within the second degree of kinship have not served as the director, supervisor, or employee of the Company or its affiliated enterprise.</p> <p>2. Hold 34,838 shares of the company's stock. Neither my spouse nor relatives within the second degree of kinship (or through nominees) hold any shares of the company."</p> <p>3. The person has not served as the director, supervisor, or employee of the company with specific relationship with the Company.</p> <p>There has not been any amount of remuneration received for providing the company or its affiliated enterprises with commercial, legal, financial, or accounting service in last two years.</p>	1

2. Diversity and independence of Board of Directors

(1) Diversity of Board of Directors:

According to Article 20 of the Company's "Corporate Governance Code", the Board of Directors must be composed of diversified members equipped with the required knowledge, skills, and professions for implementing their job duties. In order to achieve the ideal goals of corporate governance, the entire Board of Directors shall be equipped with the following abilities: (1) Operational judgment ability (2) Accounting and financial analysis ability (3) Operation management ability (4) Crisis management ability (5) Industrial expertise (6) Global market perspective (7) Leadership (8) Decision making ability

The diversification policy of directors is as shown below:

Name	Title	Gender	Age			Tenure of Independent Director			Employed by Wafer Works	Diversified Core Capabilities						
			51 - 60	61 - 70	71 - 80	Less than 3 years	3 to 9 years	More than 9 years		Operational Judgment Ability	Accountant and Financial Analysis Ability	Operation Management Ability	Crisis Management Ability	Industry Expertise	Global market perspective	Leadership
Ping-Hai, Chiao	Chairman	Male			✓				✓	✓	✓	✓	✓	✓	✓	✓
Nan-Yang, Wu	Director	Male		✓						✓	✓	✓	✓	✓	✓	✓
Hsiu-Mei, Liu	Director	Female		✓						✓	✓	✓	✓	✓	✓	✓
Chung-Hou, Tai	Director	Male			✓					✓		✓	✓	✓	✓	✓
Zhen-Tu, Liu	Director	Male			✓					✓	✓	✓	✓	✓	✓	✓
Yong-Song, Tsai	Independent Director	Male		✓				✓		✓	✓	✓	✓	✓	✓	✓
Feng-I, Lin	Independent Director	Male			✓		✓			✓	✓	✓		✓	✓	✓
De-Wai, Chou	Independent Director	Male	✓				✓			✓	✓	✓		✓	✓	✓
Rui-Hua, Hong	Independent Director	Female	✓			✓				✓		✓	✓	✓	✓	✓

Note: The Company's Board of Directors includes two female members, which has not yet reached one-third of the total number of board seats. The current composition reflects the Company's director nomination process, which prioritizes candidates' professional expertise and industry experience. Due to the characteristics of the technology sector where female representation remains relatively low identifying qualified female candidates presents certain challenges. The Company fully acknowledges that board diversity is critical to enhancing the quality of decision-making and supporting long-term sustainable development. As such, the Company is committed to progressively increasing the proportion of female directors in order to achieve its diversity and governance objectives.

Management Goal	Achievement
There shall be at least one female director	Achieved
Directors who also serve as company managers shall not exceed 1/3 of the total number of directors	Achieved

(2) Independence of board of directors:

The current board of directors of the company consists of 9 directors including 4 independent directors accounting for 44%. Independent Director Yong-Song, Tsai has served for three or more consecutive terms. Due to his business, financial, market investment, and other rich practical experience, Mr. Tsai is able to provide critical advice to the Company. Thus, the Company still requires his critical expertise, and that he gives the Board of Directors oversight and provides it with expert advice. The qualifications of all independent directors are in compliance with the statutory regulations, and none of directors are spouses or relatives within the second degree to each other as stipulated in Article 26 Paragraph 3 Item 3 and 4 of the Securities and Exchange Act.

2) Information about Company's President, Vice Presidents, Assistant Vice Presidents, Division Heads, and Branch Heads

April 25, 2025

Title	Nationality	Name	Gender	Date Elected	Shareholding		Current shareholding held by spouse & minors		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions at Wafer Works and Other Companies	Executives, Directors or Supervisors Who are Spouses or within the second degree of kinship			Note
					Shares	%	Shares	%	Number of shares	Rate of share-holding			Title	Name	Relation	
Chairman and CEO	R.O.C.	Ping-Hai, Chiao	Male	July 24, 1997	12,646,405	2.20%	10,527	0.00%	—	—	MS Chemical Engineering, San Jose State University Chairman of the Board of Directors, Solargiga Energy Holdings Limited Founder and President of Helitek Sr. Manager of Lite-on Semiconductor Corp. PE Manager of Siltec	Note 1	None	None	None	Note 2
President	R.O.C.	Hsien-Yuan, Chang	Male	Aug. 5, 2021	571,213	0.10%	—	—	—	—	Ph.D. Chemical Engineering, University of Leeds, UK President of Chip LEDs Technology Sr. Manager of CMSC, Inc. Department Manager of UMC Section Manager of TSMC	President of Huaxin (Shanghai) Technology Co. Ltd. Director of J-Metrics Co., Ltd.	None	None	None	—
Manufacture Vice President	R.O.C.	Yung-Cheng, Sung	Male	Nov. 4, 2021	192,899	0.03%	—	—	—	—	MS Mechanical Engineering, National Central University Engineer of Taisil Electronic Materials Corp. Engineer of Electronic & Optoelectronic System Research Laboratories, ITRI	None	None	None	None	—
Plant Constructing Group Vice President	R.O.C.	Kuang-Chung, Liao	Male	Nov. 6, 2018	274,213	0.05%	—	—	—	—	MS Mechanical Engineering, National Central University Engineer of Gold Circuit Electronics Ltd. Engineer of Princeton Precision Industries Co. Engineer of TXC Corporation	None	None	None	None	—
Sales Vice President	R.O.C.	Lung-Chih, Lin	Male	Aug. 4, 2022	85,000	0.01%	—	—	—	—	MS Electrical Engineering, Da-Yeh University Project Vice Manager of Feeling Technology Corp. Senior Engineer of System Application, Novatek Microelectronics Corp., Senior Engineer of Protech Pharmservices Corporation	Director of Silicon Works Technology Corporation	None	None	None	—
Vice President of Investment & Planning Office	R.O.C.	Po-Lin, Tsou	Male	Aug. 4, 2022	90,000	0.02%	—	—	—	—	MS Business Administration, National Cheng-Chi University Senior Vice President of Marketing, CTBC Venture Capital Co. Senior Investment Director, HTC Vice General Manager of OFCO Industrial Corporation	Chairman of Silicon Works Technology Corporation Director of WBG Works Corporation	None	None	None	—
Vice President of New Business Development Organization	R.O.C.	Kuo-Chun, Wu	Male	May 5, 2023	89,000	0.02%	—	—	—	—	Ph.D. & MS in Mechanical Engineering, Massachusetts Institute of Technology (M.I.T), Cambridge, USA BS in Mechanical Engineering, National Taiwan University, Taipei, Taiwan General Manager, Electronic Chemicals & Substrate Business Group in CMC Materials Vice President of Technology Transfer, Ultratech in Hsinchu, Taiwan Director of Advanced Module Division, SMIC in Shanghai, China R&D Module Manager, Mosel Vitelic, San Jose, USA Sr. Process/Mechanical Engineer, Applied Materials, Santa Clara, USA	President & Director of Silicon Works Technology Corporation	None	None	None	—
IT Assistant Vice President	R.O.C.	Shu-Jen, Lo	Female	Oct. 29, 2019	44,790	0.01%	—	—	—	—	MS Mathematics Science Computer Option, University of Massachusetts at Lowell, USA IT Manager of Taroko Textiles Corporation IT Manager of Carrier Taiwan	None	None	None	None	—
HR Assistant Vice President	R.O.C.	Chun-Fei, Hou	Female	Sep.5,2022	55,884	0.01%	—	—	—	—	MS Business Administration, University of Illinois at Urbana-Champaign, USA Deputy HR Director, Global Unichip Corp. HR Director, Etron Technology Inc. Senior HR Manager, Focaltech Systems Co., Ltd. Senior HR Manager, D-Link Corp. Assistant HR Manager, Hon Hai Technology Group (Foxconn)	None	None	None	None	—
Quality Assistant Vice President	R.O.C.	Cheng-Ho, Liu	Male	Oct. 11, 2023	35,190	0.01%	—	—	—	—	MS in Advanced Technology Management, University of South Australia, Australia Plant Director, EPISIL Technologies Inc., Taiwan MFG Photo Manager, Ti-Acer Incorporated, Taiwan	None	None	None	None	—
Financial Director (Note 3)	R.O.C.	Wei-Lun, Lin	Male	May 6, 2020	0	0.00%	751	0.00%	—	—	BA Public Finance, Feng Chia University Sr. Specialist of Underwriting Department of Fuhua Securities Corp. Supervisor of Audit Department of KPMG	Supervisor of Huaxin (Shanghai) Technology Co. Ltd.	None	None	None	—
Accounting Director	R.O.C.	Chia-Yu, Lu	Female	May 6, 2020	0	0.00%	—	—	—	—	BA Accounting, Chang Jung Christian University Vice Manager of Audit Department of Ernst & Young Vice Manager of Finance and Accounting Department of Europtronic(Taiwan) Ind. Corp. Manager of Finance and Accounting Department of Frog Technology Ltd.	Financial and Accounting Director of Huaxin (Shanghai) Technology Co. Ltd.	None	None	None	—

Note 1: Concurrently holds the positions of President of Helitek Company Ltd., Chairman of Heli-Vantech Corp., Director of Silicon Technology Investment (Cayman) Corp., Director of Wafer Works (Shanghai) Co., Ltd., Director of Wafer Works Epitaxial Corp., Director of Wafer Works Investment Corp., and Director of Wafermaster Investment Corp.

Note 2: When the Chairman and President or equivalent position (Top Executive) of a company is the same person, or spouse for first degree relative of each other, the reason, rationality, necessity, and responsive measure of this situation shall be specified; The reason that the Chairman of the Company is also the CEO of the Company is for the overall operational consideration. With his outstanding business vision, the Company would like to have the Chairman actually participate in the Company's operation in order to implement the operational decision making and to enhance the operation efficiency. So far 2/3 of the members of our Board of Directors are neither employee or managers. The Company has also established Audit Committee and Compensation Committee to strengthen the Company governance and to continuously reduce the operational risks through vigorous internal control mechanism.

Note 3: Financial Director Wei-Lun, Lin resigned on March 7, 2025, and the relevant information was disclosed until the date of his resignation.

II. Remuneration of Directors, Independent Directors, President and Vice Presidents

1. Remuneration to general directors and independent directors

(1) Summary disclosure

December 31, 2024 Unit: NTD thousand

Job Title	Name	Remuneration to Directors								Amount and ratio of total A, B, C, D to net income (%) (Note 2)		Remuneration received as employee								Amount and ratio of total A, B, C, D, E, F and G to net income (%) (Note 2)		Remuneration from invested companies other than subsidiaries or parent company
		Remuneration (A)		Pension (B)		Remuneration to directors (C) (Note 1)		Allowances (D)				Salary, bonus and special allowance (E)		Pension (F)		Employee remuneration (G) (Note 1)						
		The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company		All companies mentioned in the financial statements		The Company	All companies mentioned in the financial reports	
																Cash	Stock	Cash	Stock			
Director	Ping-Hai, Chiao	660	1,439	-	-	300	300	-	-	960 23.8036%	1,739 43.1192%	3,710	5,530	-	-	0	-	0	-	4,670 115.7947%	7,269 180.2380%	None
	Nan-Yang, Wu																					
	Hua Eng Wire&Cable Co., Ltd. Representative: Hsiu-Mei, Liu																					
	Chung-Hou, Tai																					
	Grand Sea Investments Limited Representative: Zhen-Tu, Liu (Newly appointed on June 21, 2024.)																					
	Hitech Holding (BVI) Corp. Representative: Chun-Lin, Chen (Not re-elected to the board on June 21, 2024.)																					
Independent Director	Yong-Song, Tsai	2,100	2,100	-	-	-	-	-	-	2,100 52.0704%	2,100 52.0704%	-	-	-	-	-	-	-	-	2,100 52.0704%	2,100 52.0704%	None
	Feng-I, Lin																					
	De-Wai, Chou																					
	Rui-Hua, Hong																					
	(Newly appointed on June 21, 2024.)																					
1. Specify the remuneration payment policy, system, standard, and structure for independent director, and the correlation between the amount of payment in accordance with the factors of job duty, risk, and dedicated time: It is specified in the “Rules of Director Remuneration Payment” of the Company that the independent director’s duty is to performance business independently and participate in company governance while receiving fixed amount of remuneration monthly, so he/she shall not participate in the director remuneration distribution from the Company’s annual earnings. 2. The remuneration received by the Company’s director in the most recent year for providing services (such as serving as a consultant (not an employee) for the parent company/all companies in the financial report/reinvestment company): None.																						

Note 1: The 2024 remuneration distribution proposal was approved by the Company's Board of Directors on March 14, 2025, but it is not yet submitted to the shareholders' meeting, so the amounts and list of employee remuneration distribution have not yet been determined. So the aforementioned amount is only the estimated amount.

Note 2: The 2024 net income after tax is NTD 4,033 thousand.

(2) Classification of remuneration

Range of remuneration paid to directors	Name of director			
	Aggregate of first four items (A+B+C+D)		Aggregate of first seven items (A+B+C+D+E+F+G)	
	The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports
Less than NTD1,000,000	Ping-Hai, Chiao, Nan-Yang, Wu, Hua Eng Wire & Cable Co., Ltd., Chung-Hou, Tai, Zhen-Tu, Liu, Grand Sea Investments Limited, Chun-Lin, Chen, Yong-Song, Tsai, Feng-I, Lin, De-Wai, Chou, Rui-Hua, Hong	Ping-Hai, Chiao, Nan-Yang, Wu, Hua Eng Wire & Cable Co., Ltd., Chung-Hou, Tai, Zhen-Tu, Liu, Grand Sea Investments Limited, Chun-Lin, Chen, Yong-Song, Tsai, Feng-I, Lin, De-Wai, Chou, Rui-Hua, Hong	Nan-Yang, Wu, Hua Eng Wire & Cable Co., Ltd., Chung-Hou, Tai, Zhen-Tu, Liu, Grand Sea Investments Limited, Chun-Lin, Chen, Yong-Song, Tsai, Feng-I, Lin, De-Wai, Chou, Rui-Hua, Hong	Nan-Yang, Wu, Hua Eng Wire & Cable Co., Ltd., Chung-Hou, Tai, Zhen-Tu, Liu, Grand Sea Investments Limited, Chun-Lin, Chen, Yong-Song, Tsai, Feng-I, Lin, De-Wai, Chou, Rui-Hua, Hong
NTD1,000,000(inclusive) ~ NTD2,000,000(exclusive)				
NTD2,000,000(inclusive) ~ NTD3,500,000(exclusive)				
NTD3,500,000 (inclusive) ~ NTD5,000,000(exclusive)			Ping-Hai, Chiao	
NTD5,000,000(inclusive) ~ NTD10,000,000(exclusive)				Ping-Hai, Chiao
NTD10,000,000(inclusive) ~ NTD15,000,000(exclusive)				
NTD15,000,000(inclusive) ~ NTD30,000,000(exclusive)				
NTD30,000,000(inclusive) ~ NTD50,000,000(exclusive)				
NTD50,000,000(inclusive) ~ NTD100,000,000(exclusive)				
Over NTD100,000,000				
Total	3,060 thousand	3,839 thousand	6,770 thousand	9,369 thousand

2. Remuneration to Supervisor: Not applicable.

3. Remuneration to President and Vice Presidents

(1) Summary disclosure

December 31, 2024 Unit: NTD thousand

December 31, 2024 Unit: NTD thousand														
Title	Name	Salaries(A)		Pension (B)		Salary, bonus and special allowance, etc. (C)		Remuneration to employees (D) (Note 1)				Amount and ratio of total A, B, C, D, E, F and G to net income (%) (Note 2)		Remuneration from invested companies other than subsidiaries or parent company
		The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company	All companies mentioned in the financial reports	The Company		All companies mentioned in the financial reports		The Company	All companies mentioned in the financial reports	
								Cash	Stock	Cash	Stock			
Chairman and CEO	Ping-Hai, Chiao	23,696	25,515	648	648	-	-	95	-	95	-	24,439 605.9757%	26,258 651.0786%	None
President	Hsien-Yuan, Chang													
Manufacture Vice President	Yung-Cheng, Sung													
Plant Constructing Group Vice President	Kuang-Chung, Liao													
Sales Vice President	Lung-Chih, Lin													
Vice President of Investment & Planning Office	Po-Lin, Tsou													
Vice President of New Business Development Organization	Kuo-Chun, Wu													

Note 1: The 2024 remuneration distribution proposal was approved by the Company's Board of Directors on March 14, 2025, but it is not yet submitted to the shareholders' meeting, so the amounts and list of employee remuneration distribution have not yet been determined. So the aforementioned amount is only the estimated amount.

Note 2: The 2024 net income after tax is NTD 4,033 thousand.

(2) Range of remuneration

Range of remuneration paid to the presidents and vice-presidents	Name of President and Vice Presidents	
	The Company	All companies mentioned in the financial reports
Less than NTD1,000,000	-	-
NTD1,000,000(inclusive) ~ NTD2,000,000(exclusive)	-	-
NTD2,000,000(inclusive) ~ NTD3,500,000(exclusive)	Yung-Cheng, Sung, Lung-Chih, Lin, Kuang-Chung, Liao, Po-Lin, Tsou, Kuo-Chun, Wu	Yung-Cheng, Sung, Lung-Chih, Lin, Kuang-Chung, Liao, Po-Lin, Tsou, Kuo-Chun, Wu
NTD3,500,000 (inclusive) ~ NTD5,000,000(exclusive)	Ping-Hai, Chiao	
NTD5,000,000(inclusive) ~ NTD10,000,000(exclusive)	Hsien-Yuan, Chang	Ping-Hai, Chiao, Hsien-Yuan, Chang
NTD10,000,000(inclusive) ~ NTD15,000,000(exclusive)		
NTD15,000,000(inclusive) ~ NTD30,000,000(exclusive)	-	-
NTD30,000,000(inclusive) ~ NTD50,000,000(exclusive)	-	-
NTD50,000,000(inclusive) ~ NTD100,000,000(exclusive)	-	-
Over NTD100,000,000	-	-
Total	NTD24,439 thousand	NTD26,258 thousand

1) Names of managers with remuneration as employees and the status of payment

December 31, 2024 Unit: NTD thousand

	Title	Name	Stock	Cash (Note 1)	Total	Ratio of total amount to net income after tax (%) (Note 2)
Manager	Chairman and CEO	Ping-Hai, Chiao	-	95	95	2.3556%
	President	Hsien-Yuan, Chang				
	Manufacture Vice President	Yung-Cheng, Sung				
	Plant Constructing Group Vice President	Kuang-Chung, Liao				
	Sales Vice President	Lung-Chih, Lin				
	Vice President of Investment & Planning Office	Po-Lin, Tsou				
	Vice President of New Business Development Organization	Kuo-Chun, Wu				
	Accounting Director	Chia-Yu, Lu				
	Financial Director (Note 3)	Wei-Lun, Lin				

Note 1: The 2024 remuneration distribution proposal was approved by the Company's Board of Directors on March 14, 2025, but it is not yet submitted to the shareholders' meeting, so the amounts and list of employee remuneration distribution have not yet been determined. So the aforementioned amount is only the estimated amount.

Note 2: The 2024 net income after tax is NTD 4,033 thousand.

Note 3: Financial Director Wei-Lun, Lin resigned on March 7, 2025.

4. Compare and analyze the total remuneration to the Directors, President, and Vice Presidents of the Company and all companies included in the consolidated financial statements in the last two years in the ratio of total remuneration to net income after tax. The policies, standards and combinations for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

1) Analysis of proportion in the last two years:

December 31, 2024

Title	Ratio of total remuneration to net income after tax in 2023		Ratio of total remuneration to net income after tax in 2024		Explanation
	The Company (Note 1)	All companies mentioned in the financial reports (Note 1)	The Company (Note 2)	All companies mentioned in the financial reports (Note 2)	
Director	2.4676%	2.8996%	115.7947%	180.2380%	The remuneration for director shall in accordance with the Company's "Rules of Director Remuneration Payment", and the remuneration for President and Vice President in accordance with "Rules for Management of Remuneration for Managers". The proportion of remuneration to net income after tax is reasonable. The difference is mainly due to the significant gap between the net income after tax in 2024 at NTD 4,033 thousand and the net income after tax in 2023 at NTD 568,755 thousand.
President and Vice Presidents	4.8791%	5.1787%	605.9757%	651.0786%	

Note 1: The net income after tax in 2023 was NTD 568,755 thousand.

Note 2: The net income after tax in 2024 was NTD 4,033 thousand.

- 2) Compensation policies, standards, and combinations, the procedure for determining remuneration, and its correlation to operating performance and future risk exposure:
- A. It is stipulated in Article 29 of “Company Articles of Incorporation” that, the Company shall set aside no more than 2% of profits as a director’s remuneration, when the Company makes profits in the year. However, there shall be a certain amount reserved from the profits in advance to make up for the loss, when there is still accumulated loss of the Company.
 - B. According to Article 25 of “Articles of Incorporation”, the Company shall pay the Chairman and Directors the remuneration for performing their duties, and such remuneration shall be determined in accordance with their participation in and contribution to the Company’s operation while taking into consideration the payment level in the same industry.
 - C. For the purpose of implementing the spirit of company governance and establishing a basis for distribution of director remuneration, the Company has formulated the “Rules of Director Remuneration Payment”, which was proposed in the first meeting (August 7, 2018) of the 4th Session of Compensation Committee and approved in the second meeting (August 7, 2018) of the 9th Session of Board of Directors.
 - D. The remuneration of managers shall in accordance with the Company’s “Rules for Management of Remuneration for Managers”. The Compensation Committee shall come up with a proposal in accordance with the Company’s operational strategy, profit situation, performance, contribution to the Company, and the salary level of the market to be submitted to the Board of Directors to be approved before implementation.
 - E. Correlation between business performance and future risk: the evaluation is based on the Company’s “Rules for Performance Review of Board of Directors” and “Management Rules for Performance Review”. In addition to the operational performance of the Company and future business risks and development trends of the industry, reasonable remuneration will also be granted in accordance with individual performance achievement rate and contribution to the Company. And the remuneration system will be timely reviewed based on actual business conditions, laws and regulations in order to achieve the balance between sustainable development and risk control of the Company.
 - F. The remunerations for Directors and Managers of the Company shall be determined based on the overall consideration of their participation in the Company’s operation and the performance review. The aspects of consideration are shown in the table below:

Aspect of Evaluation	Proportion	Description
Deployment of the Company’s core value and operational & management capabilities	10%	Integrity, engagement, and commitment are must with capabilities of deploying corporate philosophy and culture by demonstrating leadership and management skills.
Annual KPI achievement rate (from the perspectives of finance and sales)	40%	Finance and sales indicators: the fulfillment of finance and sales goals including profitability, growth rate, product quality, and sales target. Comprehensive management indicators: innovation management, risk management, and information security.
Advocate of sustainable management	40%	Directors and Executives shall contribute to the evolving activities of Environment, Social, Governance (ESG) in compliance with laws and regulations of corporate governance and sustainability and commit to continuously learn new knowledge.

Other special contributions or major adverse events	10%	Special contributions include special international certificates or special awards, whereas major adverse events include negative news, improper internal management, and personnel malpractice.
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III. Implementation of Corporate Governance

1. The implementation status of the Board

The term of the current Board of Directors is from June 21, 2024 to June 20, 2027. A total of 9 (A) board meetings were held in 2024. Director attendance is as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance rate in person (%) [B/A]	Note
Chairman	Ping-Hai, Chiao	9	0	100%	Re-elected on June 21, 2024.
Director	Nan-Yang, Wu	7	2	77.78%	
Director	Hua Eng Wire & Cable Co., Ltd. Representative: Hsiu-Mei, Liu	8	1	88.89%	
Director	Chung-Hou, Tai	6	3	66.67%	
Director	Grand Sea Investments Limited Representative: Zhen-Tu, Liu	6	0	100%	Newly elected on June 21, 2024.
Director	Zhen-Tu, Liu	3	0	100%	Elected as the representative of Grand Sea Investments Limited on June 21, 2024.
Director	Hitech Holding (BVI) Corp. Representative: Chun-Lin, Chen	3	0	100%	Not re-elected to the board on June 21, 2024.
Independent Director	Yong-Song, Tsai	8	1	88.89%	Re-elected on June 21, 2024.
Independent Director	Feng-I, Lin	9	0	100%	
Independent Director	De-Wai, Chou	9	0	100%	
Independent Director	Rui-Hua, Hong	5	0	83.33%	Newly elected on June 21, 2024.

Other matters to be recorded:

1. If any of the following situation apply, the date and session of the board meeting, proposal, comments of all independent directors, and the Company's responses to these comments of independent directors shall be specified:

- (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee so Article 14-3 does not apply. For relevant data, please refer to the "Implementation Status of Audit Committee" in the annual report.
- (2) Other resolutions made by the board meeting, which are objected to or have reservations by independent directors with records or written statements except for the aforementioned matters: None.

2. Execution of directors' avoidance of proposals of personal interests shall include specification of the name of director, proposal, reason for avoidance of conflict of interests, and the participation in voting:

Board Meeting Date/Session	Name of Director	Proposal	Reasons for avoidance of conflict of interests	Participation in voting
August 9, 2024 3 th meeting of the 11 th Board of Directors	Ping-Hai, Chiao	The 2023 employee compensation allocation for the Company's managerial personnel.	The Chairman entering recusal is subject to the proposed allocation.	Not participating in this voting

3. An OTC company shall disclose the information such as the cycle and period, scope, method, and evaluation items of self or peer evaluation of the Board of Directors, and the attached form of Board of Director evaluation situation shall be filled.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Items
Once per year	January 1, 2024 to December 31, 2024	Board of Directors	Self-evaluation of director	Performance evaluation for the Board of Directors 1. Degree of participation in the Company's operations 2. Improvement in the quality of decision-making of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of the Directors 5. Internal control
		Director members	Self-evaluation of director	Performance evaluation for director members 1. Understanding of the Company's goals and tasks 2. Understanding of the Director's responsibilities 3. Degree of participation in the Company's operations 4. Management and communication of the internal relations 5. Election and continuing education of the Directors 6. Internal control
		Audit Committee	Self-evaluation of member of functional committee	Performance evaluation for the Audit Committee 1. Degree of participation in the Company's operations 2. Understanding of the functional committee's duties 3. Improvement of the decision-making quality of the functional committee 4. Composition of the functional committee and selection of committee members 5. Internal control
		Compensation Committee		Performance evaluation for Compensation Committee 1. Degree of participation in the Company's operations 2. Understanding of the functional committee's duties 3. Improvement of the decision-making quality of the functional committee 4. Composition of the functional committee and selection of committee members

4. The evaluation of the goals (such as establishment of Audit Committee and enhancement of information transparency) of enhancement of competency of Board of Directors and the implementation status:

(1) The Investor Service Section has been set up on the Company's website for online access by investors at any time. Its content includes: company governance, financial information, service information, stock affairs information, news center, Q&A, and contact window. It can effectively enhance information transparency. The Company website is at:

<http://www.waferworks.com>.

(2) According to the regulations of securities competent authority, the Company established a Compensation Committee

on December 29, 2011 to help the Board of Directors execute and evaluate the Company's overall remuneration and welfare system, and regularly reviews the appropriateness of remunerations for Directors and Managers.

- (3) The Company has passed the proposal of Director election for the 9th session of Board of Directors during the shareholders' meeting on June 27, 2018. The Audit Committee has been formed by all independent directors to supersede the Supervisor in compliance with the laws, and the organizational rules for Audit Committee have been formulated.
- (4) The operation of the Company's Board of Directors shall be in compliance with laws and regulations, the Company's rules, and the resolutions made by the shareholders' meeting. In addition to possessing the professional knowledge, skills and qualities required for business execution, all directors are committed to the principle of loyalty and good faith and a duty of care to create the maximum interests for all shareholders.
- (5) The annual training hours of the Company's directors must meet the requirements of competent authorities, and all directors are encouraged to participate in company governance courses and law advocacy activities.
- (6) The Company's Board of Directors approved the establishment of company Corporate Governance Officer on May 6, 2021 to help Directors perform their duties and enhance the effectiveness of Board of Directors while being in charge of company governance affairs.

2. Status of operations of the Audit Committee

(1) Status of operations of the Audit Committee:

There will be four independent directors elected by the Company's general shareholders' meeting to form the Audit Committee. This Committee will at least convene one meeting per quarter. The main review items of the Audit Committee are as follows:

- A. Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act
- B. Assessment of the effectiveness of the internal control system
- C. Pursuant to Article 36-1 of the Securities and Exchange Act, formulate or revise procedures for major financial business actions including the acquisition or disposal of assets, engaging in derivative trading, loaning of funds to others, making endorsement or guarantees for others
- D. Review financial reports.
- E. Major assets, derivative trading, loaning of funds, making of endorsements or provision of guarantees
- F. Appointment or dismissal of CPAs, or remuneration given thereto, and independent assessment of accountants
- G. Other material matters as may be required by the Company or by the competent authority

(2) A total of four (8) meetings (A) were held by the Audit Committee in 2024. The attendance of the independent directors was as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A)	Remark
Independent director (Convenor)	Feng-I, Lin	8	0	100%	Re-elected on June 21, 2024
Independent director	Yong-Song, Tsai	7	1	87.85%	
Independent director	De-Wai, Chou	8	0	100%	
Independent director	Rui-Hua, Hong	4	0	100%	Newly elected on June 21, 2024

Other matters to be recorded:

1. If any of the following circumstances occur, the date of the meetings, resolutions, reservations or major advice items, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified.

(1) Items listed in Article 14-5 of the Securities and Exchange Act.

Audit Committee	Session	Resolution and Follow-up Actions	Items listed in Article 14-5 of the Securities and Exchange Act	Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all Directors
2024.1.26	The 15 th meeting of the Second Session	1. A subsidiary of the Company, Wafer Works (Shanghai) Co., Ltd., issue statements and commitments for the listing of, on the STAR Market.	V	Approved by all independent directors with no objections
		Resolution of Audit Committee: it was approved by all members of Audit Committee The Company's action in response to the resolution of the Audit Committee: it was approved by all present directors.		
	The 16 th meeting of the Second Session	1. The company plans to invest in the Sweden start-up company SweGaN AB's A2 special shares no more than 2 million US dollars.	V	
		Resolution of Audit Committee: it was approved by all members of Audit Committee The Company's action in response to the resolution of the Audit Committee: it was approved by all present directors.		
	The 17 th meeting of the Second Session	1. The Company's 2023 annual business report and financial statement.	V	
		2. 2023 earnings distribution. 3. Formulation of the Company's "General Policy for Pre-approval of Non-assurance Services" 4. Publication of the Company's 2023 "Internal Control System Statement".	V V V	
2024.3.15		Resolution of Audit Committee: it was approved by all members of Audit Committee The Company's action in response to the resolution of the Audit Committee: it was approved by all present directors.		
	The 18 th meeting of the Second Session	1. The Company's 2024Q1 financial statement.	V	
		2. Planning to approve the 2024 annual compensation for certified public accountant.	V	
		3. Amendment of the Company's "Organization Rules for the Audit Committee".	V	
		Resolution of Audit Committee: it was approved by all members of Audit Committee The Company's action in response to the resolution of the Audit Committee: it was approved by all present directors.		
2024.5.10	The 1 st meeting of the Third Session	1. To elect the convener and meeting chairperson of the third audit committee.	V	
		2. Our company plans to arrange the issuance of 2024 ordinary shares as the cash capital increase and the 8th domestic unsecured convertible corporate bonds.	V	
		Resolution of Audit Committee: it was approved by all members of Audit Committee The Company's action in response to the resolution of the Audit Committee: it was approved by all present directors.		
	The 2 nd meeting of the Third Session	1. The Company's 2024Q2 financial statement.	V	
		2. As required for the Company's mid and long-term development, an initial investment of no more than NT\$3.133 billion is planned to establish a large size silicon wafer plant on the Erlin Base land of Central Taiwan Science Park and purchase some of the necessary machines and equipment	V	

		3. Granting of new shares with restricted employee rights to key talents	V	
		Resolution of Audit Committee: it was approved by all members of Audit Committee The Company's action in response to the resolution of the Audit Committee: it was approved by all present directors.		
2024.11.8	The 3 th meeting of the Third Session	1. The Company's 2024Q3 financial statement. 2. Formulating the Company's 2025 annual audit plan. 3. To establish a 100% subsidiary with an investment amount of NT\$200 million	V V V	
		Resolution of Audit Committee: it was approved by all members of Audit Committee The Company's action in response to the resolution of the Audit Committee: it was approved by all present directors.		
2024.12.20	The 4 th meeting of the Third Session	1. To increase capital expenditures with a total amount of no more than NT\$1.82 billion to supplement the construction of factory facilities and the purchase of long-delivery machinery and equipment at the Erlin plant. 2. Granting of new shares with restricted employee rights to key talents. 3. The Company's 2024 assessment of independence and competence of certified public accountant. 4. Formulation of the Company's "Sustainable Information Management measures".	V V V V	
		Resolution of Audit Committee: it was approved by all members of Audit Committee The Company's action in response to the resolution of the Audit Committee: it was approved by all present directors.		

(2) Other matters which were not approved by the Audit Committee but were approved by two-third or more of all directors: None.

2. If there are independent directors' avoidance of motions in conflict of interest, the independent directors' names, contents of the motion, causes for avoidance and voting should be specified: None

3. Communications between independent directors, and the head of internal audit and CPAs (material issues, methods and outcomes related to the Company's financial and business status shall be included):

(1) Communications between independent directors, the head of internal audit, and CPAs.

1. There shall be at least four meetings arranged every year for the accountant to report to independent directors on the Company's financial status, the financial and overall operation situations of domestic and overseas subsidiaries, and internal control audit situation. And there shall be a thorough communication on whether or not there is any major adjusting entry or laws amendment and its impact on the account situation.
2. If there is any major issue to be discussed in the board meeting, the CPAs will also be invited to provide professional opinions and to increase the interactions between accountants and directors/ independent directors.
3. The Company's internal audit division is an independent division directly under the Board of Directors. In addition to attending the regular board meetings to report to Directors/ Independent Directors on the implementation situations of audit plans and audit results, the Audit Supervisor shall also communicate with independent directors regularly or when necessary.
4. A meeting can be convened at any time in case of any major abnormal event.

(2) Abstract of communication between Independent Directors and Internal Audit Supervisor in 2024

Date	Material communication Items	Executive result
2024.3.15	1. 2023 "Internal Control System Statement" 2. Audit Report of Q1 in 2024	No comments in this meeting
2024.5.10	1. Audit Report of Q2 in 2024	No comments in this meeting
2024.8.9	1. Audit Report of Q3 in 2024	No comments in this meeting
2024.11.8	1. Audit Report of Q4 in 2024 2. Formulation of the Company's 2025 Audit Plan	No comments in this meeting

(3) Abstract of communication between independent directors and certified public accountant in 2024

Date	Material communication Items	Executive result
2024.3.15	1. Scope of audit and audit report in 2023 2. Independence of CPA 3. Major accounting and audit issues 4. Standards on Quality Management No.1 5. Update of securities related laws and regulations 6. Update of tax related laws and regulations 7. Latest news of Sustainability Disclosure Standards 8. Introduction of modification of the 11 th Company Governance Evaluation System	No comments in this meeting
2024.5.10	1. Scope of audit and audit report of Q1 in 2024 2. Independence of CPA 3. Major accounting and audit issues	No comments in this meeting
2024.8.9	1. Scope of audit and audit report of Q2 in 2024 2. Independence of CPA 3. Major accounting and audit issues 4. Update of securities related laws and regulations 5. Update of tax related laws and regulations 6. Latest news of Sustainability Disclosure Standards	No comments in this meeting
2024.11.8	1. Scope of audit and audit report of Q3 in 2024 2. Independence of CPA 3. Major accounting and audit issues 4. Update of securities related laws and regulations 5. Sustainability related timetable and Internal Control Systems of securities related laws 6. Update of tax related laws and regulations 7. Latest news of Sustainability Disclosure Standards	No comments in this meeting

3. The state of the company's implementation of corporate governance, any variance from the corporate governance best-practice principles for TWSE/ TPEX listed companies, and the reason for any such variance

Assessment Item	Implementation Status (Note)			Non-implementation and its reason(s)
	Yes	No	Summary	
1. Does the Company set up and disclose the Corporate Governance based on the "Corporate Best-Practice Principles for TWSE/TPEX Listed Companies?"	V		The Company has set up Corporate Governance Best Practice Principles to promote corporate governance operation in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies " and disclosed it on the Company's website.	No significant difference
2. The Company's shareholding structure and shareholders' rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	V		(1) The Company has established spokespersons, and acting spokesperson, a stock affairs office, and an email box to deal with suggestions of disputes among shareholders.	No significant difference
(2) Does the Company have a list of its major shareholders and the beneficial owners of these major shareholders?	V		(2) The Company has regularly reported the changes in equity of Directors and managers through a stock transfer agency and internal staff to recognize and monitor the structure of major shareholders.	No significant difference
(3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	V		(3) The Company follows the principle of financial and business independence as the basis for business transactions, and also formulates the "Rules for Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" as the basis for control.	No significant difference

Assessment Item			Implementation Status (Note)														Non-implementation and its reason(s)																																																																																																																																																																																																																		
	Yes	No	Summary																																																																																																																																																																																																																																
(4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	V		(4) The Company has stipulated “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management”, “Guidelines for Conduct”, and “Procedures for Handling Material Information and Preventing Insider Trading” to prevent employees of the Company from trading based on undisclosed information.														No significant difference																																																																																																																																																																																																																		
3. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly?	V		<p>(1) According to Article 20 of the Company’s “Rules of Corporate Governance”, the composition of the Board of Directors shall take into consideration of diversity and possession of necessary knowledge, skills and qualities to perform their duties. In order to achieve the ideal objectives of company governance, the Board of Directors shall be equipped with the following capabilities: 1. Operational judgment ability 2. Accounting and financial analysis ability 3. Operation management ability 4. Crisis management ability 5. Industrial expertise 6. Global market perspective 7. Leadership 8. Decision making ability.</p> <p>The Company’s current Board of Directors is formed by 9 Directors, including 2 female Directors and 4 independent Directors (two of them are university lecturers.). The Directors are equipped with required experience in commerce, finance, accounting, and company business, and they are not related by spouse or relatives within the second degree of kinship.</p> <p>The diversification of members of Board of Directors is as shown below:</p> <table><tr><th rowspan="2">Name</th><th rowspan="2">Title</th><th rowspan="2">Gender</th><th colspan="3">Age</th><th colspan="3">Tenure of Independent Director</th><th rowspan="2">Part-time Employee</th><th colspan="8">Diversified Core Capabilities</th></tr><tr><th>51-60</th><th>61-70</th><th>71-80</th><th>Less than 3 years</th><th>3 to 9 years</th><th>More than 9 years</th><th>Operational Judgment Ability</th><th>Financial Analysis Ability</th><th>Accountant and Financial Analysis Ability</th><th>Operation Management Ability</th><th>Crisis Management Ability</th><th>Industry Expertise</th><th>Global Market</th><th>Leadership</th><th>Decision-making</th></tr><tr><td>Ping-Hai, Chiao</td><td>Chairman</td><td>Male</td><td></td><td></td><td>✓</td><td></td><td></td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Nan-Yang, Wu</td><td>Director</td><td>Male</td><td></td><td>✓</td><td></td><td></td><td></td><td></td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Hsiu-Mei, Liu</td><td>Director</td><td>Female</td><td></td><td>✓</td><td></td><td></td><td></td><td></td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Chung-Hou, Tai</td><td>Director</td><td>Male</td><td></td><td></td><td>✓</td><td></td><td></td><td></td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Zhen-Tu, Liu</td><td>Director</td><td>Male</td><td></td><td></td><td>✓</td><td></td><td></td><td></td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Yong-Song, Tsai</td><td>Independent Director</td><td>Male</td><td></td><td>✓</td><td></td><td></td><td></td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Feng-I, Lin</td><td>Independent Director</td><td>Male</td><td></td><td></td><td>✓</td><td></td><td></td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>De-Wai, Chou</td><td>Independent Director</td><td>Male</td><td>✓</td><td></td><td></td><td></td><td></td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Rui-Hua, Hong</td><td>Independent Director</td><td>Female</td><td>✓</td><td></td><td></td><td>✓</td><td></td><td></td><td></td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr></table> <p>Note: Reason why independent director Yong-Song, Tsai, who has already served on the Company’s Board for three terms, is nominated: Due to his business, financial, market investment, and other rich practical experience, Mr. Tsai is able to provide critical advice to the Company. Thus, the Company still requires his critical expertise, and that he gives the Board of Directors oversight and provides it with expert advice.</p> <table><tr><th>Management Goal</th><th>Achievement</th></tr><tr><td>There shall be at least one female director</td><td>Achieved</td></tr><tr><td>Directors who also serve as company managers shall not exceed 1/3 of total number of directors</td><td>Achieved</td></tr></table>														Name	Title	Gender	Age			Tenure of Independent Director			Part-time Employee	Diversified Core Capabilities								51-60	61-70	71-80	Less than 3 years	3 to 9 years	More than 9 years	Operational Judgment Ability	Financial Analysis Ability	Accountant and Financial Analysis Ability	Operation Management Ability	Crisis Management Ability	Industry Expertise	Global Market	Leadership	Decision-making	Ping-Hai, Chiao	Chairman	Male			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Nan-Yang, Wu	Director	Male		✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	Hsiu-Mei, Liu	Director	Female		✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	Chung-Hou, Tai	Director	Male			✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	Zhen-Tu, Liu	Director	Male			✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	Yong-Song, Tsai	Independent Director	Male		✓				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	Feng-I, Lin	Independent Director	Male			✓			✓		✓	✓	✓	✓		✓	✓	✓	✓	De-Wai, Chou	Independent Director	Male	✓					✓		✓	✓	✓	✓		✓	✓	✓	✓	Rui-Hua, Hong	Independent Director	Female	✓			✓				✓		✓	✓	✓	✓	✓	✓	✓	Management Goal	Achievement	There shall be at least one female director	Achieved	Directors who also serve as company managers shall not exceed 1/3 of total number of directors	Achieved	No significant difference
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(2) Other than the Compensation Committee and the Audit Committee, which are required by laws, does the Company plan to set up other Board committees?		V	(2) In addition to the Compensation Committee and Audit Committee, the Company will evaluate the need for future establishment of other functional committees.	No significant difference																																								
(3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal?	V		<div><div>(3) The Company's Board of Directors approved the formulation of "Measures for Performance Review of Board of Directors" on August 6, 2020. The internal performance assessment of the Board of Directors shall be implemented at least once per year, and this review is for the Board of Directors, individual directors, Audit Committee, and Compensation Committee. The review is implemented based on self-review of directors and members of functional committees in the form of internal questionnaire. The results of the annual performance evaluation for 2024 are entirely positive. It has been reported to the Board of Directors on March 14, 2025 to serve as the reference for determination of remuneration for Individual Directors and election or nomination of Director. The results of performance evaluation in 2024 are as follows:</div><div><div>1) Performance evaluation for the Board of Directors</div><table><tr><th>Evaluation items</th><th>Scores (Note)</th><th>Performance evaluation results</th></tr><tr><td>Degree of participation in the Company's operations</td><td>4.82</td><td rowspan="5">The average score for the performance evaluation of the board of directors is 4.92points, and the evaluation result is good.</td></tr><tr><td>Improvement in the quality of decision-making of the Board of Directors</td><td>4.94</td></tr><tr><td>Composition and structure of the Board of Directors</td><td>4.95</td></tr><tr><td>Election and continuing education of the Directors</td><td>4.96</td></tr><tr><td>Internal control</td><td>4.91</td></tr></table><div>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</div><div><div>2) Performance evaluation for director members</div><table><tr><th>Evaluation items</th><th>Scores (Note)</th><th>Performance evaluation results</th></tr><tr><td>Understanding of the Company's goals and tasks</td><td>4.93</td><td rowspan="6">The average performance evaluation score of individual board members is 4.92 points, and the evaluation result is good.</td></tr><tr><td>Understanding of the Director's responsibilities</td><td>4.96</td></tr><tr><td>Degree of participation in the Company's operations</td><td>4.92</td></tr><tr><td>Management and communication of the internal relations</td><td>4.95</td></tr><tr><td>Election and continuing education of the Directors</td><td>4.93</td></tr><tr><td>Internal control</td><td>4.85</td></tr></table><div>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</div><div><div>3) Performance evaluation for the Audit Committee</div><table><tr><th>Evaluation items</th><th>Scores (Note)</th><th>Performance evaluation results</th></tr><tr><td>Degree of participation in the Company's operations</td><td>4.94</td><td rowspan="3">The average score for the performance evaluation of the audit</td></tr><tr><td>Understanding of the functional committee's duties</td><td>5.00</td></tr><tr><td>Improvement of the decision-making quality of the functional committee</td><td>5.00</td></tr></table></div></div></div></div>	Evaluation items	Scores (Note)	Performance evaluation results	Degree of participation in the Company's operations	4.82	The average score for the performance evaluation of the board of directors is 4.92points, and the evaluation result is good.	Improvement in the quality of decision-making of the Board of Directors	4.94	Composition and structure of the Board of Directors	4.95	Election and continuing education of the Directors	4.96	Internal control	4.91	Evaluation items	Scores (Note)	Performance evaluation results	Understanding of the Company's goals and tasks	4.93	The average performance evaluation score of individual board members is 4.92 points, and the evaluation result is good.	Understanding of the Director's responsibilities	4.96	Degree of participation in the Company's operations	4.92	Management and communication of the internal relations	4.95	Election and continuing education of the Directors	4.93	Internal control	4.85	Evaluation items	Scores (Note)	Performance evaluation results	Degree of participation in the Company's operations	4.94	The average score for the performance evaluation of the audit	Understanding of the functional committee's duties	5.00	Improvement of the decision-making quality of the functional committee	5.00	No significant difference
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			<table><tr><td>Composition of the functional committee and selection of committee members</td><td>5.00</td><td rowspan="2">committee is 4.99 points, and the evaluation result is good.</td></tr><tr><td>Internal control</td><td>5.00</td></tr></table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>4) Performance evaluation for Compensation Committee</p> <table><tr><td>Evaluation items</td><td>Scores (Note)</td><td>Performance evaluation results</td></tr><tr><td>Degree of participation in the Company's operations</td><td>5.00</td><td rowspan="4">The average score for the performance evaluation of the compensation committee is 4.99 points, and the evaluation result is good.</td></tr><tr><td>Understanding of the functional committee’s duties</td><td>4.95</td></tr><tr><td>Improvement of the decision-making quality of the functional committee</td><td>5.00</td></tr><tr><td>Composition of the functional committee and selection of committee members</td><td>5.00</td></tr></table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p>				Composition of the functional committee and selection of committee members	5.00	committee is 4.99 points, and the evaluation result is good.	Internal control	5.00	Evaluation items	Scores (Note)	Performance evaluation results	Degree of participation in the Company's operations	5.00	The average score for the performance evaluation of the compensation committee is 4.99 points, and the evaluation result is good.	Understanding of the functional committee’s duties	4.95	Improvement of the decision-making quality of the functional committee	5.00	Composition of the functional committee and selection of committee members	5.00	
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Improvement of the decision-making quality of the functional committee	5.00																							
Composition of the functional committee and selection of committee members	5.00																							
(4) Does the Company evaluate the independence of the commissioned CPAs regularly?	V		(4) The Accounting Division of the Company evaluates its external auditors’ independence and suitability annually, and also evaluates AQIs. Evaluation results are reported to the Audit Committee and the Board of Directors for approval. The results of the latest annual evaluation were discussed and approved by Audit Committee and the Board of Directors on December 20, 2024, indicate that the CPAs are in compliance with the Company’s independence standards. The evaluation items are as follow: <ul style="list-style-type: none">● The members of the Company’s certificate audit service team and their families don’t have any direct or indirect material financial interests with the Company.● There is no mutual financing or guarantee behaviors between the Company or the Company’s directors and the members of the audit service team and their families (the business behavior of normal lending by financial institution is not subject to this restriction).● There is no close business relationship between the certified accounting firm or the members of the audit service team and the Company or its affiliated enterprises.● Currently there is no potential employment relationship between the members of the audit service team and the Company.● None of the members of the audit service team have served as director of the Company or any position with major impact on the audit case in last two years.● The audit fee paid by the Company to the CPA is a set cost which is not contingent fee. There is no overdue public fee affecting the independence of auditing.● The non-audit services provided by the accounting firm and its affiliated enterprise did not directly affect the important subjects of the audit case, did not involve in the Company’s management function, did not make decisions on behalf of the Company, and did not affect its independence.● None of the team members are entrusted to be the defenders of the Company's positions or opinions, or represent the Company's inter-coordination in conflicts with third parties.● The duration of CPA service does not exceed 7 years after appointment of this year.● None of the members of the audit service team are related to the Company’s directors, managers, or those who have significant impacts on the audit case.● The Company’s directors and managers did not give any valuable gifts to any member of the audit service team.				No significant difference																	

Assessment Item	Implementation Status (Note)			Non-implementation and its reason(s)																	
	Yes	No	Summary																		
			<ul style="list-style-type: none"> None of the Company's directors, managers, or personnel with major impacts on the audit case are retired/resigned from the accounting firm within a year. <p>The company has not subjected members of the audit services team to intimidation comes from the Company, to maintain objectivity and clarify professional doubts.</p>																		
4. Does the TWSE/TPEX Listed Company have an appropriate number of competent personnel, and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors, assisting directors and supervisors with compliance, handling work related to meetings of the Board of Directors and shareholders' meetings, and producing minutes and shareholders' meetings, etc)?	V		<p>To protect shareholders' rights and interests and strengthen the function of the Board of Directors, it was approved by the Board of Directors on May 6, 2021 to appoint the Accounting Supervisor, Chia-Yu, Lu, as the Company's Corporate Governance Officer. The main job includes management of board meeting and shareholders' meeting affairs, composition of meeting minutes of board meetings and shareholders' meetings, assistance in appointment and continuous education of directors, provision of data required by directors for conducting business, assistance in directors' compliance with laws and regulations, and other matters stipulated in the Company's Articles of Incorporation or contracts.</p> <p>Key points of business execution in 2024 are as shown below:</p> <ol style="list-style-type: none"> 1. Arrange advanced education courses for each individual director (at least 6 hours each year for each director, and at least 12 hours in the first year of the newly appointed director). 2. Assist Directors to understand the laws and regulations that should be complied with when conducting business at the request of directors. 3. Provide Directors with the required company information and assisting directors in communication and exchanges with all business-related supervisors. 4. Prepare a notice and agenda for each board meeting, alerting all directors 7 days in advance of the meeting, and sending out meeting minutes within 20 days after the meeting. 5. Arrange the pre-registration of the date of shareholders' meeting, and preparing meeting notice, meeting agenda, annual report, and meeting minutes. 6. Confirm that the convening, resolution procedures, and meeting minutes of board meeting and shareholders' meeting are in compliance with laws and regulations and the Rules of Corporate Governance. 7. Carry out the change registration. 8. Confirm that the Company has provided all members of Board of Directors with the "Directors' and Managers' Liability Insurance" to be reported during the board meeting. <p>The Corporate Governance Officer shall take at least 18 hours of advanced education during the first year of this appointment, and at least 12 hours each year after that.</p> <p>The implementation and education of corporate governance officer education in 2024 is as below:</p> <table border="1"> <thead> <tr> <th>Advanced Education Institution</th><th>Period of Advanced Education</th><th>Name of Course</th><th>Hours of Advanced Education</th><th>Total Hours of Advanced Education of the year</th></tr> </thead> <tbody> <tr> <td rowspan="2">Accounting Research and Development Foundation</td><td>2024/4/15</td><td>Internal audit and internal control practices in corporate employee reward and reward systems</td><td>6</td><td rowspan="3">15</td></tr> <tr> <td>2024/6/13</td><td>The latest revision of "Standards for Establishing Internal Control Systems" and compliance with laws and regulations on internal audit and control related to financial report preparation</td><td>6</td></tr> <tr> <td>Securities and Futures Institute</td><td>2024/9/25</td><td>Global Risk Perception-Opportunities and Challenges in the Next Ten Years</td><td>3</td></tr> </tbody> </table>	Advanced Education Institution	Period of Advanced Education	Name of Course	Hours of Advanced Education	Total Hours of Advanced Education of the year	Accounting Research and Development Foundation	2024/4/15	Internal audit and internal control practices in corporate employee reward and reward systems	6	15	2024/6/13	The latest revision of "Standards for Establishing Internal Control Systems" and compliance with laws and regulations on internal audit and control related to financial report preparation	6	Securities and Futures Institute	2024/9/25	Global Risk Perception-Opportunities and Challenges in the Next Ten Years	3	No significant difference
Advanced Education Institution	Period of Advanced Education	Name of Course	Hours of Advanced Education	Total Hours of Advanced Education of the year																	
Accounting Research and Development Foundation	2024/4/15	Internal audit and internal control practices in corporate employee reward and reward systems	6	15																	
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Securities and Futures Institute	2024/9/25	Global Risk Perception-Opportunities and Challenges in the Next Ten Years	3																		
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to	V		<p>The Company has set up various channels to provide the Company's business and finance related information, such as the spokesperson system and website; and has set up email boxes and assigned personnel to properly deal with all opinions from shareholders.</p> <p>The Company has set up a section for the stakeholders in the ESG Sustainable Development Section of the Company's website, and there is a contact window to maintain good communication with all stakeholders (including customers, shareholders, employees, suppliers, contractors, community residents, government agencies, societies, media, and all others).</p>	No significant difference																	

Assessment Item	Implementation Status (Note)			Non-implementation and its reason(s)
	Yes	No	Summary	
shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?				
6. Has the Company appointed a professional register for its Shareholders' Meetings?	V		The Company has commissioned the professional stock affairs service agent- KGI Securities to manage various stock affairs of the Company.	No significant difference
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	V		(1) The Company website is http://www.waferworks.com , where the information of finance and business, and corporate governance of the Company is disclosed.	No significant difference
(2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(2) The Company has set up English website and assigned personnel to be in charge of collection and disclosure of company information, and implemented the spokesperson system.	No significant difference

Assessment Item	Implementation Status (Note)			Non-implementation and its reason(s)																																																	
	Yes	No	Summary																																																		
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report Q1, Q2, Q3 financial statements as well as the operating status of each month before the prescribed deadline?		V	(3) The Company has not announced and declared its annual financial report within two months after the end of the fiscal year but has announced and declared its quarterly financial reports and monthly operating conditions before the prescribed deadline.	No significant difference																																																	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		<div><div>(1) Employees' rights and interests: For details, please refer to the operation overview and labor-management relationship in this annual report.</div><div>(2) Employee relations: the relationship between labor and management has been harmonious since the inception of the Company. All rights and obligations of employer and employees are managed in accordance with various work rules of the Company. And the labor-management meetings have been convened regularly with exactly the same number of representatives from either side attending these meetings to discuss and negotiate the adjustment of labor conditions and measures for mutual benefits between labor and management.</div><div>(3) Investor relations: the Company has set up spokesperson, stock affairs unit, and email box to handle shareholders' suggestions, and assigned personnel to handle investor related affairs.</div><div>(4) Supplier relations: the Company has maintained good long-term relationships with the major suppliers.</div><div>(5) Shareholders' rights: the Company has set up various channels to provide the Company's operation and finance related information, such as the spokesperson system, stock affairs unit, and website; and the Company has set up email boxes and assigned personnel to properly handle opinions from shareholders.</div><div>(6) The situations of advanced education of the Company's directors in 2024:</div><table><tr><th rowspan="2">Job title</th><th rowspan="2">Name</th><th colspan="2">Date of advanced education</th><th rowspan="2">Organizer</th><th rowspan="2">Name of course</th><th rowspan="2">Hours</th><th rowspan="2">Total hours in 2024</th></tr><tr><th>Start</th><th>End</th></tr><tr><td rowspan="2">Director</td><td rowspan="2">Ping-Hai, Chiao</td><td>2024/9/25</td><td>2024/9/25</td><td>Securities & Futures Institute</td><td>Global Risk Perception: Opportunities and Challenges in the Next Decade</td><td>3</td><td rowspan="2">6</td></tr><tr><td>2024/1/23</td><td>2024/1/23</td><td>Taiwan Institute of Directors</td><td>Benchmark Learning: How to Accelerate Growth by Learning from Global Industry Leaders</td><td>3</td></tr><tr><td>Director</td><td>Nan-Yang, Wu</td><td>2024/7/3</td><td>2024/7/3</td><td>Taiwan Stock Exchange</td><td>Cathay Sustainable Finance and Climate Change Summit 2024</td><td>6</td><td>6</td></tr><tr><td rowspan="3">Director</td><td rowspan="3">Hsiu-Mei, Liu</td><td>2024/11/8</td><td>2024/11/8</td><td>Taiwan Corporate Governance Association</td><td>Trends and Risk Management of Generative AI</td><td>3</td><td rowspan="3">9</td></tr><tr><td>2024/8/20</td><td>2024/8/20</td><td>Taiwan Investor Relations Institute</td><td>Trade Secrets and Information Security: Practical and Legal Risk Management</td><td>3</td></tr><tr><td>2024/8/9</td><td>2024/8/9</td><td>Taiwan Stock Exchange</td><td>TCFD & SBTi Trends and the Role of Directors: A Discussion on Insider Trading</td><td>3</td></tr></table></div>	Job title	Name	Date of advanced education		Organizer	Name of course	Hours	Total hours in 2024	Start	End	Director	Ping-Hai, Chiao	2024/9/25	2024/9/25	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges in the Next Decade	3	6	2024/1/23	2024/1/23	Taiwan Institute of Directors	Benchmark Learning: How to Accelerate Growth by Learning from Global Industry Leaders	3	Director	Nan-Yang, Wu	2024/7/3	2024/7/3	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit 2024	6	6	Director	Hsiu-Mei, Liu	2024/11/8	2024/11/8	Taiwan Corporate Governance Association	Trends and Risk Management of Generative AI	3	9	2024/8/20	2024/8/20	Taiwan Investor Relations Institute	Trade Secrets and Information Security: Practical and Legal Risk Management	3	2024/8/9	2024/8/9	Taiwan Stock Exchange	TCFD & SBTi Trends and the Role of Directors: A Discussion on Insider Trading	3	No significant difference
Job title	Name	Date of advanced education				Organizer	Name of course					Hours	Total hours in 2024																																								
		Start	End																																																		
Director	Ping-Hai, Chiao	2024/9/25	2024/9/25	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges in the Next Decade	3	6																																														
		2024/1/23	2024/1/23	Taiwan Institute of Directors	Benchmark Learning: How to Accelerate Growth by Learning from Global Industry Leaders	3																																															
Director	Nan-Yang, Wu	2024/7/3	2024/7/3	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit 2024	6	6																																														
Director	Hsiu-Mei, Liu	2024/11/8	2024/11/8	Taiwan Corporate Governance Association	Trends and Risk Management of Generative AI	3	9																																														
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		2024/8/9	2024/8/9	Taiwan Stock Exchange	TCFD & SBTi Trends and the Role of Directors: A Discussion on Insider Trading	3																																															

Assessment Item	Implementation Status (Note)										Non-implementation and its reason(s)
	Yes	No	Summary								
			Director	Chung-Hou, Tai	2024/9/25	2024/9/25	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges in the Next Decade	3	9	
					2024/8/7	2024/8/7	Taiwan Stock Exchange	New Trends in the AI Industry and Ecosystem Competition-Cooperation	3		
					2024/7/17	2024/7/17	Taiwan Stock Exchange	Operational Diversification Strategies Amid Geopolitical Risks	3		
			Director	Zhen-Tu, Liu	2024/12/19	2024/12/19	Taiwan Stock Exchange	Energizing Asia: Trends in Corporate Governance Across Asian Companies	1	34	
					2024/12/13	2024/12/13	Taipei Foundation of Finance	Corporate Governance: FSC Policies and Future Trends of Virtual Assets	2		
					2024/10/24	2024/10/24	Taipei Foundation of Finance	From Livelihood Industries to the Health Industry: Taiwan's Opportunities and Challenges	2		
					2024/10/7	2024/10/7	The Chinese National Association of Industry and Commerce, Taiwan	Taishin Net Zero Summit 2024	3		
					2024/9/25	2024/9/25	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges in the Next Decade	3		
					2024/8/29	2024/8/29	Taipei Foundation of Finance	Enterprises x TNFD: Development and Outlook of Nature-related Financial Disclosures	2		
					2024/7/30	2024/7/30	Taiwan Stock Exchange	ESG Evaluation: Vision and Trends	1		
					2024/7/3	2024/7/3	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit 2024	6		
					2024/6/26	2024/6/26	Taiwan Stock Exchange	Board Performance Evaluation: Practices and Experience Sharing Seminar (2024)	3		
					2024/6/7	2024/6/7	Taipei Foundation of Finance	Corporate Governance: Challenges and Opportunities Through the Lens of Semiconductor History	2		
					2024/5/22	2024/5/22	Taiwan Stock Exchange	Building a Green Ecosystem: Carbon Exchange Business and Outlook	1		
					2024/3/29	2024/3/29	Taipei Foundation of Finance	Corporate Governance: The New Energy Boom—EVs, Smart Vehicles, and Emerging Opportunities	2		
					2024/3/20	2024/3/20	Taiwan Stock Exchange	Enhancing Resilience and Strengthening Sustainable Governance Seminar	2		
					2024/3/6	2024/3/6	Taiwan Stock Exchange	2024 Global Economic Outlook	1		
					2024/2/21	2024/2/21	Taiwan Stock Exchange	Strengthening Corporate Governance for Sustainable Business Operations	3		
			Independent director	Yong-Song, Tsai	2024/9/25	2024/9/25	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges in the Next Decade	3	9	
					2024/8/29	2024/8/29	Taiwan Stock Exchange	Board Elections and Nominating Committee Practices in Corporate Governance	3		
					2024/8/29	2024/8/29	Taiwan Stock Exchange	Board Functions and Effectiveness Evaluation: Implications for Corporate Governance Assessments	3		
			Independent director	Feng-I, Lin	2024/10/18	2024/10/18	Securities & Futures Institute	2024 Insider Trading Prevention Awareness Seminar	3	6	
					2024/9/25	2024/9/25	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges in the Next Decade	3		
			Independent director	De-Wai, Chou	2024/9/25	2024/9/25	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges in the Next Decade	3	10.5	
					2024/7/9	2024/7/9	Taipei Exchange	AI Strategy and Governance	3		
					2024/6/19	2024/6/19	Taiwan Institute of Directors	Uncovering the International Competitiveness of Taiwanese Enterprises Amid Global Competition and Collaboration	3		
					2024/3/14	2024/3/14	Taiwan Institute of Directors	Analyzing the International Competitiveness of Taiwan's Current Tax Regime	1.5		
Independent director	Rui-Hua, Hong	2024/9/25	2024/9/25	Securities & Futures Institute	Global Risk Perception: Opportunities and Challenges in the Next Decade	3	9				
		2024/8/9	2024/8/9	Taiwan Stock Exchange	Trends in Digital Technology and AI: Risk Management Perspectives	3					
		2024/7/3	2024/7/3	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit 2024	3					

Assessment Item	Implementation Status (Note)			Non-implementation and its reason(s)
	Yes	No	Summary	
			<p>(7) Implementation of risk management policy and risk evaluation standards: the Company has adopted a preventive policy for risk management. There is a strict internal control system established in compliance with the law, and irregular audits implemented by Internal Auditors with audit reports; from the financial perspective, the Company has also adopted timely hedging measures with respect to exchange rates and derivative transactions to reduce the risk. The Company will review the financial structure at all times to avoid excessive financial risk.</p> <p>(8) Implementation of consumer or customer protection policies: There are full-time employees in the Business Division and Quality Assurance Division to provide customer compliant services and after-sales services; and the Company has provided customers with relevant services and guarantees.</p> <p>(9) The liability insurance purchased by the Company for the Directors: The Company has purchased liability insurance for the Directors, which has been disclosed in the “Corporate Governance Section of Public Information Observatory”.</p>	
<p>9. With respect to the results of the annual Corporate Governance Evaluation most recently issued by the Corporate Governance Center of Taiwan Security Exchange, please describe the improvements and provide priority and measures to enhance those matters that have not yet been improved.</p> <p>The company ranked among the top 5%–20% companies in the results of Corporate Governance Evaluation. The improved matters and those to be further strengthened are as described below:</p> <p>(1) Does the company have more than half of its directors and the convener of the audit committee personally attend the general shareholders meeting, and is the attendance list disclosed in the minutes? (Indicator 1.3 has been improved.)</p> <p>Half of the board members were present, and the convener of the Audit Committee attended the shareholders' meeting.</p> <p>(2) Does the company's board of directors regularly (at least once a year) refer to Audit Quality Indicators (AQIs) to assess the independence and suitability of the signing accountants, and disclose the assessment procedures in detail in the annual report? (Indicator 2.17 has been improved.)</p> <p>Evaluated with reference to Audit Quality Indicators (AQIs)</p> <p>(3) Has the sustainability report prepared by the company been submitted to the board of directors for approval? (Indicator 4.24 needs improvement.)</p>				

Note: There shall be specifications in the summary explanation columns regardless of either “Yes” or “No” was checked in the operation situation column.

4. If the Company has established the Compensation Committee, its composition, job duty, and operation situations shall be disclosed

(1) Information of the members of Compensation Committee

April 25, 2025

Criteria Identity \ Name		Professional qualification and experience	Independence status	Number of other public companies in which the individual is concurrently serving as a member of Compensation Committee
Independent Director (Convenor)	De-Wai, Chou	Please refer to the content of information on directors (2) on page 12-15.		0
Independent Director	Feng-I, Lin			1
Independent Director	Yong-Song, Tsai			1
Independent Director	Rui-Hua, Hong			0

(2) Job Duties:

The committee shall perform the following duties faithfully and honestly, and submit its recommendations to the Board of Directors for discussion:

- 1) Regularly review the rules and propose the suggestions for amendment.
- 2) Formulate and review annual and long-term performance objectives of the Company's Directors and Managers and the policies, systems, standards, and structures of salaries and remunerations regularly.
- 3) Evaluate and determine the remuneration for Directors and Managers regularly.

(3) Operation of the Compensation Committee

- 1) There is a total of 4 members in the Compensation Committee of the Company.
- 2) The term of service of current members: June 21, 2024 to June 20, 2027. There were 3 meetings of Compensation Committee held during the most recent year (A), and the qualification and attendance of committee members are as below:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A)	Remark
Convener	De-Wai, Chou	3	0	100%	Re-elected on June 21, 2024
Committee Member	Feng-I, Lin	3	0	100%	
Committee Member	Yong-Song, Tsai	3	0	100%	
Committee Member	Rui-Hua, Hong	2	0	100%	Newly elected on June 21, 2024

Other matters to be disclosed:

1. If the Board of Directors does not adopt or modify the suggestions made by the Compensation Committee, it shall specify the date and session of Board of Directors, content of proposal, resolution of board meeting, and the Company's action in response to the comment of Compensation Committee (if the remuneration approved by the Board of Directors is superior to the suggested version by the Compensation Committee, the difference and the reasons for such difference shall be specified): there is no such situation.
2. If there is any objection or reservation regarding the resolution of the Compensation Committee made by any member with record or written statement, the date and session of the Compensation Committee, proposal, the comments of all members and the responsive measures shall be specified: None.

3. Annual operation of Compensation Committee:		
Session/Date Compensation Committee	Resolution and Follow-up Actions	Objection or reservation by member of Compensation Committee
The 10 th Meeting of the 5 th Session 2024.03.15	Report of the performance evaluation of the Board of Directors and functional committees.	
	2023 Annual Salary and Benefit Summary Report of Managers	
	1.The Company's 2023 Directors' and Employees' Remuneration Distribution Proposal	None
	Comments of Compensation Committee: None.	
	Resolution by Compensation Committee: approved by all present members, which shall be submitted to the Board of Directors for discussion.	
	The company's action in response to the comment of Compensation Committee: approved by all present directors.	
The 1 th Meeting of the 6 th Session 2024.07.30	2023 Survey and Analysis Report on Managers' Annual Salaries	
	1.Amendment to the Management Measures for Salary and Remuneration of Managers.	None
	Comments of Compensation Committee: None.	
	Resolution by Compensation Committee: approved by all present members, which shall be submitted to the Board of Directors for discussion.	
	The company's action in response to the comment of Compensation Committee: approved by all present directors.	
	2.2023 Manager Remuneration Distribution Plan	None
	Comments of Compensation Committee: None.	
	Resolution by Compensation Committee: approved by all present members, which shall be submitted to the Board of Directors for discussion.	
	The company's action in response to the comment of Compensation Committee: approved by all present directors.	
The 2 th Meeting of the 6 th Session 2024.09.25	1.Issuance of New Shares for Capital Increase in cash Reserved for Managerial Employees in 2024	None
	Comments of Compensation Committee: None.	
	Resolution by Compensation Committee: approved by all present members, which shall be submitted to the Board of Directors for discussion.	
	The company's action in response to the comment of Compensation Committee: approved by all present directors.	

5. Composition, Responsibilities and Operations of the Nominating Committee: Not applicable.

6. Promotion of sustainable development and deviations from the “Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies” and the Reasons

Promoted items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
1. Has the company established a governance structure to promote sustainable development, and set up an exclusively (or concurrently) designated unit to promote sustainable development, and has the Board of Directors authorized senior management to deal with and supervised the promotion of sustainable development?	V		<p>In compliance with the vision and mission of the Company’s sustainability policies, the “Corporate Social Responsibility Committee” was established in 2016, which was renamed as “Sustainable Development Committee” in 2021. The Chairman served as the Chairperson, the President served as the management representative, the managers served as committee members, and the administration unit was in charge of coordinating all works to jointly review the Company’s core business capabilities, formulate short-term, mid-term, and long-term sustainable development plans, and regular meetings of the Sustainable Development Committee every year.</p> <p>The “Sustainable Development Committee” leads the promotion of matters related to sustainable development to ensure effective progress, to identify the sustainability issues related to the Company’s operation and stakeholders’ concerns, to formulate relevant strategies and objectives, to prepare budgets related to sustainable development for each organization, to plan and implement the objectives of an annual sustainable development plan, and to track the progress of promotional performance in order to ensure the effectiveness of sustainable development.</p> <p>The management representatives of “Sustainable Development Committee” reported to the Board of Directors regarding the company's implementation status of sustainable developments, including performance indicators and related data on environmental issues and ethical corporate management etc. respectively on March 15, May 10, August 9 and December 20 in 2024. The Board of Directors plays a supervisory and coaching role, evaluating related strategies, and the effectiveness of implementation plans and urge management to make adjustments when required.</p>	No significant difference
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company’s operations in accordance with the materiality principle, and formulate	V		<p>The disclosed data covered the performance of sustainable development from January 2024 to December 2024, and the boundary of risk assessment is limited to Wafer Works Corp. and its Yangmei Branch in Taiwan.</p> <p>The sustainable development committee shall communicate with internal and external stakeholders in accordance with the major principles analysis of sustainability reports. The</p>	No significant difference

Promoted items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
relevant risk management policies or strategies? (Note 2)			<p>questionnaire survey shall be used to collect the issues, which stakeholders concerned, to evaluate the major issues of sustainable development and the impacts on the corporate sustainable development.</p> <p>Establishment of a complete corporate risk management mechanism and enhancement of the corporate crisis response capability is a necessary basis for corporate sustainable operation and maintenance of corporate competence. In order to reduce the impacts and influences of various potential operational risks and disasters, the Company starts from risk control and danger identification. Implement the concept of risk management for the entire staff, the Company's operational risk can be effectively reduced:</p> <p>1. Business risk management:</p> <p>(1) Product diversification: as the group expands, a diversified and balanced product mix can effectively enhance operational stability. In addition to focusing on the key materials for power devices, the company is also upgrading its epitaxy and SOI technologies, actively developing GaN which is applied to various materials, to ensure smooth operations.</p> <p>(2) Disperse customer base: in light of the global supply chain restructuring, the company has established a customer base of tier-1 IDMs and foundries from the US, EU, Taiwan and China. This helps eliminate the concentration risks associated with customers and markets.</p> <p>(3) Diversify suppliers and control primary raw material sources: to ensure the diversified supply of key materials, the company periodically communicates, reviews, and promotes ESG development with partners in the supply chain.</p> <p>(4) Separation of R&D and production: the Company separates the organ of R&D and production to avoid waste of resources and imbalanced usage.</p> <p>(5) Development of strategic alliance: the Company has been seeking for strategic and investment partners to consolidate its operations, and actively cooperating with teams that have the potential for horizontal and vertical integration.</p> <p>2. Economic risk management:</p> <p>(1) Risk hedging is conducted based on the net foreign currency positions generated from the Company's operations. In addition to closely observing the trends in international</p>	

Promoted items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			<p>foreign exchange markets such as the United States and Japan, the Company sells spot foreign currencies and enters into forward exchange contracts to avoid risks in a timely manner.</p> <p>(2) Inflation: concerning rising costs, the Company has signed long-term material supply contracts with key raw material suppliers to stabilize the production costs, improve production process and save cost.</p> <p>(3) Credit risk: evaluated the customer's credit limit and contract terms in accordance with the Company's credit rules and the customer's financial and business condition.</p> <p>(a) Account receivable: examined and managed the customer's credit limit, implemented collection follow-up, and routinely assessed allowance for uncollectible debts.</p> <p>(b) Financial institution: the Company deals with creditworthy financial institutions.</p> <p>(4) Liquidity risk management: decentralization of financial channels can prevent a single contingency from causing insufficient short-term asset values to cover the payment of short-term liabilities.</p> <p>(a) Budget planning: regular examination of the budget-to-actual implementation gap.</p> <p>(b) Capital management: the short-term capital is not intended for long-term use, and the cash flow is monitored in real time.</p> <p>(c) Investment management: the long-term investments or strategic investments are focused on long-term development; short-term capital is mostly based on time deposits or fixed-income bonds with high liquidity to reduce liquidity risk.</p> <p>3. Legal risk management: The Company always pays close attention to any changes in policies, laws and regulations which could affect the Company's financial standing and business operation. In addition, the in-house counsels in charge of the legal division provide not only the review of various contracts and legal documents, but also the legal opinions and strategies to various divisions, together with the outside counsels.</p> <p>4. Operational risk management: (1) Establish internal control systems and standard operating procedures.</p>	

Promoted items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
			<p>(2) Establish audit systems such as internal control systems, quality management, and environmental management.</p> <p>(3) Conduct an annual internal control system audit and self-assessment.</p> <p>(4) Implement educational training.</p> <p>5. Environment, safety, and health management: The company conducts thorough assessments of potential emergencies, natural disasters, environmental impacts, and operational risks. Contingency plans and procedures are established to address such situations effectively.</p> <p>6. Information security risk management: (1) Information security risk management structure: establish an Information Security Committee to stipulate information and communication security policy. The Information Technology Division is responsible for conducting risk assessment and analysis of the establishment of information and communication security regulations, and conduct regular and irregular audit reviews and improvements following the Company's internal audit and internal control operations, and report to the Board of Directors on a regular basis.</p> <p>(2) Information security risk awareness: provide all employees with advocacy of information and communication security policies.</p> <p>(3) External intrusion threat: detect the security control mechanism of computer network system and e-mail.</p> <p>(4) Leakage of confidential information: confidential data are classified and graded, with process access control based on the authorization mechanism.</p> <p>(5) System security management: system access identity certification, managing portable storage devices and physical access.</p> <p>(6) Interruptions of system maintenance and operation: (a) Prevent malfunction of system software/hardware and database to ensure that critical business activities can be timely resumed. (b) The Company has signed the maintenance contract with software/hardware providers to prevent interruption of information system service.</p>	

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	Yes	No	Summary	
			<p>(7) Reporting and handling of information security risk event: establish information security event reporting procedures and conduct emergency response rehearsals. Each division has carried out risk assessment and the process flow is as below:</p> <p>(a) Hazard identification (b) Risk assessment (c) Risk response</p> <p>In addition, the Company has continuously promoted the Business Continuity Management (BCM) with respect to the situations with a higher degree of hazard risk according to the risk assessment results.</p>	
3. Environmental Issues				
(1) Has the Company established environmental management system based on its industrial characteristics?	V		(1) The company has continuously maintained valid certifications for ISO 14001, ISO 45001, and ISO 14064.	No significant difference
(2) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with low environmental impacts?	V		(2) The Safety Office continues to promote projects such as “waste reduction” and “greenhouse gas emission reduction.”	No significant difference
(3) Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to response to climate-related issues?	V		(3) Wafer Works has identified and analyzed potential operational risks and impacts from climate change and developed corresponding strategies. Monitoring and control mechanisms have been established. New climate-related regulations may increase overall energy costs. Physical climate risks: The increased frequency and severity of extreme weather events (e.g., storms, floods, droughts) may impact operations and the supply chain, such as water shortages or disruptions in raw material supply. The company believes that these challenges also bring opportunities. We have obtained ISO 50001 energy management certification and continues annual re-certification. It is actively implementing energy-saving and carbon reduction measures, planning the establishment of solar energy systems, and began purchasing green electricity in 2023.	No significant difference

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(4) Has the Company calculated its GHG emissions, water consumption and total waste weight in the past two years, and formulated policies for energy conservation, carbon reduction, GHG and water consumption or other waste management?	V		(4) In alignment with its sustainability goals, the company conducts annual greenhouse gas (GHG) inventories and requires all departments to continuously develop energy-saving and carbon-reduction initiatives. Seven major GHG reduction measures have been implemented. The company also promotes green manufacturing through energy-saving and waste-reduction actions. Water recycling and reuse are key objectives, including reduced tap water usage, process wastewater reuse, and water loop recycling. Our company has a complete waste treatment and recycling system. General waste is sent to government-designated incinerators by licensed collectors. Industrial waste, such as sludge and oil sludge, is sorted and collected before being processed by qualified local contractors. Waste is classified into recyclable waste, general waste (incineration), and reusable industrial waste. The company spares no effort in advancing its energy-saving and GHG reduction programs, striving to become a “world-class green solution provider” and achieve the vision of a “world-leading electronic materials supplier.”	No significant difference
4. Social issues (1) Has the Company formulated appropriate management policies and procedures according to relevant regulations and International covenant of Human Rights?	V		(1) The company has regularly revised or formulated internal management rules and systems in accordance with domestic laws and regulations and international human rights conventions; in compliance with the Code of Conduct of Responsible Business Alliance is the top priority to fulfill our corporate social responsibilities. In 2022 and 2024, we obtained the Silver medals through verification by third-party impartial agencies, looking forward to improving the internal management policies and procedures to be in line with the international standards.	No significant difference
(2) Has the Company formulated and executed reasonable employee benefit measures (including remuneration, leaves, and other benefits), and had the operating performance or results properly reflected in employee compensation?	V		(2) The company has formulated reasonable salary and remuneration policies according to the Labor Standards Act while taking into consideration the salary levels and welfare measures in the same industry. The remuneration of employees includes monthly salaries, cash bonuses based on quarterly settlement of business performance, and employee remunerations derived from the company's annual profitability.	No significant difference

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(3) Has the Company provided employees with a safe and healthy work environment as well as offered courses on safety and health to employees on a regular basis?	V		<p>(3) Employees are important assets of the Company. Wafer Works promises to provide a safe, comfortable and healthy work environment by conducting risk assessments on employees' operation environment, and conducting operation environment tests every six months to identify the source of risk and to take proper response measures. The Company has arranged emergency response drills and training courses annually, including emergency response instructions, gear wearing and usage, and emergency response practices, to allow employees to understand the emergency response procedure and handling method in case of an abnormal condition in order to reduce the possible hazard and loss caused by the such abnormal condition.</p> <p>A 3 to 6 hours new employee educational training course and dangerous and hazardous substances general educational training will be provided to every new employee on his or her first day on board. For the all kinds of incumbent employees receiving on-the-job educational training, the eligible trainees and training hours have been arranged in accordance with the Occupational Safety and Health Education and Training Rules. There is an occupational safety and health committee in the factory zone. Meetings have been routinely held every quarter to discuss safety and health related issues. In accordance with the law, labor representatives have provided an official channel for face-to-face communication between the management and employees on issues related to safety and health, and share the safety and health management experience. In order to enhance employees' health management awareness, establish the preventive concept of early discovery of body abnormality, and reduce the risk of disease, Wafer Works has been promoting the following activities by working with health agencies: blood donation, preventive health care service (flu shot), cancer screening, health forum: Lecture on Autonomic Nervous Disorder, and AED first responder training.</p>	No significant difference
(4) Has the Company established effective development and training plans for career and competence?	V		<p>(4) The Company has established the training roadmap and produced annual training plans for employees at each stage of career development, including basic training for new employees, mentoring system for new employees, on-job training of production process, cross division/process training, quality & efficiency training, management training, and core technical / professional training combined with e-Training System</p>	No significant difference

Promoted items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
			for learning and development in order to strengthen employees' knowledge and skills, to enhance personal abilities and to improve organizational competitiveness.	
(5) Does the Company comply with laws, relevant regulations and international standards in terms of customer health and safety, customer privacy, and marketing and labeling of its products and services and formulate relevant consumer protection policies and complaint procedures?	V		(5) The Company and relevant personnel have all complied with laws and regulations and international standards with respect to customers' health and safety, privacy, marketing, and labeling so that the Company can ensure the information transparency and safety of products and services. The Company has formulated and announced the rights and interest protection policies for consumers or other stakeholders to be implemented to business activities to prevent products or services from directly or indirectly damaging rights and interests, health and safety of consumers or other stakeholders. In principle that batch of products or services shall be recalled immediately when there is any fact indicating that the product or service may endanger the safety and health of consumers or other stakeholders.	No significant difference
(6) Has the Company formulated supplier management policies that require suppliers to comply with relevant regulations on issues, such as environmental protection, occupational safety and health, or human rights, and follow up implementation results?	V		(6) During the new supplier evaluation, Wafer Works requires upstream suppliers to be in compliance with RoHS, ISO, laws and regulations about work safety standards, and standards for hazardous substances labeling and icons on the products. Along with the position of adherence to sustainable operation and compliance with the principle of fair trade. The Company is committed to requiring business counterparts to meet the requirements of environmental protection, industrial safety, and human rights, otherwise they will be subject to production rejection, which will be recorded in the supplier assessment operation. In addition, in response to the international human rights issue which has been drawing more and more attention in recent years, suppliers will be required to thoroughly investigate whether or not the metal contents of all purchased materials, parts, or products meet the criteria of "Non-conflict Metal" in order to ensure that these raw materials are acquired legally. The Company will also make sure that the work environment is safe, employees' rights and interests are protected and respected, pollution prevention for products and processes has been implemented, and the corporate social responsibilities are fulfilled. The Company will conduct an annual on-	No significant difference

Promoted items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
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			site audit with respect to all waste handlers to make sure that they handle wastes properly and legally.	
5. Has the Company referred to the internationally accepted report preparation standards or guidelines for its preparation of CSR or other reports which disclose the Company's non-financial information? Has the aforementioned reports obtained third-party assurance or verification statement?	V		In order to improve the disclosure quality of the report, the Company has appointed the AFAQ-AFNOR Group in accordance with AA1000AS v3 Type 1 moderate level assurance.	No significant difference
6. Where the Company has stipulated its own sustainable development principles according to the "Sustainable Development Best Practice Principle for TWSE/ TPEX Listed Companies", please describe actual activities taken by the Company and deviations from the prescribed best practices: No major difference.				
7. Other material information that can help to understand how sustainable development is promoted in the Company: <ul style="list-style-type: none"> (1) Respond to invoice donation and coin donation to Eden Foundation: The Company has responded to invoice donation and coin donation since 2016. Free-amount coin donation and invoice donation from employees that gives economically disadvantaged families hopes. The Company settles donation boxes in both sites and donates to the Foundation every two months. (2) Sponsor community activities: The Company has adhered to the concept of good neighborliness and actively participated in community activities since 2013. The Company sponsor communities every year, such as participated the winter donation, hiking and festival activities of Bade Village of Longtan District and Ruiping Village of Yangmei District in 2024, 5 times in total. (3) Collection of Charity goods and care: The Company has continued to follow the donated demands of social welfare organization since 2021. The Company has donated goods to 1919 food bank, Merry House Social Welfare House Foundation, and Lovefu Social Welfare Foundation four times in total. (4) Respond to baking activities of Children Are Us Foundation: The Company has responded to baking activities of Children Are Us Foundation since 2019, donated Mid-Autumn gift boxes to social welfare organization and of local elementary school in 2024. (5) Feature Education and education book donations to local elementary schools: The Company cares for local elementary schools by continuously delivering feature education and donating education books since 2022. The company donates woodball team, develops feature courses for school, creates multiple learning opportunities, and inherit local featuring culture, of Sanhe Elementary School in 2024. Also in the same year, the company donates Sanhe Elementary School and Te-long Elementary School education books to inspire students into reading and help local elementary school students learning happily and growing up positively. (6) Blood Donation Event: Our company regularly organizes blood donation events. In November 2024, we rallied all employees to participate, collecting a total of 64 bags of blood. We remain committed to public welfare, extending love and care to those in need. 				

Promoted items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
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<p>(7) Beach Cleaning Family Day: With "Purifying the Beach & Soul" as the core concept, we contribute to the earth and "purify" our souls through the process of "Beach Cleaning". We held one event in October 2014 and invited colleagues and their families to participate. At the same time, we enhanced the feelings of the Wafer Works family and fulfilled our social responsibilities.</p> <p>(8) Talent development</p> <p>1. With the purpose of developing talents in semiconductor field, the Company has been working together with faculties in local universities to fulfill the responsibility of identifying and supporting young talents for semiconductor industry. In 2024 the Company implemented various projects by academy-industry collaboration. The results were as described below:</p> <p>(a) Chung Yuan Christian University: Participating in the program of National Science and Technology Council to cultivate outstanding doctoral students, Wafer Works Co. subsidized the research funds of 2 doctoral students every month and signed a letter of intent for cooperation.</p> <p>(b) Fan Shu Vocational School: In 2024, 24 cooperative education students were conducted job rotation in Workforce Development Agency AP0 Plan.</p> <p>(c) Lunghwa University of Science and Technology: In 2024, 24 cooperative education students joined in Wafer Works Co. in the Ministry of Education's industry-university cooperation plan.</p> <p>(d) Chung Yuan Christian University: In 2024, there were 1 student joined the summer internship program in Wafer Works in Industrial Cooperation Project.</p> <p>(e) National Chi Nan University: Cooperate with the Department of Applied Materials and Optoelectronic Engineering to establish its own master's degree program in industry, with an estimated enrollment of 2 students in the 2024 academic year.</p> <p>(f) National Chung Hsing University: Cooperating with the Department of Chemical Engineering and the Department of Materials Science and Engineering to establish its own master's degree program in industry, it is expected to enroll a total of 8 students in the 2024 academic year.</p> <p>2. Education and training of Sustainability: The Company cultivated employees' awareness of sustainability management and establish a foundation for sustainable development communication. 502 colleagues of the company have participated in the sustainability courses in 2024.</p>				

Note 1: If "Yes" is checked Implementation Status, please state specific important policies, strategies, measures adopted and implementation status. If "No" is checked under Implementation Status, please explain the deviations from "Promotion of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies", and the reasons of such deviations, and state the plans for adopting relevant policies, strategies, and measures in the future.

Note 2: The material principle refers to environmental, social, and corporate governance issues which have significant influence on the Company's investors and other stakeholders.

7. Climate-related Information of TWSE and TPEX Listed Companies

(1) Implementation of Climate-Related Information

1. Describe the board of directors' management oversight, governance, and climate-related risks and opportunities.	The Company has established the "Climate Change and Greenhouse Gas Inventory Management Procedures" and formed a Sustainability Development Committee chaired by the General Manager. The committee oversees three working groups—Environmental, Corporate Governance, and Social Responsibility—each led by a respective departmental head. The Committee supervises climate-related risks and formulates corresponding strategies from a sustainability perspective. Meetings are held quarterly to track progress on topics such as GHG inventory, renewable energy, and energy-saving initiatives. Progress reports are presented to the Board after each meeting, and an annual report is prepared covering sustainability implementation and climate change responses.
2. Clarify how the climate risks and opportunities identified can affect the Company's business, strategy, and finances (short-, medium-, and longterm).	<p>Wafer Works defines short, medium, and long-term timeframes for climate risks and opportunities as follows:</p> <p>Short term: 0–3 years</p> <p>Medium to long term: 3–10 years</p> <p>Climate-related risks are categorized into:</p> <p>Transition risks: policy & regulation, technology, market, and reputation</p> <p>Physical risks: acute and chronic weather-related events</p> <p>Opportunities are grouped into five areas: resource efficiency, energy sources, products & services, market potential, and organizational resilience.</p> <p>Through internal assessments, 11 potential climate risks and 10 potential opportunities were identified. These were evaluated based on business relevance, vulnerability (risk response or opportunity readiness), and potential impact/contribution, and were visualized using a risk-opportunity matrix.</p>
3. Articulate the financial impacts of extreme climate events and transition actions.	<p>Changes in rainfall patterns and increased frequency of extreme weather events such as typhoons and heavy rains have led to risk mitigation investments. For instance:</p> <p>NT\$6 million was invested in flood gates and stormwater drainage improvements for wastewater facilities to prevent flooding and power outages that could disrupt production.</p> <p>NT\$13 million was spent on upgrading backup power systems by adding dual-feed high-voltage lines at two plants.</p> <p>Additionally, carbon reduction measures saved 3,377,004 kWh of electricity in 2024, translating to approximately NT\$14,947,982 in cost savings based on Taipower's average rate of NT\$4.45/kWh.</p>
4. Explain how the climate risk identification, assessment, and management process is integrated into the overall risk management system.	<p>The Company integrates climate risk management into its broader risk control framework through ISO 9001, IATF 16949, ISO 45001, and ISO 14001 systems. All potential emergencies, environmental risks, and occupational hazards are assessed in detail.</p> <p>Risk Management Responsibilities:</p> <p>Enterprise Service Department: Supports risk evaluation</p> <p>Facility Department: Supports evaluation, provides environmental data, and manages infrastructure</p> <p>Plant Director: Oversees risk/opportunity strategies and provides environmental performance data</p> <p>Accounting Department: Evaluates financial impacts and supports risk assessment</p> <p>Material Department: Handles Scope 3 emissions in the supply chain and risk responses</p> <p>Safe Department: Revises risk procedures, manages carbon targets, consolidates data</p>

		<table><tr><th colspan="2">Risk Management Process</th></tr><tr><th>Stage</th><th>Description</th></tr><tr><td>Context Identification</td><td><ul style="list-style-type: none">The Environmental Task Force collects climate-related background information.Assesses operational scope and climate risks.</td></tr><tr><td>Risk and Opportunity Identification</td><td><ul style="list-style-type: none">Develops a list of climate risk and opportunity items.Surveys business units and collects evaluation forms from department heads.</td></tr><tr><td>Analysis</td><td><ul style="list-style-type: none">Task force conducts operational impact assessments.Determines significant risks and opportunities.</td></tr><tr><td>Response Planning</td><td><ul style="list-style-type: none">Defines mitigation strategies and targets.</td></tr><tr><td>Monitoring</td><td><ul style="list-style-type: none">Strategies and progress are reviewed annually by the Sustainability Development Committee.</td></tr></table>	Risk Management Process		Stage	Description	Context Identification	<ul style="list-style-type: none">The Environmental Task Force collects climate-related background information.Assesses operational scope and climate risks.	Risk and Opportunity Identification	<ul style="list-style-type: none">Develops a list of climate risk and opportunity items.Surveys business units and collects evaluation forms from department heads.	Analysis	<ul style="list-style-type: none">Task force conducts operational impact assessments.Determines significant risks and opportunities.	Response Planning	<ul style="list-style-type: none">Defines mitigation strategies and targets.	Monitoring	<ul style="list-style-type: none">Strategies and progress are reviewed annually by the Sustainability Development Committee.
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5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be explained.	In line with the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Company has adopted scenario analysis to assess physical and transition risks under different global temperature pathways. An analysis is conducted based on warming scenarios of 1.5°C, 2°C, and 4°C, focusing on three factors: flooding and landslides caused by heavy rainfall, as well as climate-induced drought.															
6. If there is a transition plan to manage climate-related risks, explain the content of the plan and the indicators and goals used to identify and manage physical and transition risks.	<div><div><div>Climate Change Opportunity Matrix</div><div>Opportunity</div><div><div><div>H</div><div>Water use reduction</div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><d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Climate Change Risk Matrix

Transition Risk Physical Risk



7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.

Disclosure of greenhouse gas (GHG) emissions inventory and public information aims to internalize the external costs of GHG emissions. Internal carbon pricing (ICP) is applied through five evaluation methods: implicit price, shadow price, emission offset, internal carbon fee, and internal emission trading. Among them, implicit pricing is used to assess the financial impact of increased carbon emission pricing and response mechanisms, including the anticipated implementation of a carbon tax.

A preliminary carbon fee of 100 TWD per ton is set, with major emitters exceeding 25,000 metric tons of CO₂e subject to carbon fees. The payable carbon fee is calculated as: (Direct and indirect emissions - 25,000 metric tons CO₂e) × Fee rate of 100 TWD per ton.

To support carbon reduction initiatives, the company plans to establish a dedicated fund, which will be exclusively used for carbon offset-related matters. Additionally, this fund may be utilized for internal emission reduction competitions within the company.

<p>8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission categories, planning schedule, and annual progress should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve these goals, the source and quantity of the carbon offsets or the quantity of RECs should be explained.</p>	<p>In 2024, a total of 1,636 units of National Renewable Energy Certificates (T-REC) were purchased. A carbon reduction plan has been formulated based on the total greenhouse gas (GHG) emissions across Scope 1 to Scope 3, including an annual electricity savings target of 1.5% and a 12% carbon reduction goal by 2030. The renewable energy procurement plan aims to achieve RE18 by 2030 and RE30 by 2050.</p>
<p>9. Greenhouse gas (GHG) inventory and assurance status and reduction targets, strategies, and specific action plans (also filled in 1-1 and 1-2).</p>	<p>The greenhouse gas (GHG) inventory and assurance status are outlined in Table 1-1. The GHG reduction targets, strategies, and specific action plans are detailed in Table 1-2.</p>

1-1 GHG inventory and assurance status for the past two years

1-1-1 GHG inventory information

Describe the GHG emissions (in tonnes CO2e), intensity (tonnes CO2e / million dollars), and data coverage for the past 2 years.							
	units : tCO2e						
	Years	2022		2023		2024	
	Site	Yangmei	Longtan	Yangmei	Longtan	Yangmei	Longtan
	Scope 1	2,128.8034	5,870.6651	1,523.6145	2,345.1531	2,195.3567	4,514.7186
	Scope 1 (total)	7,999.4685		3,868.7676		6,710.0753	
	Scope 2	26,771.7712	44,831.0912	19,385.1528	41,519.0165	19,514.4939	41,905.2024
	Scope 2 (total)	71,602.8624		60,904.1693		61,419.6963	
	Scope 3	4,727.7741	4,050.3196	1,357.2230	3,709.7170	472.0791	1,966.7667
	Scope 3 (total)	8,778.0937		5,066.9400		2,438.8458	
	Total (Site)	33,628.349	54,752.076	22,265.990	47,573.887	2,2181.930	48,386.688
	Total (Year)	88,380.425		69,838.877		70,568.617	
	"Total Company Emission Intensity (Unit: tCO2e per million currency units)	6.28		6.45		8.09	
	"Total Company Emission Intensity (Unit: tCO2e per square meter)	0.48		0.55		1.12	
	Note 1: The 2024 data source has been verified by the British Standards Institution (BSI) Taiwan branch as a third-party audit, and the greenhouse gas (GHG) inventory statement is expected to be obtained by the end of May 2025. Note 2: In response to the Environmental Protection Administration’s (EPA) requirements, the Global Warming Potential (GWP) has been adjusted to the AR5 version, with 2023 set as the company's baseline year. Note 3: The reference for GWP values is the IPCC Fifth Assessment Report (2013). Note 4: The method for compiling GHG emissions is based on operational control, utilizing the GHG Emission Factor Management Table (Version 6.0.4), where activity data is multiplied by the emission factor and GWP value. Note 5: Emission intensity (tCO2e/m²) is calculated as: Company carbon emissions (tCO2e) / Production area (m²). Note 6: The total GHG emissions increased in 2024 due to the addition of a 12-inch production line at the Longtan plant, leading to a rise in overall carbon emissions. To meet carbon reduction targets, annual electricity savings of 1.5% are required, and in 2024, the two plants achieved a 2.6% reduction in electricity consumption compared to the previous year.						

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance situation for the last two years as of the publication date of the annual report, including assurance scope, assurance organization, assurance criteria, and assurance opinions.						
The greenhouse gas (GHG) inventory and assurance status						
Year	2023		2024		Assurance Institution	Assurance Status
	Total Emissions	Emission intensity	Total Emissions	Emission intensity		
Scope 1	3868.7742	0.385	6,710.0753	0.769	British Standards Institution (BSI) Taiwan Branch	Verification completed on April 10, 2025 Verification statement expected to be obtained in May.
Scope 2	60,534.54	6.025	61,419.6963	7.043		
Scope 3	5066.9400	0.504	2,438.8458	0.280		
Total	69470.2547	6.914	70,568.617	8.092		
Note 1: Total greenhouse gas (GHG) emissions unit (metric tons CO2e)						
Note 2: Emission intensity unit (metric tons CO2e per NT\$ million in revenue)						

1-2 GHG Reduction Targets, Strategies and Specific Action Plans

Describe the GHG reduction baseline year and its data, reduction targets, strategies, and specific action plans, and the progress of achieving the reduction targets.					
Carbon Reduction Target: Annual Electricity Savings of 1.5% Specific Action Plans: See Table Below for Details.					
2024 Longtan Plant Energy Conservation and Carbon Reduction Action Plan			2024 Yangmei Plant Energy Conservation and Carbon Reduction Action Plan		
No.	Energy-saving Measure	Implementation Details	No.	Energy-saving Measure	Implementation Details
1	Cleanroom temperature adjustment	Temperature/humidity adjusted from 23°C 50RH% to 23.5°C 55RH%	1	AHU07 air conditioning improvement	Changed electric heating to hot water coil in cleanroom
2	Cleanroom lighting upgrade (T5 to LED)	Replaced 2,000 T5 tubes with T5 LED	2	POLY area air supply improvement	Modified electric heating to hot water coil system
3	Water-saving measures	Machine and facility water recovery optimization	3	Scrubber pump replacement	Upgraded IE3 motors to IE4 for 5 scrubbers
4	Reduce power use by stopping intermediate pumps	Changed water supply method to reduce pump load	4	Scrubber fan motor upgrade	Replaced 30HP IE1 motors with IE3
5	General lighting upgrade (T5 to LED)	Replaced 190 T5 tubes and 53 recessed lights	5	UPS replacement for CDA#2	Removed inefficient UPS to reduce conversion loss
6	Production area lighting upgrade (T5 to LED)	Replaced 413 T5 tubes with LED	6	Condensate recovery from MAU & AHU	Reduced cooling tower power and water consumption
7	AHU frequency control in electrical room	Changed 12 fan units from full load to VFD	7	Chiller refrigerant side optimization	Added FRIG AID refrigerant to improve performance
8	Blower replacement in wastewater plant	Replaced 40HP blowers with energy-saving turbo type	8	UPS route optimization for crystal growth	Improved conversion efficiency from 93% to 100%
9	Circulation pump VFD control for scrubber A004	Reduced frequency from 60Hz to 40Hz	9	Ventilation fan replacement in chiller room	Saved 59,744 kWh by replacing 5HP fan
10	VFD operation for non-production HVAC	Switched 12 fan units from full load to VFD	10	Reduced WS machine count	Switched from 11 to 7 machines including DWS
11	Lighting upgrade in Crystal Growth Phase 1	Replaced 138 T5 tubes with LED	11	Crystal growth thermal field replacement	Converted 5 furnaces to G3 type
12	Condensate recovery from MAU to cooling tower	Reused 76CMD condensate to reduce cooling fan load			
13	Temperature/humidity adjustment in poly-silicon cleanroom	Adjusted from 23°C 50RH% to 23.5°C 55RH%			
14	Surface treatment lighting upgrade (T5 to LED)	Saved 8,494 kWh/year			

15	Reduce LSR1 pump usage	Adjusted tank levels to reduce pump starts	
16	Scrubber A003 pump VFD control	Reduced frequency from 60Hz to 40Hz	
17	Scrubber A005 pump VFD control	Reduced frequency from 60Hz to 48Hz	
18	Lighting upgrade in poly-silicon area (T8 to LED)	Replaced 213 T8 tubes with LED	
19	Cleanroom temperature adjustment (Production #4)	Adjusted from 23°C 50RH% to 23.5°C 55RH%	
20	RO pump efficiency upgrade	Replaced 4 low-efficiency 20HP pumps	
21	Adjust 12°C chilled water temperature	Increased output temp to enhance efficiency	
22	Replace WS with DWS machines	Reduced electricity by switching to energy-saving cutters	
23	Buffer tank insulation	Installed insulation to reduce heat loss	
24	Lighting replacement with LEDs	Replaced 112 light fixtures	
25	General exhaust reduction in machines	Reduced frequency of exhaust fans	
26	Thermal field upgrade in crystal growth	Improved insulation and heating control	
27	Process optimization in crystal growth	Reduced heating and process time	
28	VFD installation on dust collector	Installed inverter for dust collection system	
29	IGBT power supply replacement	Replaced one IGBT power supply unit	
30	Nighttime shutdown of ovens	Shut off ovens overnight	
31	Lighting Upgrades to LED Fixtures	Replaced lighting in the peripheral walkway areas of the production zone with LED lights	
32	Lighting Upgrades to LED Fixtures	Replaced lighting in the raw material and finished goods storage areas with LED lights	

2023 Longtan Plant Energy Conservation and Carbon Reduction Action Plan		
No.	Energy-saving Measure	Implementation Details
1	7°C Chiller Dual-Side Energy Saving	Addition of Electrode Equipment
2	12°C Chiller Dual-Side Energy Saving	Addition of Electrode Equipment
3	Phase 1 Crystal Growth & CUB Lighting Replacement with LED	Phase 1 Crystal Growth & CUB Lighting Replacement with LED
4	Integration of Wastewater Blowers	Integration of Wastewater Blowers
5	UPS Switched to ECO Mode	UPS Switched to ECO Mode
6	Improvement of Thermal Field Design for K47 Crystal Growth	Optimization of Crucible Component Insulation Material
7	Replacement of LED Lighting in Common & Office Areas	T8 Fluorescent Tubes Replaced with LED Tubes
8	Air Conditioning System: Installation of Timer for Electrical Panel Fan Circuits	Fans Automatically Turned Off During Non-Working Hours

2023 Yangmei Plant Energy Conservation and Carbon Reduction Action Plan		
No.	Energy-saving Measure	Implementation Details
1	Chiller Dual-Side Energy Saving	Cooling Water Side & Refrigerant Side Efficiency Enhancement
2	Cleanroom Temperature & Humidity Adjustment Plan	Temperature and Humidity Adjustment for F Zone & E Zone Class 1000 Cleanroom
3	Crystal Growth G3 Energy-Saving Thermal Field Implementation Plan	Energy-Saving Thermal Field for Crystal Growth K6 & K8
4	Four-Tube Furnace Energy-Saving Plan	Energy Efficiency Enhancement for Four-Tube Furnace
5	A012 Circulating Pump Replacement Plan	Replacement of Circulating Pump #A & Circulating Pump #C
6	Air Conditioning System: Installation of Timer for Electrical Panel Fan Circuits	Fans Automatically Turned Off During Non-Working Hours

8. Fulfillment of ethical corporate management and deviation from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and the Reasons

Evaluate Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies?</p> <p>(3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?</p>	V		<p>(1) The Company has formulated the code of practice for integrity management, integrity management operating procedures, and behavior guidelines, and they have been approved by the Board of Directors. It is shown on the Company’s website and the Company profile that “Creation based on Integrity” is the priority of the Company’s business philosophies.</p> <p>(2) The Company has formulated the RBA Regulation of Business Ethics including the plan for prevention of dishonesty and behavior guidelines; the advocacy of educational training is implemented by the HR Division.</p> <p>(3) The Company has stipulated in the RBA Regulation of Business Ethics that all employees must avoid conflicts of interests, and are prohibited from accepting gifts or treatments which disobey the regulations or exceed upper limit.</p>	No significant difference
<p>2. Ethic Management Practice</p> <p>(1) Whether the company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?</p>	V		<p>(1) The supplier code of conduct sets forth the company's objective and dedication to maintaining honest management practices. The contract signed with the counterparty explicitly defines the terms and conditions for conducting business with integrity.</p>	No significant difference

Evaluate Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
<p>(2) Whether the company has set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and programs to prevent unethical conduct and monitor its implementation?</p> <p>(3) Whether the company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?</p> <p>(4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?</p> <p>(5) Does the company provide internal and external ethical conduct training programs on a regular basis?</p>	V		<p>(2) The HR Division of the Company is in charge of the formulation, advocacy, and supervision of operations of RBA Regulation of Business Ethics in order to implement the concept of integrity management. The supervision of relevant operations will be done by the Company's Auditors. If there is any dishonesty happened, such behaviors, its handling method and follow-up review and improvement measures shall be reported to the Board of Directors.</p> <p>(3) The Company has stipulated in RBA Regulation of Business Ethics that any employee who identifies malfeasance shall report it to the Chairman, President, Audit Supervisor, or any other appropriate personnel.</p> <p>(4) The Company has formulated and announced RBA Regulation of Business Ethics and to serve as the basis for audit by the Audit office.</p> <p>(5) It is stipulated in the Company's RBA Regulation of Business Ethics that the internal educational training of integrity management shall be arranged regularly.</p>	
<p>3. Implementation of Complaint Procedures</p> <p>(1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</p> <p>(2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?</p>	V	V	<p>The reporting channels have been stipulated in the code of practice of integrity management of the Company to require the relevant division to assess internal control system and operating procedures and to propose improvement measures in order to prevent recurrence of the same behavior. The Company has stipulated in RBA Regulation of Business Ethics that any employee who identifies malfeasance shall report it to the Chairman, President, Audit Supervisor, or any other appropriate personnel.</p>	No significant difference

Evaluate Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	V			
4. Strengthening Information Disclosure Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)?	V		The Company has stipulated the RBA Regulation of Business Ethics and disclosed the regulations of integrity management on the Company website.	No significant difference
5. If the Company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has formulated Code of Practice for Integrity Management, Operating Procedures and Behavior Guidelines for Integrity Management, RBA Regulation of Business Ethics, Procedures Governing Board of Directors Meeting, Organizational Regulations for Remuneration/Compensation Committee, Procedures Governing Shareholders' Meeting, Internal Control System, Internal Audit System, Assets Acquisition or Disposal Procedures, Procedures for Lending Funds to Other Parties, Operating Procedures for Endorsement and Guarantee, and the Procedures for Handling Internal Material Information and Preventing Insider Trading in accordance with the principles and regulations of "Code of Practice for Integrity Management of TWSE/TPEX Listed Companies".				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy). It is shown on the Company's website and the Company profile that "Creation based on Integrity" is the priority of the Company's business philosophies. The Company has formulated the code of practice for integrity management, integrity management operating procedures, and behavior guidelines, and they have been approved by the Board of Directors. The Company has formulated and announced the RBA Regulation of Business Ethics.				

9. Other significant information that will provide a better understanding of company governance operation shall be disclosed: for detail please refer to the Investor Relations Section of our company website (<http://www.waferworks.com>).

10. Implementation Status of Internal Control System

(1) Internal Control System Statement

Wafer Works Corporation

Internal Control System Statement

Date: March 14, 2025

Based on the findings of a self-assessment, Wafer Works Corporation states the following in regards to its internal control system during the year of 2024.

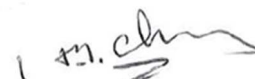
- 1) The Company is aware that the establishment, implementation, and maintenance of the internal control system is the responsibility of the Board of Directors and managers of the Company. The Company has established the system for the purpose of guaranteeing the reliability, timeless and transparency report of the effectiveness and efficiency of the operation (including profitability, performance, asset security, etc.) and ensuring all follow relevant laws and regulations.
- 2) An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the three aforementioned objectives. Moreover, the effectiveness of an internal control system may be subject to change due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- 3) The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, 5. Monitoring activities. Each component includes number of items. Please see the Regulations for rules of the aforementioned items.
- 4) The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- 5) Based on the findings of such evaluation, the Company believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance on our operational effectiveness and efficiency, reliability, timeless, transparency of reporting, and compliance with applicable rulings, laws and regulations.
- 6) This Statement is an integral part of the Company's annual report for the current period, and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- 7) This Statement was approved by the Board of Directors of the Company in their meeting held on March 14, 2025, with all nine attending directors affirming the content of this Statement.

Wafer Works Corporation

Chairman: Ping-Hai, Chiao



President: Hsien-Yuan, Chang



(2) If a CPA is appointed to review the internal control system, the review report shall be disclosed:

Not applicable, nothing requires a professional audit of the internal control system by a CPA.

11. Major resolutions of the Shareholders' Meeting and the Board Meetings in the most recent year up to the date of publication of the annual report

(1) Important Resolutions of Shareholders' Meeting and Execution Status

Date	Proposal	Resolution and execution
June 21, 2024	<p>Important resolutions of 2024 General shareholders' meeting:</p> <p>1. Report Items</p> <p>(1) The Company's 2023 business report</p> <p>(2) Audit Committee' review report of 2023</p> <p>(3) The Company's 2023 Directors' and Employees' Remuneration Distribution Report</p> <p>(4) Report of Investment in Mainland China</p> <p>(5) To report the declaration and commitments for the listing of Wafer Works (Shanghai) Co., Ltd., on the STAR Market</p> <p>2. Ratification Items</p> <p>(1) Recognition of the Company's 2023 Business Report and Financial Statements</p> <p>(2) Recognition of the Company's 2023 Earnings Distribution</p> <p>3. Discussion Items</p> <p>Discussion of the issuance of employee restricted stock awards for year 2024</p> <p>4. Election</p> <p>The 11th Election of Directors</p> <p>5. Other Matters</p> <p>Proposal of Release the Prohibition on Directors from Participation in Competitive Business</p>	<p>2. Ratification Items</p> <p>(1) The resolution was approved.</p> <p>(2) The resolution was approved, and the cash dividends of NTD352,783,425 was distributed on August 14, 2025.</p> <p>3. Discussion Items</p> <p>The resolution was approved, and will be implemented as per the resolution by the General shareholders' meeting.</p> <p>4. Election</p> <p>Five directors were elected: Ping-Hai, Chiao, Nan-Yang, Wu, Hua Eng Wire&Cable Co., Ltd. Representative: Hsiu-Mei, Liu, Chung-Hou, Tai, Grand Sea Investments Limited Representative: Zhen-Tu, Liu Four independent directors were elected: Feng-I, Lin, Yong-Song, Tsai, De-Wai, Chou, Rui-Hua, Hong. The term of office is from June 21, 2024 to June 20, 2027</p> <p>5. Other Matters</p> <p>After a resolution passed by the shareholders' meeting, the non-competition restriction on newly appointed directors was lifted.</p>

(2) Important Resolutions of the Board of Directors

Date	Resolutions
2024.01.26	1.Approval of the commitment letter issued by Wafer Works (Shanghai) Corp., a subsidiary of the Company, for its listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange
2024.03.15	1.Approval of the Company's 2023 Directors' and Employees' Remuneration Distribution Proposal 2.Approval of the Company's 2023 Business Report and Financial Statements 3.Approval of 2023 Earnings Distribution 4.Approval of reconfirmation of the Company's "General Policy for Pre-approval of Non-assurance Services" 5.Approval of issuance of employee restricted stock awards for year 2024 6.Approval of the issuance of the Company's 2023 "Internal Control System Statement" 7.Approval of the proposed lifting of non-compete restrictions on managers 8.Approval of the election of the 11th-term Board of Directors of the Company 9.Approval of the proposed lifting of non-compete restrictions on newly appointed directors of the Company 10.Approval of matters related to the convening of general shareholders' meeting of this year
2024.05.10	1.Approval of the Company's 2024Q1 financial statements 2.Approval of 2024 proposal of remuneration for certified public accountant 3.Approval of the amendment of the Company's "Organization Rules for the Audit Committee" 4.Approval of formulation of the Company's "Rules of Procedure for Board Meetings" 5.Approval of the list of Director (including Independent Director) candidates nominated by shareholders holding more than 1% of the Company's shares 6.Approval of the release the prohibition on Directors from participation in competitive business
2024.06.21	1.Approval of the election of the 11th chairman 2.Approval of the proposal to appoint members to the 6th Compensation Committee
2024.07.11	1.Approval of the issuance of 2024 ordinary shares as the cash capital increase and the 8th domestic unsecured convertible corporate bonds
2024.08.09	1.Approval of the Company's 2024Q2 financial statements 2.Approval to an initial investment of no more than NT\$3.133 billion is planned to establish a large size silicon wafer plant on the Erlin plant of Central Taiwan Science Park and purchase some of the necessary machines and equipment for the Company's mid and long-term development 3.Approval of the amendment to the management measures for salary and remuneration of managers 4.Approval of 2023 manager remuneration distribution plan 5.Approval of issuance 2nd employee restricted stock awards for year 2024 6.Approval to appoint Land Bank of Taiwan as the mandated lead arranger for a syndicated loan of NT\$2.3 billion
2024.09.25	1.Approval of issuance of new shares for cash capital increase reserved for managerial employees in 2024
2024.11.08	1.Approval of the Company's 2024Q3 financial statements 2.Approval of the cancellation of restricted stock awards withdrawn by the Company 3.Approval of formulation of our company's 2025 Audit Plan
2024.12.20	1.Approval to increase capital expenditures with a total amount of no more than NT\$1.82 billion to supplement the construction of factory facilities and the purchase of long-delivery machinery and equipment at the Erlin plant 2.Approval of the Company's 2025 budget proposal 3.Approval of issuance of employee restricted stock awards for year 2024 4.Approval of the Company's 2024 assessment of independence and competency of certified public accountant 5.Approval of the Company's 2025 authorization of Audit Committee for reviewing the acquisition or disposal of re-invested enterprises with total amount of equity no more than NTD500 million 6.Approval of the Establishment of a Subsidiary (Tentative Name: Silicon Works Tech Corporation) with an Investment Amount of NT\$300 Million 7.Approval of the Formulation of the Company's "Sustainable Information Management measures"
2025.03.14	1.Approval of the Company's 2024 directors' and employees' remuneration distribution proposal 2.Approval of the Company's 2024 business report and financial statements 3.Approval of 2024 earnings distribution 4.Approval of reconfirmation of the Company's "General Policy for Pre-approval of Non-assurance Services"

	5.Approval of issuance of employee restricted stock awards for year 2025 6.Approval of compensation adjustment for managerial employees 7.Approval of the issuance of the Company's 2024 "Internal Control System Statement" 8.Approval of the definition for entry-level employees 9. Approval of the amendment to the Company's Articles of Incorporation 10.Approval of the removal of the noncompete clause for Directors 11.Approval of the proposed lifting of non-compete restrictions on managers 12.Approval of matters related to the convening of general shareholders' meeting of this year
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12. Major issues of record or written statements made by any director dissenting to important resolutions passed by Board of Directors in the most recent year and as of the date of this annual report was printed: No such situation.

IV. Information on CPA professional fees

1. Audit fees and non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm and details of non-audit services

Unit: NTD Thousands

Name of accounting firm	Names of CPAs		Audit periods	Audit fees	Non-Audit fees (Note)	Total	Remarks
Ernst & Young	Ching-Piao, Cheng	Chih-Ming, Chang	2024/01/01 –2024/12/31	7,150	1,607	8,757	

Note: The non-audit fees mainly includes paid for business registration, SPO, ESG Reports and disbursement fee, etc.

2. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
3. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

V. Information on replacement of CPAs

1. Former CPAs:
Not applicable as the company did not change the CPA in 2024.
2. Successor CPAs:
Not applicable as the company did not change the CPA in 2024.
3. Reply letter from former CPA with respect to the matters of Article 10 Paragraph 6 Item 1 and Item 2-3 of this standard: None.

VI. Where the Company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held: None.

VII. Changes in shareholding and pledge of Directors, Managerial Officers, and major shareholders with more than 10 percent shareholding during the most recent year as of the date of publication of the annual report.

1. Changes in shareholding and pledged shareholding under lien of Directors, Managerial Officers and Major shareholders

Title	Name	2024		Current year up to April 25, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Ping-Hai, Chiao	573,451	0	0	0
Director	Nan-Yang, Wu	0	0	0	0
Director	Hua Eng Wire & Cable Co., Ltd.	1,252,027	0	0	0
	Representative: Hsiu-Mei, Liu	0	0	0	0
Director	Chung-Hou, Tai	0	0	0	0
Director	Grand Sea Investments Limited	70,734	0	0	0
	Representative: Zhen-Tu, Liu	0	0	0	0
Independent Director	Yong-Song, Tsai	0	0	0	0
Independent Director	Feng-I, Lin	0	0	0	0
Independent Director	De-Wai, Chou	0	0	0	0
Independent Director	Rui-Hua, Hong	20,628	0	0	0
Managerial Officers	Hsien-Yuan, Chang	216,014	0	0	0
Managerial Officers	Kuang-Chung, Liao	0	0	40,000	0
Managerial Officers	Yung-Cheng, Sung	136,051	0	0	0
Managerial Officers	Lung-Chih, Lin	81,700	0	3,000	0
Managerial Officers	Po-Lin, Tsou	90,000	0	0	0
Managerial Officers	Kuo-Chun, Wu	89,000	0	0	0
Managerial Officers	Wei-Lun, Lin (Resigned on March 7, 2025)	(6,000)	0	0	0
Managerial Officers	Chia-Yu, Lu	(2,000)	0	0	0

2. Counterparty of equity transfer is a relative: None

3. Counterparty of equity pledge is a relative: None

VIII. Information regarding the top 10 shareholders in terms of number of shares held, who are related parties or each other's spouses and relatives within the second degree of kinship

April 25, 2025 Unit: shares; %

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Job Title (or Name)	Relationship	
Ping-Hai, Chiao	12,646,405	2.20%	10,527	0%	0	0%	None	None	None
Chunghwa Post Co., Ltd.	7,741,000	1.35%	-	-	0	0%	None	None	None
Chunghwa Post Co., Ltd. Representative: Guo-Cai, Wang	Shareholder did not provide information.								
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	7,569,898	1.32%	-	-	0	0%	None	None	None
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	7,197,744	1.25%	-	-	0	0%	None	None	None
Hua Eng Wire&Cable Co., Ltd.	5,951,040	1.04%	-	-	0	0%	None	None	None
Hua Eng Wire&Cable Co., Ltd., Representative: Hung-Jen, Wang	Shareholder did not provide information.								
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	3,971,414	0.69%	-	-	0	0%	None	None	None
Chang Hwa Commercial Bank, Ltd. – Custodian for the Mega Taiwan ESG Sustainability High Dividend Equal Weight ETF Securities Investment Trust Fund Segregated Account.	3,672,007	0.64%	-	-	0	0%	None	None	None
Chih -Hao, Change	3,631,937	0.63%	-	-	0	0%	None	None	None
Green Cove Enterprises Inc.	3,605,462	0.63%	-	-	0	0%	None	None	None
Green Cove Enterprises Inc., Representative: Marrian, Hwang	Shareholder did not provide information.								
Hitech Holding (BVI) Corp.	3,545,887	0.62%	-	-	0	0%	None	None	None
Hitech Holding (BVI) Corp., Representative: Ko-Pin, Chu	Shareholder did not provide information.								

Note 1: All top 10 shareholders shall be listed. Those who are juridical shareholders shall have the name of juridical shareholder and the name of its representative listed separately.

Note 2: The shareholding ratio is calculated based on the shares held by the person, his/her spouse or minor children, or through nominees.

Note 3: The relationship among aforementioned shareholders, including juridical persons and individuals, shall be disclosed in accordance with the issuer's financial reporting standards.

IX. The number of shares held by the Company, the Directors and Managerial Officers of the Company and the Company directly or indirectly control the businesses in the same reinvested business and the combined shareholding ratio

December 31, 2024; Unit: Share; %

Investee enterprise (Note)	Investment by the Company		Investment by the Directors and Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	%	Shares	%	Shares	%
Wafer Works Investment Corp.	66,566,226	100%	0	0	66,566,226	100%
Heli-Vantech Corp.	500,000	100%	0	0	500,000	100%
Huaxin (Shanghai) Technology Co., Ltd.	0	100%	0	0	0	100%

Note: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

III. Capital Overview

I. Capital and shares

1. Sources of Capital

1) Sources of Capital

April 30, 2025/Unit: shares; NTD Thousand

Month/ Year	Issued Price (NTD)	Authorized capital		Paid-in capital		Remarks			
		Shares	Amount	Shares	Amount	Source of capital	Amount	Capital paid in by assets other than cash	Other
1997.07	10	500,000	5,000	500,000	5,000	Incorporation	5,000	None	
1997.12	10	80,000,000	800,000	76,854,335	768,543	Capital increase by cash	763,543	None	Note 1
1998.10	10	200,000,000	2,000,000	126,966,936	1,269,670	Capital increase by cash Capitalization of capital reserve	40,000 461,127	None	Note 2
2000.04	10	200,000,000	2,000,000	150,000,000	1,500,000	Capital increase by cash	230,330	None	Note 3
2003.08	10	250,000,000	2,500,000	150,000,000	1,500,000	Authorized capital increase	-	None	Note 4
2004.10	10	250,000,000	2,500,000	154,500,000	1,545,000	Capitalization of capital reserve	45,000	None	Note 5
2005.08	10	250,000,000	2,500,000	155,474,219	1,554,742	Conversion of CB to shares	9,742	None	Note 6
2005.09	10	250,000,000	2,500,000	164,077,060	1,640,771	Capitalization of retained earnings	86,029	None	Note 7
2005.10	10	250,000,000	2,500,000	171,543,698	1,715,437	Conversion of CB to shares	74,666	None	Note 8
2006.02	10	250,000,000	2,500,000	172,690,410	1,726,904	Conversion of CB to shares	11,467	None	Note 9
2006.04	10	250,000,000	2,500,000	173,222,696	1,732,227	Conversion of CB to shares	5,323	None	Note 10
2006.07	10	250,000,000	2,500,000	178,580,288	1,785,803	Conversion of CB to shares	53,576	None	Note 11
2006.10	10	250,000,000	2,500,000	190,342,415	1,903,424	Capitalization of retained earnings	117,621	None	Note 12
2006.11	10	250,000,000	2,500,000	194,187,342	1,941,873	Conversion of CB to shares	38,449	None	Note 13
2006.12	10	250,000,000	2,500,000	209,853,913	2,098,539	Conversion of CB to shares Capital increase by cash	6,666 150,000	None	Note 14
2007.04	10	250,000,000	2,500,000	210,601,038	2,106,010	Conversion of CB to shares	7,471	None	Note 15
2007.07	10	250,000,000	2,500,000	211,670,560	2,116,706	Conversion of CB to shares	10,696	None	Note 16
2007.09	10	300,000,000	3,000,000	218,800,569	2,188,006	Capitalization of retained earnings	71,300	None	Note 17
2007.10	10	300,000,000	3,000,000	221,330,854	2,213,309	Conversion of CB to shares	25,303	None	Note 18
2008.02	10	300,000,000	3,000,000	226,330,854	2,263,309	Capital increase by cash	50,000	None	Note 19
2008.02	10	300,000,000	3,000,000	226,674,145	2,266,741	Conversion of CB to shares	3,432	None	Note 20
2008.05	10	300,000,000	3,000,000	226,698,791	2,266,988	Conversion of CB to shares	247	None	Note 21
2008.09	10	300,000,000	3,000,000	234,536,385	2,345,364	Capitalization of retained earnings Conversion of CB to shares	76,035 2,341	None	Note 22
2008.12	10	300,000,000	3,000,000	235,111,566	2,351,116	Conversion of CB to shares	5,752	None	Note 23
2009.02	10	300,000,000	3,000,000	234,761,566	2,347,616	Cancellation of treasury shares	3,500	None	Note 24
2009.09	10	300,000,000	3,000,000	256,542,450	2,565,425	Capitalization of retained earnings	217,809	None	Note 25
2009.12	10	300,000,000	3,000,000	273,542,450	2,735,425	Capital increase by cash	170,000	None	Note 26
2011.09	10	400,000,000	4,000,000	281,748,724	2,817,487	Capitalization of retained earnings	82,062	None	Note 27
2012.08	10	400,000,000	4,000,000	286,795,325	2,867,953	Capitalization of retained earnings	50,466	None	Note 28
2013.09	10	400,000,000	4,000,000	336,795,325	3,367,953	Capital increase by cash	500,000	None	Note 29
2014.10	10	400,000,000	4,000,000	335,413,325	3,354,133	Cancellation of treasury shares	13,820	None	Note 30
2014.11	10	400,000,000	4,000,000	338,413,325	3,384,133	Issuance of restricted stock awards	30,000	None	Note 31
2015.01	10	400,000,000	4,000,000	383,413,325	3,834,133	Capital increase by cash	450,000	None	Note 32
2015.08	10	400,000,000	4,000,000	383,173,325	3,831,733	Cancellation of restricted stock awards	2,400	None	Note 33
2016.03	10	500,000,000	5,000,000	413,173,325	4,131,733	Capital increase by cash	300,000	None	Note 34
2016.09	10	500,000,000	5,000,000	413,085,575	4,130,855	Cancellation of restricted stock awards	878	None	Note 35
2017.05	10	500,000,000	5,000,000	433,784,527	4,337,845	Conversion of CB to shares	206,990	None	Note 36
2017.08	10	500,000,000	5,000,000	447,705,419	4,477,054	Conversion of CB to shares Cancellation of restricted stock awards	148,074 8,865	None	Note 37
2017.11	10	500,000,000	5,000,000	471,615,361	4,716,154	Conversion of CB to shares	239,100	None	Note 38
2018.03	10	500,000,000	5,000,000	480,898,436	4,808,984	Conversion of CB to shares	92,830	None	Note 39
2018.06	10	600,000,000	6,000,000	510,898,436	5,108,984	Capital increase by cash	300,000	None	Note 40
2021.10	10	600,000,000	6,000,000	540,898,436	5,408,984	Capital increase by cash	300,000	None	Note 41
2022.04	10	600,000,000	6,000,000	540,933,730	5,409,337	Conversion of CB to shares	353	None	Note 42
2022.07	10	700,000,000	7,000,000	540,933,730	5,409,337	Authorized capital increase	-	None	Note 43
2023.06	10	700,000,000	7,000,000	541,883,730	5,418,837	Issuance of restricted stock awards	9,500	None	Note 44
2024.01	10	700,000,000	7,000,000	542,743,730	5,427,437	Issuance of restricted stock awards	8,600	None	Note 45
2024.11	10	700,000,000	7,000,000	573,243,730	5,732,437	Cancellation of restricted stock awards	1,400	None	Note 46

Month/ Year	Issued Price (NTD)	Authorized capital		Paid-in capital		Remarks			
		Shares	Amount	Shares	Amount	Source of capital	Amount	Capital paid in by assets other than cash	Other
						Capital increase by cash	300,000		
						Issuance of restricted stock awards	6,400		
2025.01	10	700,000,000	7,000,000	573,613,730	5,736,137	Issuance of restricted stock awards	370,000	None	Note 47
2025.04	10	700,000,000	7,000,000	573,963,730	5,739,637	Issuance of restricted stock awards	350,000	None	Note 48

Note 1: Approval No.: Ching-(86)-shang-tzu-ti-123700

Note 2: Approval No.: Ching-(87)-shang-tzu-ti-087133073

Note 3: Approval No.: (89) Tai-tsai-cheng-(1)-ti-113917

Note 4: Approval No.: Ching-(92)-shang-tzu-ti-09201237800

Note 5: Approval No.: Ching-shou-shang-tzu-ti-09301179830

Note 6: Approval No.: Ching-shou-shang-tzu-ti-09401157440

Note 7: Approval No.: Ching-shou-shang-tzu-ti-09401181520

Note 8: Approval No.: Ching-shou-shang-tzu-ti-09401207960

Note 9: Approval No.: Ching-shou-shang-tzu-ti-09501019030

Note 10: Approval No.: Ching-shou-shang-tzu-ti-09501070270

Note 11: Approval No.: Ching-shou-shang-tzu-ti-09501145790

Note 12: Approval No.: Ching-shou-shang-tzu-ti-09501228590

Note 13: Approval No.: Ching-shou-shang-tzu-ti-09501258760

Note 14: Approval No.: Ching-shou-shang-tzu-ti-09601011260

Note 15: Approval No.: Ching-shou-shang-tzu-ti-09601079820

Note 16: Approval No.: Ching-shou-shang-tzu-ti-09601182680

Note 17: Approval No.: Ching-shou-shang-tzu-ti-09601218610

Note 18: Approval No.: Ching-shou-shang-tzu-ti-09601255260

Note 19: Approval No.: Ching-shou-shang-tzu-ti-09701034660

Note 20: Approval No.: Ching-shou-shang-tzu-ti-09701041500

Note 21: Approval No.: Ching-shou-shang-tzu-ti-09701131930

Note 22: Approval No.: Ching-shou-shang-tzu-ti-09701236380

Note 23: Approval No.: Ching-shou-shang-tzu-ti-09701313820

Note 24: Approval No.: Ching-shou-shang-tzu-ti-09801018900

Note 25: Approval No.: Ching-shou-shang-tzu-ti-09801209250

Note 26: Approval No.: Ching-shou-shang-tzu-ti-09801294820

Note 27: Approval No.: Ching-shou-shang-tzu-ti-10001203510

Note 28: Approval No.: Ching-shou-shang-tzu-ti-10101179620

Note 29: Approval No.: Ching-shou-shang-tzu-ti-10201188190

Note 30: Approval No.: Ching-shou-shang-tzu-ti-10301205210

Note 31: Approval No.: Ching-shou-shang-tzu-ti-10301241970

Note 32: Approval No.: Ching-shou-shang-tzu-ti-10401003970

Note 33: Approval No.: Ching-shou-shang-tzu-ti-10401169160

Note 34: Approval No.: Ching-shou-shang-tzu-ti-10501045020

Note 35: Approval No.: Ching-shou-shang-tzu-ti-10501212820

Note 36: Approval No.: Ching-shou-shang-tzu-ti-10601067090

Note 37: Approval No.: Ching-shou-shang-tzu-ti-10601120240

Note 38: Approval No.: Ching-shou-shang-tzu-ti-10601158840

Note 39: Approval No.: Ching-shou-shang-tzu-ti-10701027890

Note 40: Approval No.: Ching-shou-shang-tzu-ti-10701075970

Note 41: Approval No.: Ching-shou-shang-tzu-ti-11001197650

Note 42: Approval No.: Ching-shou-shang-tzu-ti-11101057950

Note 43: Approval No.: Ching-shou-shang-tzu-ti-111011227800

Note 44: Approval No.: Ching-shou-shang-tzu-ti-11230095210

Note 45: Approval No.: Zhu-Shang-Zi-1130002311

Note 46: Approval No.: Zhu-Shang-Zi-1130037415

Note 47: Approval No.: Zhu-Shang-Zi-1140001317

Note 48: Approval No.: Zhu-Shang-Zi-1140010620

2) Type of stock

April 30, 2025; Unit: shares

Type of stock	Authorized share capital			Notes
	Outstanding shares	Unissued shares	Total	
Registered common stock	573,963,730	126,036,270	700,000,000	Listed company's shares

3) Information of shelf registration

Unit: thousand shares; NTD thousand

Type of securities	Amount to be issued		Amount already issued		The purpose and anticipated benefits of the portion already issued	Scheduled issuance period for the unissued portions	Notes
	Total no. of shares	Amount approved	Total no. of shares	Amount approved			
Common stock	50,000	500,000	30,000	795,000 (The subscription price per share was NT\$26.50)	1.Purpose : To acquire development equipment and cover related capital expenditures. 2.Anticipated benefits : In addition to improving the company's overall R&D momentum and corporate value in the future, it will also reduce operational risks and enhance the company's overall competitiveness.	The total number of shares unissued are 20,000 thousand shares, the anticipated issuance period is from August 9, 2024 to August 9, 2026.	Note

Note : The company's new common share issuance in 2024, adopting shelf registration for a capital increase, has been approved by the Financial Supervisory Commission in Letter Jin-Guan-Zheng-Fa-Zi No.1130351075, dated August 9, 2024.

2. Major shareholders

April 25, 2025; Unit: shares; %

Names of Major Shareholders	Shares	Shareholding shares	Shareholding percentage
Ping-Hai, Chiao		12,646,405	2.20
Chunghwa Post Co., Ltd.		7,741,000	1.35
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		7,569,898	1.32
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS		7,197,744	1.25
Hua Eng Wire&Cable Co., Ltd.		5,951,040	1.04
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II		3,971,414	0.69
Chang Hwa Commercial Bank, Ltd. – Custodian for the Mega Taiwan ESG Sustainability High Dividend Equal Weight ETF Securities Investment Trust Fund Segregated Account.		3,672,007	0.64
Chih -Hao, Change		3,631,937	0.63
Green Cove Enterprises Inc.		3,605,462	0.63
Hitech Holding (BVI) Corp.		3,545,887	0.62

3. Company's dividend policies and implementation status

(1) Dividend policy

The Company's dividend policy is based on Articles of Incorporation as:

Under the Company's Article 29 that, the Company shall allot no less than 5% of profits as employees' compensation and no more than 2% of it as the director's compensation when the Company makes profits. However, there shall be a certain

amount reserved from the profit in advance to make up for the loss when there is still accumulating loss of the company.

Employee compensation may be paid in stock or cash, and the recipients may include employees of affiliated companies who meet certain conditions.

Under Article 29-1, profits shall be used to pay taxes and to utilize for offsetting losses of the previous years, and then 10% of the remaining profit shall be allotted for a legal reserve and the special reserve or to reverse special reserve as requested by the competent authorities when there is any profit generated this year. And then the remaining profit combines with profit accumulated from previous years can be distributed. Some of this distributable profit may be preserved according to the business situation, and the rest shall be subject to the earnings distribution proposal formulated by the Board of Directors according to this dividend policy to be reported to the shareholders' meeting.

The company's dividend policy is formulated by the Board of Directors, according to the business and investment plan, capital budget, and the changes of internal and external conditions. The total amount of distributed dividends shall be no less than 30% of the remaining profit, and the distribution can be paid in cash or stock. However, the distributed cash dividends shall be greater than 10 % of the total dividends.

(2) Proposal for dividend distribution in 2025 shareholders' meeting

The Company's 2024 earnings distribution was approved on March 14, 2025 by the Board of Directors, Based on the prudent principle of sustainable business operations and taking into account capital expenditure needs, the Company intends not to distribute dividends. The proposal will be submitted to the shareholders' meeting on June 23, 2025 for resolution.

4. Effect on business performance and EPS of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable

5. Compensation of employees and directors

(1) The percentages or ranges with respect to employee and director compensation, as set forth in the company's articles of incorporation:

The Company shall allot at least 5% of profits as compensation for employees and no more than 2% as compensation for directors when it makes profits. However, the Company shall reserve profits to compensate the cumulative losses in advance. Employee compensation may be paid in stock or cash, and the recipients may include employees of affiliated companies who meet certain conditions.

(2) The basis for estimating the amount of compensation of employees and directors, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated figure, for the current period:

1) The basis for estimating the amount of compensation for employees and directors for the current period: The amount is estimated based on the Company's Articles of Incorporation and prior experience.

2) The Basis for calculating the number of shares allotted for stock dividends: None.

3) The accounting treatment of any discrepancy between the actual distributed amount and the estimated figure, for the current period:

The amount that differs from the earnings distribution proposal reported in the shareholders' meeting shall be subject to the change of accounting estimation and classified as the profit and loss of the following year, which does not affect the approved financial report.

(3) Distribution of compensation of employees and directors approved in the Board of Directors meetings.

1) The amount of distribution of compensation for employees and directors distributed in cash or stock:

The board meeting on March 14, 2025 approved that NTD 1 million of employee compensation and NTD 0.3 million of director compensation in 2024 were distributed in cash, which was consistent with the estimated amount in the 2024 financial statement.

2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports for the current period and total employee compensation: not applicable.

(4) The actual distribution of employees' remuneration and directors' remuneration in the previous year (including the number of shares allocated, the amount of shares and the share price), and differences, the reasons and treatment when it is different from recognized employees' remuneration and directors' remuneration:

According to the resolution of the Board of Directors on March 15, 2024, for the annual earnings of 2023, NTD 45 million of the profit was allocated to employees as cash compensation and NTD 6.3 million to directors as compensation. The actual distribution of compensation of employees and directors was in line with the resolution of the Board of Directors.

6. Repurchase of company shares: None

II. Issuance of corporate bonds

1. Issuance of corporate bonds:

Type of corporate bonds		The 7 th domestic unsecured convertible corporate bonds	The 8 th domestic unsecured convertible corporate bonds
Issuance date		July 27, 2021	September 27, 2024
Denomination		NTD 100,000	NTD 100,000
Place of issue and trading		Taiwan	Taiwan
Issue Price		Issued by par value	Issued by 102.2% of par value
Total amount		NTD 300,000,000	NTD 1,500,000,000
Coupon rate		coupon rate 0%	coupon rate 0%
Maturity		5 years Maturity Date: July 27, 2026	5 years Maturity Date: September 27, 2029
Guarantor		None	None
Trustee		Land Bank of Taiwan	Land Bank of Taiwan
Underwriter		960T Fubon Securities Co., Ltd.	960T Fubon Securities Co., Ltd.
Certified Lawyer		Handsome Attorneys-at-Law	Handsome Attorneys-at-Law
Certified Public Accountant		Ernst & Young	Ernst & Young
Repayment method		Except for conversion according to the conversion method or redemption, the principal shall be repaid in cash in a one-off payment upon maturity.	Except for conversion according to the conversion method or redemption, the principal shall be repaid in cash in a one-off payment upon maturity.
Unredeemed balance		NTD300,000,000	NTD 1,500,000,000
Conditions for redemption or early redemption		Omit	Omit
Restrictive covenants		Omit	Omit
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings		None	None
Other Rights of Bondholders	The monetary amounts of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	NTD2,400,000	None
	The issuance and conversion, exchange, or subscription rules	Omit	Omit
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance		None	None
Name of the custodian institution of the exchangeable underlying		None	None

2. Information of convertible corporate bonds

Information of convertible corporate bonds

Type of Corporate Bonds		The 7th domestic unsecured convertible corporate bonds		The 8th domestic unsecured convertible corporate bonds	
Year		2024	As of April 30, 2025	2024	As of April 30, 2025
Item					
Market price of conversion	Highest	105.95	97.55	105.00	98.00
	Lowest	100.00	95.95	94.50	85.00
	Average	102.25	96.60	102.07	92.96
Conversion price		From August 15, 2021, the conversion price will be adjusted from NT\$70.00 to NT\$68.90; From July 25, 2022, the conversion price will be adjusted from NT\$68.90 to NT\$66.20. From July 25, 2023, the conversion price will be adjusted from NT\$66.20 to NT\$62.70. From July 29, 2024, the conversion price will be adjusted from NT\$62.7 to NT\$61.70. From Nov 12, 2024, the conversion price will be adjusted from NT\$61.7 to NT\$61.20.		From Nov 12, 2024, the conversion price will be adjusted from NT\$33.80 to NT\$33.50.	
Issuance date and conversion price at the issuance		Issuance Date: July 27, 2021 Conversion price at the issuance: NT\$70		Issuance Date: Sep 27, 2024 Conversion price at the issuance: NT\$33.80	
Method to fulfill the conversion obligation		Issuance of new shares		Issuance of new shares	

3. Exchange of corporate bond information: None.

4. Omnibus reporting of issuance of corporate bonds: None.

5. Information on bonds with stock options: None.

III. Issuance of preferred share: None.

IV. Issuance of Global depository receipt: None.

V. Issuance of employee share subscription warrants: None.

VI. Issuance of new employee restricted award

(1) Any new shares with restricted employee rights that have not fully met the vested conditions shall disclose the status of the transaction as of the date of publication of the annual report and the impact on shareholders' rights and interests:

As of April 30, 2025

Type of Restricted Stock Awards	The first issue in 2022	The second issue in 2022	The first issue in 2023	The second issue in 2023	The third issue in 2023	The first issue in 2024	The second issue in 2024
Date of Effective Registration	Dec 9, 2022, total 1,000,000 shares		Oct 2, 2023, total 1,500,000 shares			Dec 10, 2024, total 2,500,000 shares	
Issue Date	May 12, 2023	Jan 5, 2024	Jan 5, 2024	Nov 13, 2024	Jan 2, 2025	Jan 2, 2025	March 25, 2025
Number of Restricted Stock Awards Issued	950,000 shares	50,000 shares	810,000 shares	640,000 shares	50,000 shares	320,000 shares	350,000 shares
Number of Restricted Stock Awards Unissued	0 share		0 share			1,830,000 shares	

Type of Restricted Stock Awards	The first issue in 2022	The second issue in 2022	The first issue in 2023	The second issue in 2023	The third issue in 2023	The first issue in 2024	The second issue in 2024
Issued Price	Issued without consideration						
Ratio of Unreleased Restricted Stock Awards to Total Issued Shares(Note)	0.17%	0.01%	0.14%	0.11%	0.01%	0.06%	0.06%
Vesting conditions of Restricted Stock Awards	<p>1.The senior management should remain employed by the Company upon expiration of each of the following vesting period after being granted Employee Restricted Stock Awards (RSA).The grantees have never breached the employment contracts or violated the work rules of the Company, and meet the Company's operating goals and individuals' performance metrics. The schedule and percentage for granted shares when the vesting conditions are satisfied respectively shall be as follows: A.one-year anniversary of the grant: 40% B.two-year anniversary of the grant: 30% C.three-year anniversary of the grant: 30%</p> <p>2. Performance metrics for employees in key positions include annual revenue, annual net income, key technology/product development and customer satisfaction. These measurements are designated with a weight for each individual, subject to his/her duties and position.</p> <p>3.The Company's operating goals are approved by the Board of Directors in the annual budget review.</p>						
Restricted Rights of Restricted Stock Awards	<p>1.After new shares of restricted stock are issued, the executives granted employee should immediately commit to the custodian institution, and not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.</p> <p>2.During each vesting period, no executives granted employee restricted stock awards, except for inheritance, may sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, any shares under the unvested employee restricted stock awards.</p> <p>3.Except for the restrictions in the preceding paragraph, before the vesting conditions are fulfilled, any other shareholder rights including but not limited to the entitlement to any distribution regarding dividends, bonuses and capital reserve, and the subscription right of the new shares issued for any capital increase, are the same as those of holders of ordinary shares of the Company in accordance with related regulations.</p> <p>4.Attendance, proposals, speeches, voting rights and other matters related to shareholders' rights and interests at shareholders' meetings are entrusted to trust custodians.</p> <p>5.During the vesting period, if the company carry out a capital reduction, RSAs will be cancelled proportionally. If the capital reduction is done by cash return, the returned cash should be kept under trustee designated by the Company, and be paid to the employees when vesting condition is fulfilled; if the employee does not meet the vesting condition, all shares the employees subscribed shall be bought back by the Company based on the original subscription price and canceled accordingly.</p>						
Custody Status of Restricted Stock Awards	Granted employee restricted stock awards will be deposited in a stock trust custody account 285,000 shares.	Granted employee restricted stock awards will be deposited in a stock trust custody account 30,000 shares.	Granted employee restricted stock awards will be deposited in a stock trust custody account 426,000 shares.	Granted employee restricted stock awards will be deposited in a stock trust custody account 640,000 shares.	Granted employee restricted stock awards will be deposited in a stock trust custody account 0 share.	Granted employee restricted stock awards will be deposited in a stock trust custody account 300,000 shares.	Granted employee restricted stock awards will be deposited in a stock trust custody account 350,000 shares.
Measures to be Taken Where Employees Fail to Meet the Vesting Conditions	In the event that the vesting conditions are not met, the Company will reclaim the granted shares and cancel the same at no extra cost to the Company; for exceptional events (including but not limited to the occurrence of inheritance), the Company will take measures as set forth in the Employee Restricted Stock Awards Rules for this issuance.						

Type of Restricted Stock Awards	The first issue in 2022	The second issue in 2022	The first issue in 2023	The second issue in 2023	The third issue in 2023	The first issue in 2024	The second issue in 2024
Number of Restricted Stock Awards Which Have Been Reclaimed	137,000 shares	0 share	100,000 shares	0 share	50,000 shares	20,000 shares	0 share
Number of Released Restricted Stock Awards	528,000 shares	20,000 shares	284,000 shares	0 shares	0 share	0 share	0 share
Number of Unreleased Restricted Stock Awards	285,000 shares	30,000 shares	426,000 shares	640,000 shares	0 share	300,000 shares	350,000 shares
Ratio of Unreleased Restricted Stock Awards to Total Issued Shares(Note)	0.05%	0.01%	0.07%	0.11%	0.00%	0.05%	0.06%
Impact on Shareholders' Equity	The dilution of the Company's EPS is limited, so there is no significant impact on the interest of shareholders.						

Note: The ratio is calculated based on the issued shares of 573,963,730 as of April 30, 2025.

(2) Names and Acquisition Status of Managerial Officers Who Have Acquired New Restricted Employee Shares and the Top Ten Employees (Ranked by the Number of Restricted Shares Acquired) Who Have Acquired New Restricted Employee Shares:

As of April 30, 2025

	Job title (Note 1)	Name	Number of new restricted employee shares granted	Ratio of the number of new restricted employee shares granted to the total number of issued shares	Vested Restricted Shares				Unvested Restricted Shares			
					Number of vested shares	Issue price	Total purchase price	Ratio of the number of vested restricted shares to the total number of issued shares	Number of unvested shares	Issue price	Total purchase price	Ratio of the number of unvested restricted shares to the total number of issued shares
Managerial officers	President	Hsien-Yuan, Chang	1,150,000	0.20%	705,000	NT 0 Issued without consideration		0.12%	445,000	NT 0 Issued without consideration		0.08%
	Vice President	Yung-Cheng, Sung										
	Vice President	Kuo-Chun, Wu										
	Vice President	Lung-Chih, Lin										
	Vice President	Po-Lin, Tsou										
	Vice President	Kuang-Chung, Liao										
	Accounting Director	Chia-Yu, Lu										
Employees	Director of Crystal Growth Process Division, Preparatory Team, Erlin Fab	Yung-Sheng, Lin	720,000	0.13%	236,000	NT 0 Issued without consideration		0.04%	484,000	NT 0 Issued without consideration		0.08%
	Director of Applied Engineering Division	Mei-Fang, Lo (Resigned)										
	Special Assistant of Chairman's Office	Yu-Qi, Lee										
	Vice President of Southeast Asia Business Department	Wen-Zhong, Liu										
	Director of Factory Construction Team	Ping-Shu, Li										
	Director of Crystal Growth Process Division	Chia-Hsien, Liao										
	Director of Wafer Process Division	Tsung-Tang, Liu										
	Director of New Product Technology Division	Wen-Hao, Hsu										

Note 1: The total number of issued shares is 573,963,730 shares on April 30, 2025.

VII. Status of new shares in connection with mergers and acquisitions: None.

VIII. Implementation of capital utilization plans

Please refer to the Market Observation Post System > Single Company > Equity Change/Securities Issuance > Fundraising > Fundraising plan execution.

Website: https://mopsov.twse.com.tw/mops/web/bfhtm_q2

IV. Operation Overview

I. Business category

1. Business scope

(1) Main business content

- 1) Research and development (R&D), design, manufacturing, and sale of semiconductor silicon materials, semiconductor epitaxial materials, and compound semiconductor materials.
- 2) Product technical consultation, service business, and import/export trade business for the aforementioned products.
- 3) All business activities that are not prohibited or restricted by laws, except for those that are subject to special approval.

(2) Proportion of operation

Unit: NTD thousand

Product/ Year	Operation ratio of 2024	
	Amount	Ratio (%)
Semiconductor products	8,689,026	99.63
Others	32,097	0.37
Total	8,721,123	100.00

(3) Products

- 1) Semiconductor silicon ingot
- 2) Semiconductor silicon wafers (single-side polished wafer and double-side polished wafer)
- 3) SOI wafer

(4) New products and services in planning and development

- 1) 12-inch low resistivity silicon wafer technology
- 2) 12-inch low COP silicon wafer technology
- 3) 8-inch ultra-low resistivity silicon polished wafer technology
- 4) 8-inch ultra-low resistivity crystal growth technology
- 5) Development of AI/AOI Big Data automatic measurement system

2. Industry Overview

1) Current status and development of the semiconductor industry

In its Fall 2024 forecast, the World Semiconductor Trade Statistics (WSTS) organization raised its projection for global semiconductor revenue in 2024 to USD 626.9 billion, representing a 19.0% year-on-year growth (up from its Spring forecast of USD 611.2 billion and 16.0% growth). This revision reflects improved performance in the second and third quarters of 2024, particularly in the computing sector.

Growth in 2024 will be primarily driven by two integrated circuit segments: memory, with an expected increase of 81.0%, and logic, projected to grow by 16.9%. In contrast, other segments such as discrete, optoelectronics, sensors, and analog are expected to decline. Regionally, the Americas and Asia-Pacific will lead the recovery with projected growth rates of 38.9% and 17.5%, respectively. Meanwhile, Japan is expected to see moderate growth of 1.4%, while Europe may experience a 6.7% decline.

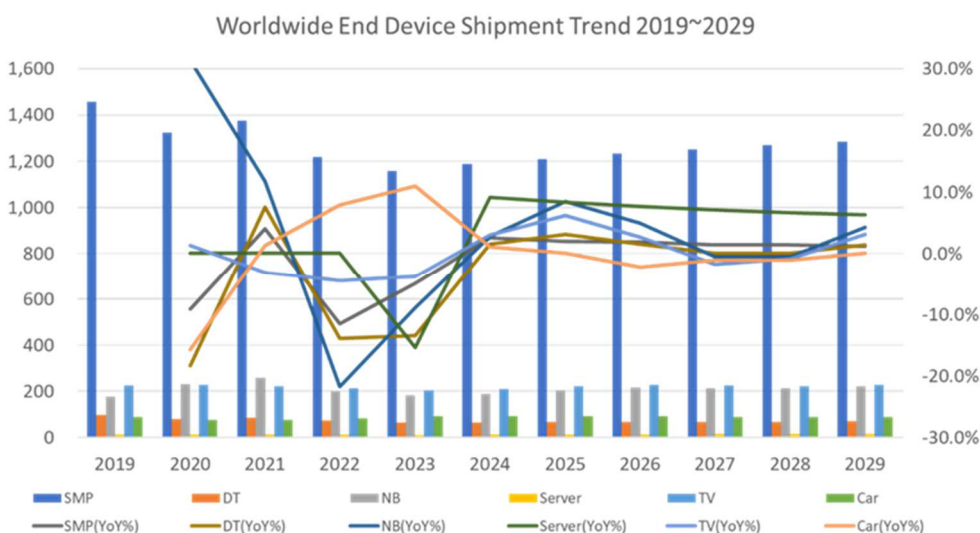
Looking ahead to 2025, WSTS forecasts broad-based growth of 11.2% for the semiconductor market, with the global market value estimated to reach USD 697 billion. This growth will continue to be fueled by logic and memory products, which are expected to see year-over-year increases of more than 17% and 13%, respectively. Other semiconductor segments are projected to grow at a steady, single-digit pace.

Forecast of global semiconductor revenue and annual growth rate

Fall 2024	Amounts in US\$M			Year on Year Growth in %		
	2023	2024	2025	2023	2024	2025
Americas	134,377	186,635	215,309	-4.8	38.9	15.4
Europe	55,763	52,031	53,736	3.5	-6.7	3.3
Japan	46,751	47,410	51,866	-2.9	1.4	9.4
Asia Pacific	289,994	340,792	376,273	-12.4	17.5	10.4
Total World - \$M	526,885	626,869	697,184	-8.2	19.0	11.2
Discrete Semiconductors	35,530	31,546	33,377	4.5	-11.2	5.8
Optoelectronics	43,184	42,092	43,705	-1.6	-2.5	3.8
Sensors	19,730	18,732	20,034	-9.4	-5.1	7.0
Integrated Circuits	428,442	534,499	600,069	-9.7	24.8	12.3
Analog	81,225	79,433	83,157	-8.7	-2.2	4.7
Micro	76,340	79,291	83,723	-3.5	3.9	5.6
Logic	178,589	208,723	243,782	1.1	16.9	16.8
Memory	92,288	167,053	189,407	-28.9	81.0	13.4
Total Products - \$M	526,885	626,869	697,184	-8.2	19.0	11.2

*Figures are rounded, which may result in minor discrepancies in the totals for regions and product categories.
Resource: World Semiconductor Trade Statistics, November 2024

The global slowdown in 2022–2023 significantly impacted shipments of major end products, which in turn affected production, sales, and inventory levels across the supply chain. While shipment volumes across product categories returned to positive growth in 2024, this is largely due to the low base in 2023. In 2025, with the global economy stabilizing and consumer demand expected to rebound—fueled in part by the rapid development of AI—the semiconductor market is likely to benefit from increased demand.

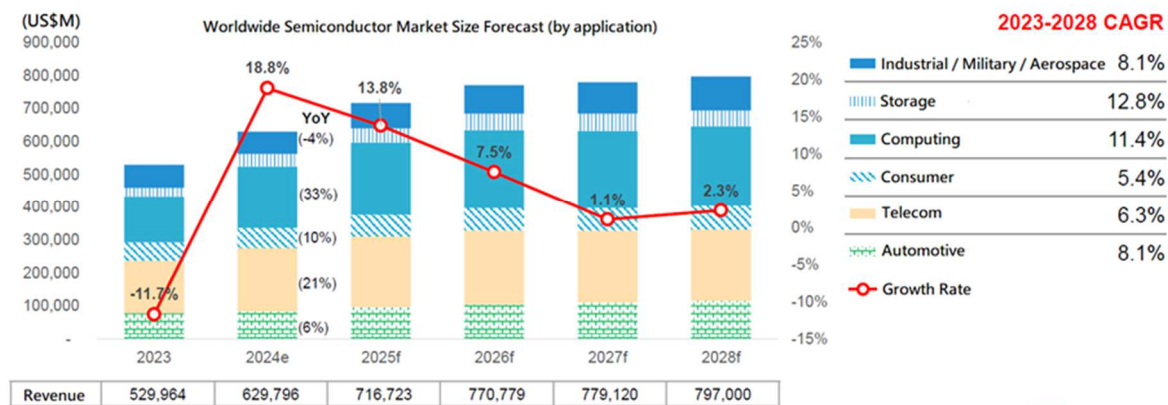


Resource: Gartner and Wafer Works summarized

In 2024, inflationary pressures have eased, supply chains have normalized, and global events such as the Paris Olympics have contributed positively. According to Gartner, the global semiconductor market is expected to reach approximately USD 630 billion in 2024, with 18.8% annual growth. As consumer markets recover, rising unit prices of communication chips are

boosting revenues. The semiconductor market is expected to maintain double-digit growth in 2025. Communication electronics remain a core application for semiconductors, with projected growth of 20% in 2024 and approximately 11.6% and 4.5% in 2025 and 2026, respectively. Smartphones continue to serve as key AI-enabled devices, while the integration of AI into cloud and edge devices underscores the continued importance of communication electronics. Computing electronics are expected to become the largest application segment by 2028. The rise of generative AI is driving demand for computing capabilities, contributing to higher product ASPs. In the automotive sector, although current growth is flat due to high interest rates and delays in EV policy implementation, the long-term outlook remains positive.

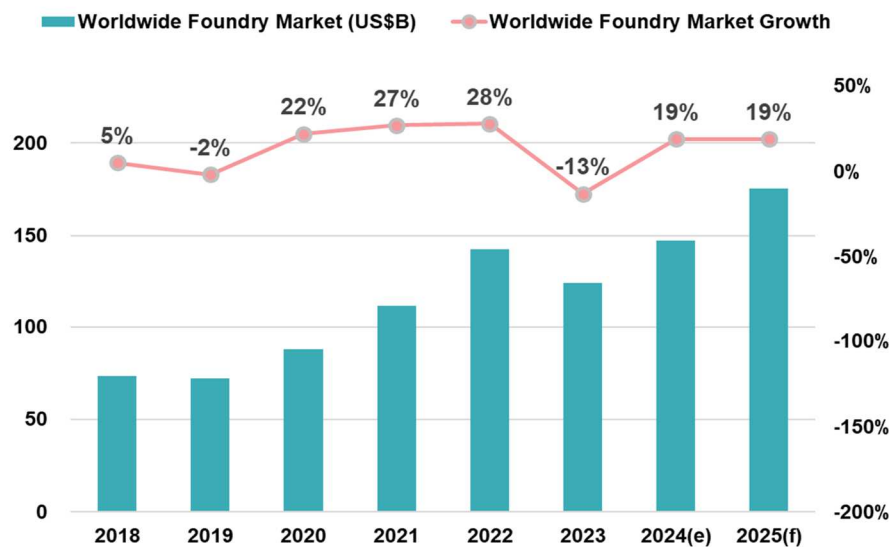
Worldwide Semiconductor Market Size Forecast



Resource: Industrial Technology Research Institute

The global foundry industry contracted by 13% in 2023, primarily due to weak macroeconomic conditions and sluggish end-market demand. However, as the economy stabilizes and consumer demand rebounds in 2024, the foundry market is poised for recovery. According to TechInsights, the global foundry market is expected to return to positive growth in 2024, reaching USD 147 billion with a growth rate of 19%. In 2025, demand from AI and high-performance computing (HPC) applications will continue to support the foundry market. Upgrades in mobile and communication product specifications are also expected to drive a new wave of device replacement, boosting demand for semiconductor components. However, demand recovery in the automotive and industrial control sectors still depends on the momentum of the global economy.

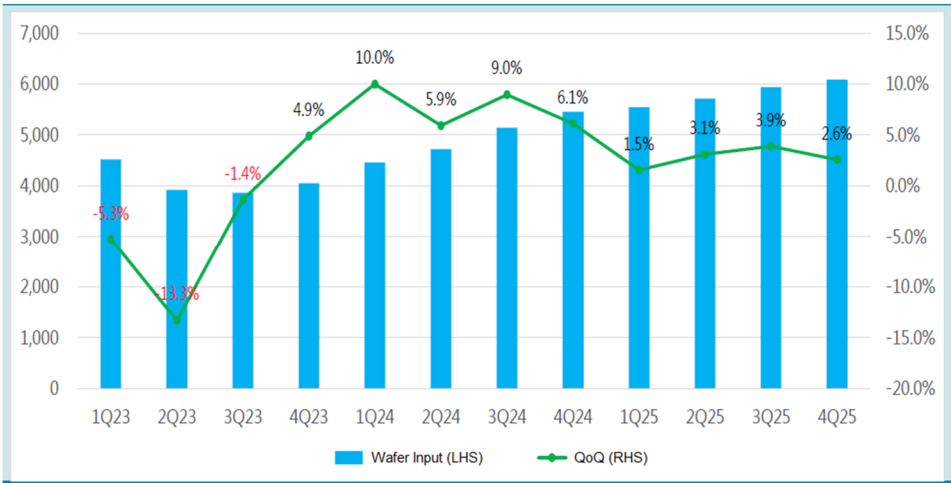
Worldwide Foundry Market Size and Growth Forecast



Resource: Industrial Technology Research Institute

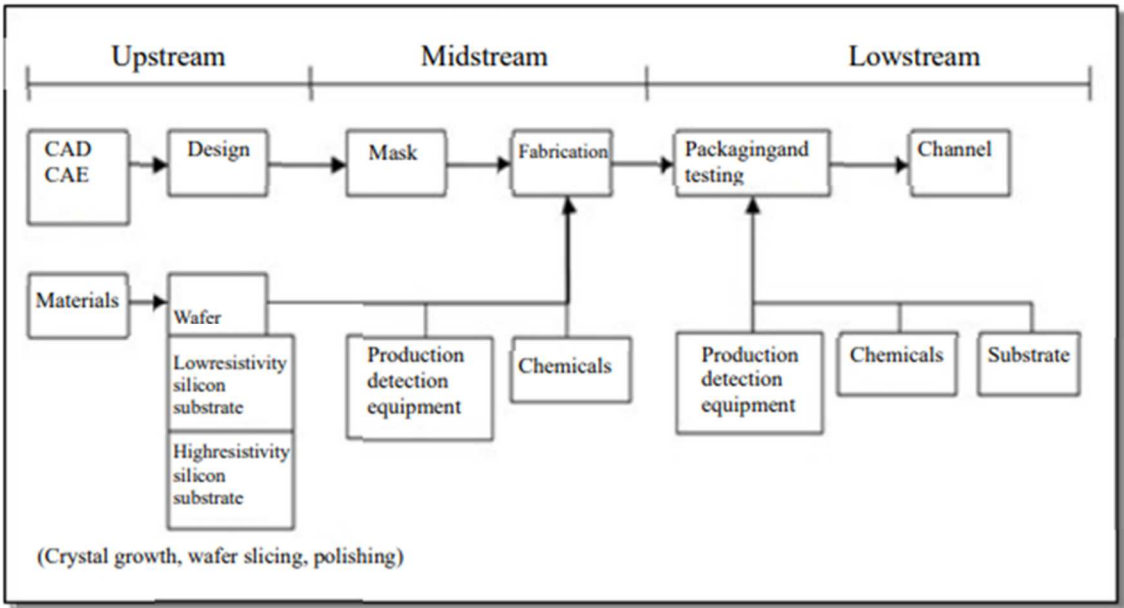
DRAM utilization rates remain high, and wafer starts are projected to grow 17.8% YoY in 2025. Market research firm DRAMExchange forecasts that global DRAM wafer starts will continue to rise quarterly in 2025, albeit at a slower pace than in 2024, reaching 2.3316 million wafers annually. This represents a 17.8% year-over-year increase. Major memory vendors have seen strong sales momentum this year from server and data center demand. Demand for DDR5 in traditional servers and HBM in AI servers remains robust, while enterprise-grade eSSDs have driven NAND sales and price recovery. However, demand for traditional 3C electronics remains weak, with no killer apps emerging to spur significant sales growth. As a result, major DRAM manufacturers are reportedly reducing their capital expenditures for 2025 and focusing on process technology upgrades. Meanwhile, NAND prices are expected to undergo correction between Q4 2024 and Q1 2025. Several major vendors are planning to reduce their NAND capital investments, with reports that Samsung and Kioxia are even considering further reductions in capacity utilization. In summary, while DRAM wafer starts are likely to increase significantly in 2025, growth in NAND wafer production may slow due to pricing pressures.

Worldwide DRAM Manufacturers’ Wafer Input and QoQ Growth Forecast



Resource: DRAMExchange 2024/11 、Fubon research

2) Correlation among upstream, midstream, and downstream of semiconductor industry



Data source: ITRI IT IS project; summarized by Wafer Works

3) Trends of end applications and product development

(1) AI and Silicon Photonics

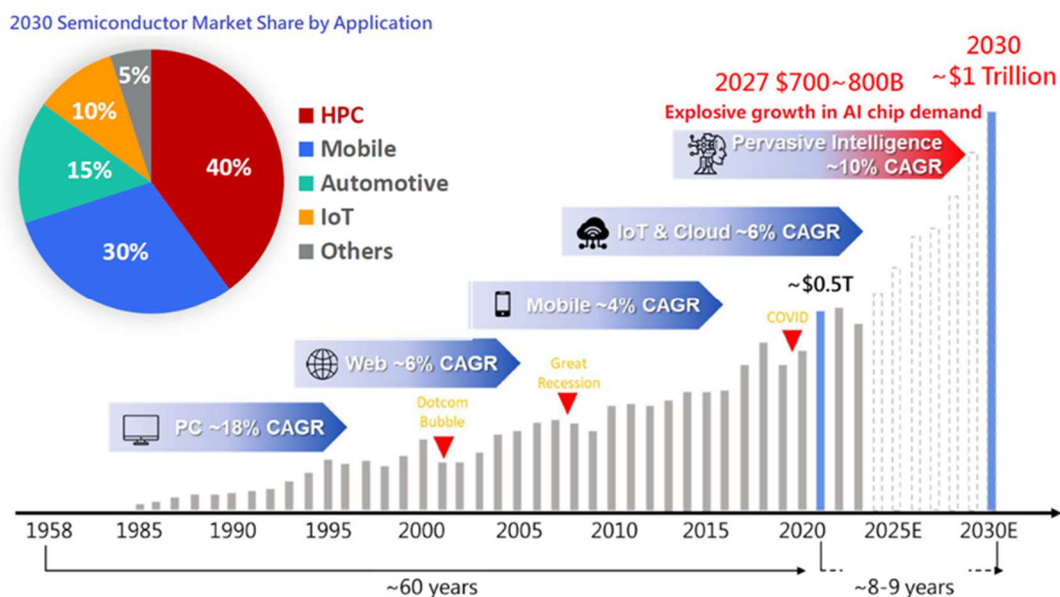
AI Artificial Intelligence (AI) is undoubtedly the most important application of 2025. As emerging technologies such as AI, network communications, and edge computing increasingly converge, the advancement of ICT technologies will accelerate even further. These trends in next-generation end products are also driving new demands for related electronic components, thereby fueling increased demand for silicon wafer production capacity. According to estimates by MIC, the global semiconductor market is expected to double from USD 500 billion in 2023 to USD 1 trillion by 2030, with AI serving as the key growth driver for semiconductor demand over the next five years.

The rise of generative AI is fueling a wave of demand for servers and storage devices. According to TrendForce, shipments of AI servers are projected to reach 2.63 million units by 2026—three times the volume of 2022. This reflects strong sales momentum for high-performance central processing units (CPUs), graphics processing units (GPUs), field-programmable gate arrays (FPGAs), application-specific integrated circuits (ASICs), high-bandwidth memory, and advanced power management systems used in AI servers. From a market trend perspective, AI servers require more than twice the power capacity of traditional servers. As power supply units scale up for performance, they must still ensure stability and safety—this has led to surging demand for protective semiconductor components such as Schottky or fast-recovery diodes. The company's highly-doped wafers play a critical role in protecting circuits without increasing energy loss.

NVIDIA's GPUs have significantly boosted computing power, enabling faster processing of complex AI model parameters. However, this also increases the volume of data to be transmitted by memory, making it essential to minimize signal latency. This challenge is addressed by widening data transmission channels and improving transmission speed. The former is achieved through increased memory bandwidth, while the latter relies on silicon photonics to convert electrical signals into optical signals for faster transmission. High-end CPUs, GPUs, ASICs, and memory chips manufactured using advanced process nodes are gradually penetrating this market through the ramp-up of 12-inch production lines

Silicon-on-Insulator (SOI), one of the platforms used in silicon photonics, also offers strong integration potential. Wafer Works will continue to enhance its process capabilities to meet customer needs

Worldwide Semiconductor Market Size Forecast



Resource: MIC, 2024/12

(2)Telecom & datacom

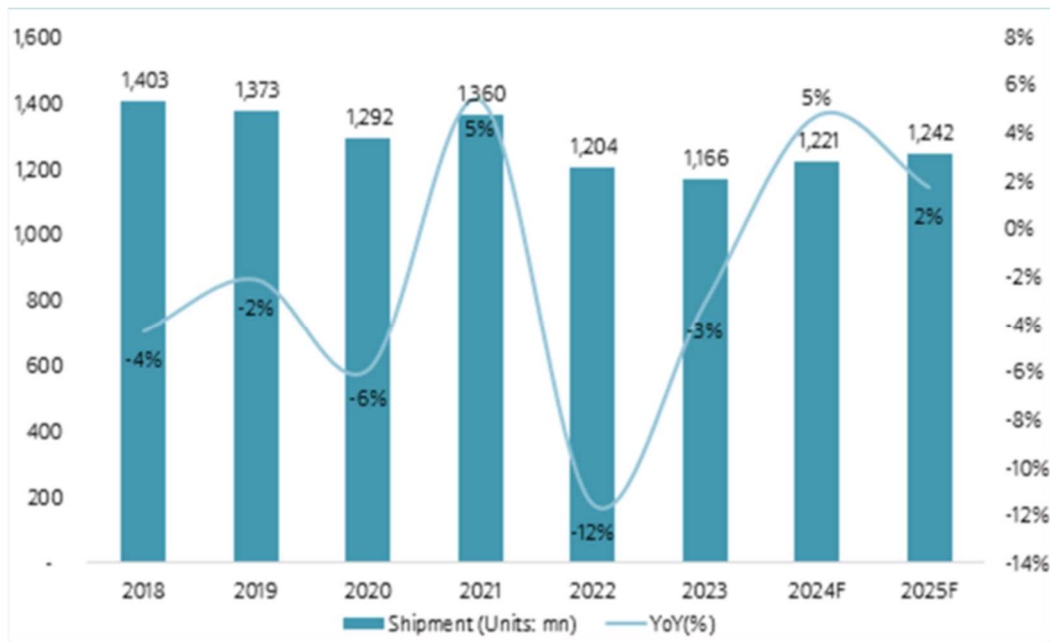
Looking ahead to 2025, Fubon projects global smartphone shipments to reach 1.242 billion units (YoY +2%), with shipments in China remaining flat at 286 million units.

Over the next five years, smartphone shipment volumes are expected to grow, supported by continued infrastructure development and expanding 5G network coverage across regions such as India, Southeast Asia, South America, and Africa. As a result, many feature phone users in these regions are likely to upgrade to smartphones. In 2025, demand for flagship models is expected to strengthen, with AI functionality emerging as a key selling point.

As AI features become increasingly integrated into smartphones, they are being used to enhance or compensate for photo quality, raising concerns over whether upgrades to smartphone cameras might stagnate. However, smartphone lens manufacturer Genius Electronic Optical believes that as AI capabilities become more widely adopted in smartphones, smart glasses, and AR/VR devices, higher-quality camera lenses will still be in demand. The company maintains a positive outlook on optical lens demand driven by AI trends.

Wafer Works has already entered mass production for image sensor wafers, which is expected to contribute further to its future revenue.

Worldwide Smartphone Shipment Forecast



Resource: IDC, Fubon research

(3)Industrial and Power Management

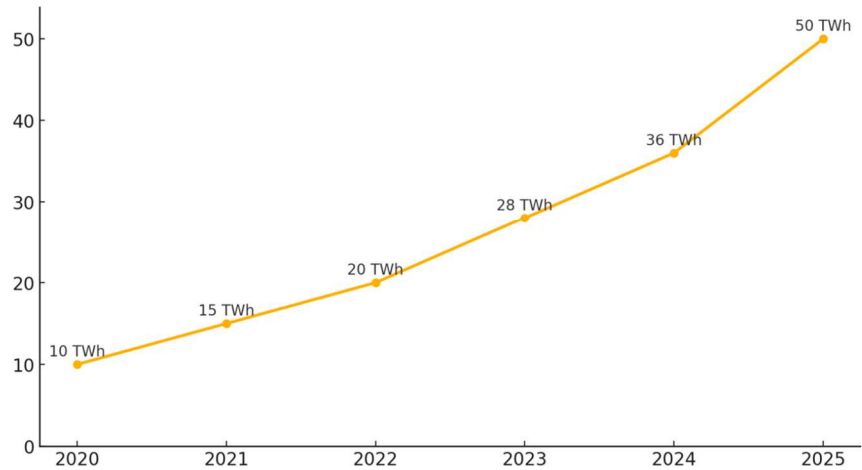
The rapid surge in AI computing demands has significantly increased GPU power consumption, with high-performance GPUs requiring substantial energy. Mega data centers are experiencing an annual electricity consumption growth rate of approximately 15–20%, and by 2025, their total annual power usage is expected to reach 50 TWh—equivalent to the yearly consumption of a mid-sized country.

In recent years, multiple hyperscale data center construction projects have been launched across Europe, the United States, and the Middle East. According to the International Energy Agency (IEA), by 2026, data centers—including those used for AI and cryptocurrency mining—will consume more than 800 TWh of electricity globally, more than double the consumption in

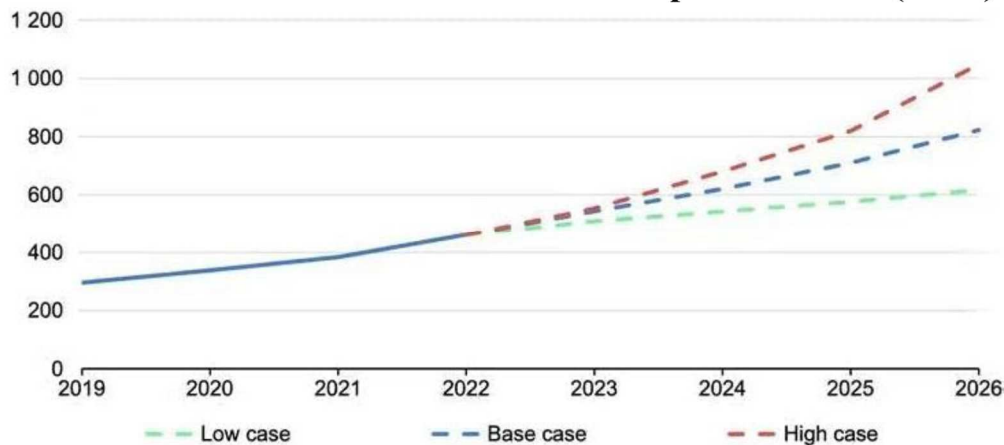
2022. The power usage associated with AI alone is projected to grow at a compound annual growth rate (CAGR) of 25–33% between 2023 and 2028.

Power management systems in these data centers rely heavily on semiconductor components, including silicon-based MOSFETs, IGBTs, diodes, and analog ICs, as well as compound semiconductor materials such as SiC-based MOSFETs and diodes. Wafer Works’ lightly-doped and highly-doped wafers are well positioned to benefit from this demand surge.

Trend of Worldwide Hyperscale Data Center Power Consumption (TWh)



Worldwide Data Center Power Consumption Forecast(TWh)



Resource: IEA , Mega Bank research

(4) Automotive

Driven by clean energy technologies and generative AI, the discrete semiconductor segment continued to show growth in 2023. Clean energy applications primarily include renewable energy and electric vehicles (EVs). The three core technologies in EVs—batteries, electric motors, and electronic control systems—correspond to battery management systems (BMS), motor drive systems, and power control components such as inverters and converters. In addition, major EV categories like battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) also require onboard chargers (OBCs).

The trends of vehicle electrification and intelligentization are clear. Passenger vehicles have now reached Level 2+ autonomy, with ongoing advancements in advanced driver-assistance systems (ADAS) and infotainment systems pushing the industry toward Level 5 full autonomy. According to IDC, ADAS and infotainment systems together accounted for nearly 50% of in-vehicle electronics in 2022, with compound annual growth rates (CAGR) from 2022 to 2027

projected at approximately 20% and 15%, respectively. This evolution drives the need for higher onboard voltages to support the growing number of electronic devices.

The associated demand for semiconductor components includes silicon-based devices such as MOSFETs (including super-junction types), IGBTs, analog ICs, diodes, CMOS image sensors (CIS), and MEMS, as well as compound semiconductor devices like SiC MOSFETs and diodes, and GaN MOSFETs. These trends benefit the company's lightly-doped and highly-doped silicon wafers, and also boost demand for double-side polished wafers, SOI wafers, and GaN-on-X products.

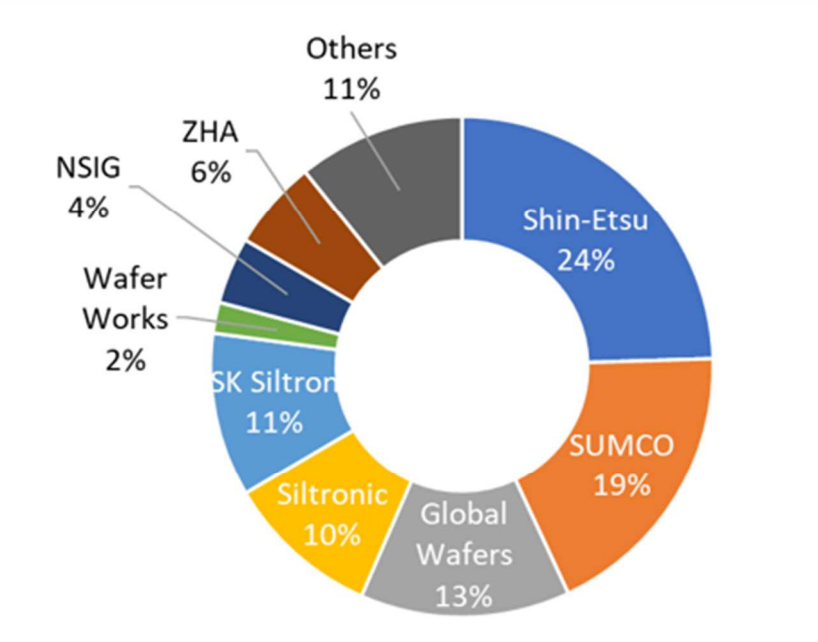
4) Horizontal competition

In 2024, the global ranking of the top five silicon wafer manufacturers remained unchanged. The top five companies are Shin-Etsu (Japan), Sumco (Japan), GlobalWafers (Taiwan), Siltronic AG (Germany), and SK Siltron (South Korea).

With strong government support aimed at promoting semiconductor self-sufficiency, new Chinese suppliers are accelerating the development of a localized supply chain. These emerging players have gradually gained a foothold in the market and continue to expand their share

In response, Wafer Works is focusing on product differentiation, expanding its 12-inch wafer production capacity, actively planning both domestic and international market deployments, and strengthening partnerships with strategic allies to maintain competitiveness

2024 Semiconductor Silicon Wafer Manufacturers Market Share



Resource: Wafer Works Summarized
 Note: Excludes wide-bandgap semiconductor wafers

3. Technology and R&D overview

- 1) R&D expenses in the most recent year and as of the date of publication of annual report

Unit: NTD Thousand		
Item/Year	2024	2025Q1
R&D expenses	946,751	168,389
Net operating income	8,721,123	2,303,920
R&D expenses as a percentage of net revenue (%)	10.86%	7.31%

- 2) Technologies or products successfully developed in the most recent year and as of the date of publication of annual report
 - A. 8-inch ultra-low resistivity silicon wafer (P-type and N-type)
 - B. 8-inch lightly doped low COP silicon wafer
 - C. 6-inch/8-inch double-side polished silicon wafer
 - D. 8-inch multi-element doped silicon wafer
 - E. 6-inch/8-inch SOI wafer
 - F. 8-inch ultra-low COP polished silicon wafer technology
 - G. 12-inch epitaxial technology
 - H. 12-inch ultra-low resistivity silicon wafer technology
 - I. Development of AI/AO Big Data automatic measurement system
 - J. 8-inch ultra-low resistivity polished silicon wafer technology
 - K. 12-inch low COP silicon wafer technology
 - L. SOI wafer for power semiconductor

- 3) Annual R&D plan, current progress, R&D expenses needed to be reinvested, and expected time to begin mass production

Unit: NTD thousand

Product or Technology	Expected completion of technology development	Current progress	Expected expenses to be reinvested
(1) 12-inch ultra-low COP silicon wafer technology	December 2025	20% completed	120,000
(2) 8-inch ultra-low resistivity crystal growth technology	December 2025	90% completed	6,000
(3) 8-inch extremely-low resistivity crystal growth technology	December 2025	20% completed	60,000
(4) 12-inch low resistivity crystal growth technology	December 2025	20% completed	120,000
(5) Development of suitable silicon wafer technology for GaN epitaxy	December 2025	90% completed	3,000

- 4) Major factors affecting the future success of R&D
 - A. Establishment of R&D basic knowledge and protection of core technology capability
 - B. Cultivation of talents with critical technologies and retention of talents with unique expertise
 - C. Judgment of mid-to-long-term market with persistence of technology development roadmap

- D. Technological improvement and collaboration of R&D strategic partners
 - E. Competitors get a head start through M&A or technology purchase
 - F. Accumulation and inheritance of R&D results and critical knowledge
4. Long-term and short-term business development plans
- 1. Short-term development plan
 - (1) Objective: Focus on product difference.
 - (2) Development strategies:
 - A. Enhance crystal growth and Epi deposition capabilities for ultra-low resistivity project to consolidate the field of the discrete devices.
 - B. Actively expand into the power management IC market, while simultaneously increasing market share for P+ and P- products.
 - C. Penetration into niche market to create high-value-added products.
 - D. Work closely with customers to strengthen the existent wide bandgap compound semiconductor GaN-on-X and develop SiC.
 - 2. Long-term development plan
 - (1) Objective: Be the customer-centered silicon wafer supplier with total solution.
 - (2) Development strategies:
 - A. 12" wafer capacity expansion.
 - B. Achieve the objective of process optimization through a unique production process flow and quality management system in order to improve production yield and quality stability.
 - C. Development of technologies in response to the trend of energy saving and environmental protection.
 - D. Enhance technology capability and develop, cultivate and produce highquality products.
 - E. Leading the development of markets in China in conjunction with local resources in order to seize business opportunities of local supply chains.
 - F. Close cooperation with world-class manufacturers to become their strategic partners and to increase the global market share.
 - G. Continue to focus on domestical and international market trends and develop new products to strengthen the product lines.

II. Market and product sales overview

1. Market analysis

(1) Sales (supply) areas of major products (services)

Unit: NTD thousand

Region	2023		2024	
	Amount	%	Amount	%
Taiwan	2,493,929	24.8%	2,742,583	31.5%
Mainland China (Including Hong Kong)	2,868,198	28.6%	2,644,103	30.3%
USA	1,791,227	17.8%	962,447	11.0%
Other countries	2,894,460	28.8%	2,371,990	27.2%
Total	10,047,814	100.0%	8,721,123	100.0%

Data source: Wafer Works Corporation 2025/03

(2) Market share

According to data compiled by SEMI on global silicon wafer shipments in 2024, Wafer Works' market share by wafer size is as follows: 4-inch wafers accounted for 34.7% of the global market, 5-inch for 32.3%, 6-inch for 11.5%, and 8-inch for 8.1%. The company has maintained stable market shares across all product categories.

Market Shares of the Products of Wafer Works in 2024

Unit: K wafer per year

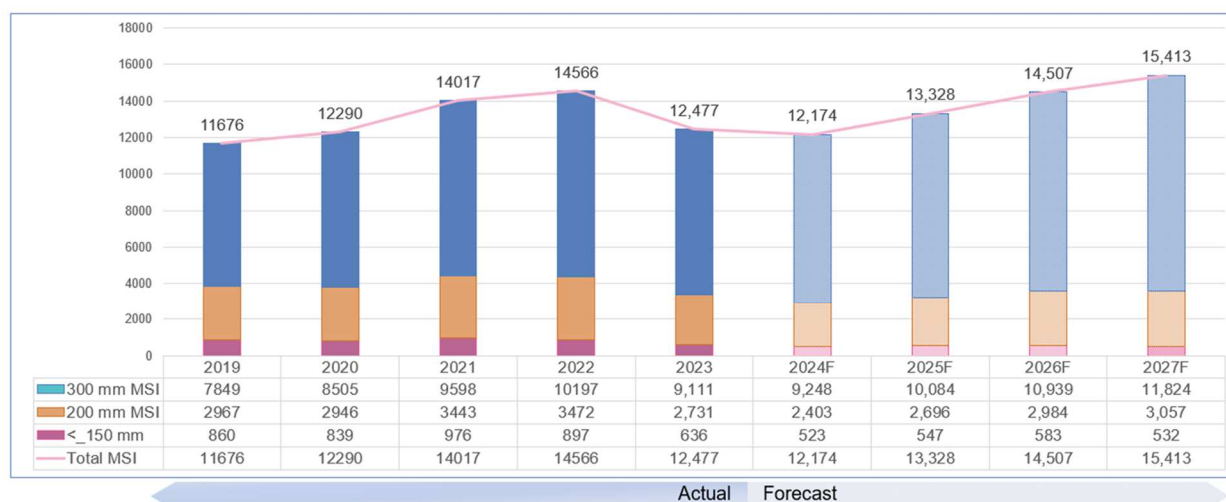
	4-inch	5-inch	6-inch	8-inch
Global shipment of polished wafers	392	2,169	16,832	48,582
Shipment of polished wafers by Wafer Works	136	700	1,936	3,914
Market share of global polished wafers by Wafer Works (%)	34.7%	32.3%	11.5%	8.1%

Note: the data source of "Global shipment of wafers" is from SEMI, and the scope of statistics covers all major silicon wafer producers listed on SMG (Silicon Manufacturers' Group), so it may not totally reflect the actual market.

(3) Future supply-demand status and growth potential of the market

SEMI also reported that global silicon wafer shipments in 2024 reached 12,478 million square inches (MSI), representing a 2.4% decline compared to 2023. Shipment volumes are expected to resume growth starting in 2025. However, elevated inventory levels throughout the supply chain have yet to be fully resolved, which continues to impact wafer manufacturers' capacity utilization and overall shipment volumes. A clear recovery in demand is expected to take more time.

Statistics and Future Forecast of 2024 Global Silicon Wafer Shipment Area



Source: SEMI (Feb., 2025); Wafer Works summarized

Looking ahead to 2025, generative AI and high-performance computing (HPC) applications will continue to drive demand for advanced logic and memory chips, as well as select niche markets. Long-term demand from renewable energy and electric vehicle sectors will also contribute to market momentum—particularly for electronic components such as converters, inverters, and EV charging infrastructure.

(4) Competitive niche

1) Localization advantage

Wafer Works has demonstrated the benefits of “local production and local supply” by serving professional wafer foundries in Taiwan and mainland China, as well as other IDMs. We rapidly deliver the silicon wafer products needed by customers while seizing opportunities in the local supply chain, and we continue to expand our market share.

2) Independent R&D and market development capabilities

Wafer Works possesses unique and independent expertise in three key technologies: crystal growth, wafer manufacturing, and homogeneous/heterogeneous epitaxial deposition. This allows us to meticulously craft siliconbased materials and wide bandgap semiconductor products that align with market trends for our strategic partners, helping components achieve optimal performance. The product applications of Wafer Works span automotive, 82 industrial, data communication and telecommunications, consumer electronics, aerospace, and defense sectors, providing a comprehensive range of solutions.

3) Global product services

Wafer Works has maintained a good partnership with international topnotch wafer foundries and IDMs. The customers of Wafer Works are spread all over the world, and the Company has professional sales teams in the US, Europe, Asia, and Greater China to serve customers in different fields. Currently, the Company has established a close strategic partnership with international customers so that the shipment and technology enhancement of the Group can grow with customers to achieve a win-win situation.

(5) Advantage, disadvantage factors, and response measures of the development prospect

1) Advantage factors

A. Wafer Works can provide corresponding lightly doped or heavily doped silicon wafers tailored to customer specifications. Our main products include power management ICs and discrete components, which are essential and critical materials for the energy-saving trend and power conversion efficiency. With the rise in demand for new energy and the market cycle entering a recovery phase, these factors contribute to driving the demand for Wafer Works’ wafers.

B. Wafer Works possesses the independent technologies to produce N-type ultra-low resistivity silicon wafers and P-type silicon wafers with or without homogeneous/heterogeneous epitaxial deposition techniques to meet future development trends.

- C. Wafer Works has long-term partnerships with international tier-one IDMs in the US and Europe. We adhere to international standards and understand the design of the most advanced semiconductors in the world. We also stay updated on the real-time market dynamics in China.
- D. The semiconductor industry is poised for continued growth in the future. Customers are driving momentum toward 12-inch wafer technology, and Wafer Works is responding to this trend by increasing our 12-inch production capacity and enhancing our product lineup.
- E. The center of a global semiconductor products is located in Asia, and the significance of wafer foundries in Greater China continues to grow. The Headquarters of Wafer Works is located in Taiwan, and the Company has the most advanced production sites on both sides of the Taiwan Strait, granting the Company an excellent geographical advantage.

2) Disadvantage factors and response measures

- A. Rapid change of market demand and shortened delivery required by customers

Response measures:

- ① Full control of customer demand and weekly production-sales coordination for adjustment of production capacity to meet the customer's delivery requirement.
- ② Process improvement to enhance quality and yield.

- B. Turbulent international situation and regional trade conflict resulted from geopolitics

Response measures:

- ① Arrange global customer and business layout to reduce the impacts of regional trade frictions.
- ② Set up production sites in multiple regions for flexible production schedules to reduce possible impacts.

- C. For the product with small-volume and multiple diverse, the enhancement of production efficiency can be limited

Response measures:

- ① Automation of production management, strengthening of production-sales coordination, and flexible production adjustment.
- ② Concentrated production in batches to increase the delivery rate to meet customer needs.

- D. Gross margin rate performance is limited by the factors of product mix, interest rate trend, and production cost

Response measures:

- ① Proper price adjustment according to the market supply-demand status to implement the market mechanism.

- ② Development of cost advantage polysilicon material sources.
- ③ Continuous process improvement and expansion of large-scale production lines to reduce production costs.
- ④ Development of niche products to enhance the added value.

E. New competitors from Mainland China

Response measures:

- ① Continuous improvement of technology R&D and patent layout to raise the technology barrier by product difference.
- ② Continuous enhancement of quality and yield to secure market position.
- ③ Maintaining cooperation with major international manufacturers to improve the technology.
- ④ Keep developing of wide bandgap compound semiconductor materials (SiC and GaN-on-X)

2. Important applications and production processes of the main product

(1) Important applications of the main product

Product Name	Important Applications
Semiconductor grade silicon wafer and silicon ingot	Silicon wafers are the most crucial raw material in the semiconductor industry. By employing appropriate design and processing techniques such as diffusion, etching, and developing, silicon wafers can be transformed into various electronic devices. These devices include various types of logic ICs, memory, analog ICs, power devices, and photo & sensor devices. These electronic devices have wide-ranging applications across the automotive, industrial, data communication and telecommunications, consumer electronics, aerospace, and defense markets.

(2) Production process

Semiconductor product

Crystal Growth can create the most important raw material for the semiconductor industry. Through proper design and processing such as slicing, chamfering, grinding, etching, polishing, cleaning, inspection, packing and shipping.

3. Supply status of main raw materials

Main raw material	Supplier	Supply status
Polysilicon	World renowned maker	Good
Grinding powder and slurry	World renowned maker	Good
Crucible	World renowned maker	Good

4. Names of customers with more than 10% of total purchase (sales) in either of the last two years, the percentage of these purchases (sales) amounts, and the reasons for changes in them

(1) The information of major suppliers accounting for more than 10% of total procurement in either of the last two years

Unit: NTD thousand

Item	2023				2024				As of Q1 of 2025			
	Name	Amount	Percentage to annual net procurement (%)	Relation to Wafer Works	Name	Amount	Percentage to annual net procurement (%)	Relation to Wafer Works	Name	Amount	Percentage of net procurement as of Q1 of the current year (%)	Relation to Wafer Works
1	Other	2,746,924	100.00%	None	Other	2,822,427	100.00%	None	Other	647,721	100.00%	None
	Net purchase	2,746,924	100.00%	—	Net purchase	2,822,427	100.00%	—	Net purchase	647,721	100.00%	—

(2) The information of major customers accounting for more than 10% of total sales in either of the last two years

Unit: NTD thousand

Item	2023				2024				As of Q1 of 2025			
	Name	Amount	Percentage to annual net sales (%)	Relation to Wafer Works	Name	Amount	Percentage to annual net sales (%)	Relation to Wafer Works	Name	Amount	Percentage to annual net sales (%)	Relation to Wafer Works
1	A	1,499,234	14.92	None	A	1,453,402	16.57%	None	A	379,970	16.49%	None
2	-	-	-	—	-	-	-	—	B	277,539	12.05%	None
3	Other	8,548,580	85.08	None	Other	7,267,721	83.43%	None	Other	1,646,411	71.46%	None
	Net sales	10,047,814	100.00	—	Net sales	8,721,123	100.00	—	Net sales	2,303,920	100.00%	—

In the first quarter of 2025, increased demand from downstream industries drove higher shipments to Customer B.

III. Information of employees in the last two years and as of the date of publication of the annual report

Year		2023	2024	April 30, 2025
Number of employees	Managers	660	707	704
	R&D technicians	485	456	459
	Operators	923	879	930
	Total	2,068	2,042	2,093
Average age		38.1	38.7	37.6
Average years of service		6.1	6.6	6.6
Distribution of education (%)	PhD	0.3	0.4	1.5
	Master's	6.1	6.4	8.7
	Bachelor's	47.4	60.8	60.9
	Below Senior high school	46.2	32.4	28.9

IV. Information of environmental protection expenditures

- Losses (including compensation and the violation of environmental protection laws and regulations indicated in the environmental protection audit) suffered by the Company due to environmental pollution in the recent year and up to the date of publication of the annual report, the total amount of penalty fine, and the future response measures (including improvement measures) and possible expenditures (including the possible loss due to failure in taking responsive measure, the estimated amount of penalty fine and compensation. If it cannot be reasonably estimated, the fact of failure in reasonable estimation shall be explained): In fiscal year 2024, the company incurred no losses due to environmental pollution or violations of environmental regulations as a result of environmental inspections.
- Environmental management and occupational safety and health
 - Environmental management

The company places great importance on pollution prevention. To minimize environmental impacts, substantial resources have been invested in pollution control facilities and the assignment of dedicated personnel. Relevant licenses have been obtained to ensure personnel are qualified to manage pollution control systems. The company continuously maintains and improves its environmental management through the annual certification of the ISO 14001 Environmental Management System.

- 1) The company conducts annual ISO 14064 greenhouse gas inventories, covering boundary setting, emission source identification, activity data quality management, emissions registry, internal audits, and third-party verification, with results registered on the Environmental Protection Administration's greenhouse gas platform.
- 2) With strong support from upper management, the company sets annual environmental goals for energy saving, carbon reduction, water conservation, and waste minimization, continuously progressing toward environmental protection, improvement, and sustainable development.

(2) Occupational safety and health

Certified under the ISO 45001 Occupational Health and Safety Management System, the company enhances workplace safety mechanisms and establishes effective communication channels for interaction with employees and stakeholders. Measures include:

- 1) Pre-employment and job transfer general safety and hazardous material awareness training.
- 2) Provision and enforcement of personal protective equipment usage.
- 3) Emergency response training and drills, including rapid incident response and disaster recovery procedures.
- 4) Contractor management including safety training, work permit applications, hazard disclosures, and periodic audits.
- 5) Semi-annual workplace environmental monitoring to ensure compliance and safeguard employee health.
- 6) Annual formulation and execution of an occupational injury prevention plan, including audits for continuous improvement.
- 7) Implementation of self-inspections to identify and rectify potential hazards.
- 8) Risk assessment for new chemicals before use, and control through engineering measures, personal protection, and safety training.

(3) Track record of environment, safety and health management system certification

Name of Certificate	Certification Company
ISO 14001	DQS
ISO 45001	DQS
ISO 14064	BSI

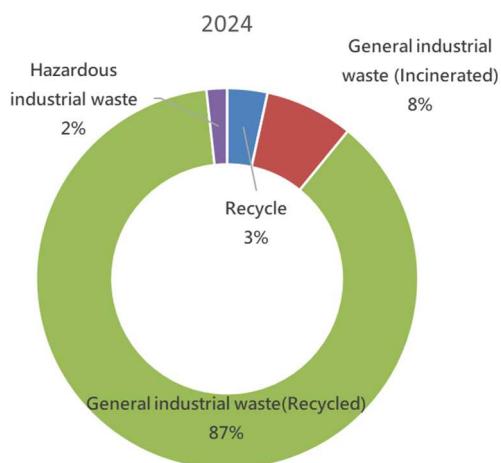


3. Waste management

The company has a comprehensive waste treatment and recycling system. General waste is handled by certified collectors and incinerated at government-designated plants. Industrial waste is categorized and collected for treatment or recycling by certified local processors. Waste is classified into resource waste, industrial waste for incineration, and recyclable industrial waste. The total waste output for 2023 and 2024 is as follows:

Year	2023	2024
Type	Weight (tons/year)	Weight (tons/year)
Resource waste	135.89	85.9
General industrial waste (Incinerated)	205.01	188.69
General industrial waste (Recycled)	2,445.72	2,186.34
Hazardous industrial waste	46.96	45.93
Total	2,833.58	2,506.86

In 2024, hazardous industrial waste such as chemical drums was treated via cleaning, neutralization, inspection, and plastic recovery through approved reuse vendors. Recyclable waste accounted for 87% of total industrial waste.



4. Green energy facilities

The company has completed the installation of solar power systems and purchased green electricity in 2024, contributing to sustainable green energy development.

5. Task Force on Climate-related Financial Disclosures (TCFD)

In September 2024, the company completed a report assessing short-, mid-, and long-term climate-related risks and opportunities based on the TCFD framework issued by the Financial Stability Board (FSB). The disclosure addresses.

- Governance: Oversight structure for climate risks.
- Strategy: Strategic planning for climate impacts.
- Risk Management: Identification and mitigation of climate-related risks.
- Metrics & Targets: Tracking performance and setting environmental goals.

Identify 11 potential transition and physical risks to the company's operations resulting from climate change, as well as 10 potential opportunities. These are then assessed using three evaluation factors—business relevance, vulnerability (risk response/opportunity preparedness), and impact/contribution level—to construct a risk and opportunity matrix.



Analysis of the Financial Impacts of Climate Change and Response Measures

Transition Risks / Climate Opportunities		
★Risk / ●Opportunity	Potential Financial Impact	Key Response Strategy
★Carbon tax on GHG emissions (EPA)	Increased operating costs	Set carbon reduction targets and apply for voluntary reduction programs to lower tax rates. Install solar power systems and use green energy to reduce emissions.
★Carbon tax on GHG emissions (CBAM)		
★Carbon tax on GHG emissions (CCA)		
●Use of low-carbon energy	Lower carbon emissions, reduce carbon fees	Replace process gases with low-carbon energy
●Adopt efficient manufacturing processes		Smart equipment upgrade and AI-based process optimization.
●Engage in carbon trading markets		Implement voluntary reduction plans and purchase renewable energy to prepare for mandatory carbon trading systems
●Carbon emission disclosure	Competitive advantage in Scope 3 reduction, increased revenue	Participate in CDP for third-party carbon disclosure scoring, enabling market and customer visibility.
●Development of low-carbon products/services	Meet customer demand for energy-saving products, increase revenue	Develop low-resistance wafers to improve chip energy efficiency.
●Adoption of more efficient transportation	Reduce Scope 3 emissions, meet customer decarbonization demands, increase revenue	Join electric freight truck sharing alliance and promote green transport.
●Requirement for low-carbon products/services	Increased operating costs	Conduct product and service carbon footprint assessments to identify high-emission sources and execute reduction plans.
Transition Risks / Climate Opportunities		
★Risk / ●Opportunity	Potential Financial Impact	Key Response Strategy
★Rising raw material costs	Increased operating costs	Develop alternative materials or identify second sources.
★Changing rainfall patterns and extreme climate events	Water shortages may cause operational disruptions or increased cost from water delivery	Maintain at least three days' supply of water for operations. Develop a water shortage management plan.
●Water use reduction	Reduced water utility costs	Promote water conservation and reuse strategies.
●Resource recycling (waste, materials, packaging)	Reduced operating costs	Implement circular use of raw materials, waste, and packaging.
★Increased regulatory/supervisory pressure on products and services	Additional expenses from energy-saving or carbon-reduction activities	Use renewable energy and implement emission reduction actions.
★Changes in customer behavior	Pressure from net-zero initiatives may increase operating costs	Plan a carbon reduction roadmap to meet client expectations.
★Rising average temperature	Reduced efficiency of infrastructure and production equipment; increased maintenance costs	Select equipment with better heat dissipation during replacement.
★More frequent/severe typhoons and floods	Transportation disruptions, employee safety risks, production/sales disturbances, increased costs, and decreased revenue	Provide taxi subsidies during typhoons to ensure employee safety. Operate with minimal staff. Prepare typhoon contingency plans in advance.
★Rising sea levels	Taiwan's sea level is rising at twice the global average due to regional currents and intensified storms, increasing flood risk and possibly disrupting transport and operations, reducing revenue.	Ship products before typhoons arrive. Maintain drainage systems to prevent factory flooding.

6. Carbon Reduction Targets and Emission Metrics

The company's GHG emissions inventory is verified by BSI. Reduction goals include:

- Annual electricity savings of 1.5%
- 12% carbon reduction by 2030
- Green power adoption goals: RE18 by 2030, RE30 by 2050

7. Carbon Reduction Measures and Achievements

Electricity savings and carbon reduction achieved in 2024:

Site	Power Saved (kWh)	Carbon Reduction (tCO ₂ e)
Longtan	1,800,485	889.44
Yangmei	1,576,519	778.8
Total	3,377,004	1,668.24

The following tables summarize the energy-saving measures implemented at Longtan and Yangmei sites in 2024, including specific actions, estimated energy savings (in GJ), and CO₂ emissions reduction (in metric tons of CO₂ equivalent).

Longtan Site				
No.	Energy-saving Measure	Implementation Details	Estimated Savings (GJ)	CO ₂ Reduction (tCO ₂ e)
1	Cleanroom temperature adjustment	Temperature/humidity adjusted from 23°C 50RH% to 23.5°C 55RH%	368	50.45
2	Cleanroom lighting upgrade (T5 to LED)	Replaced 2,000 T5 tubes with T5 LED	152	20.87
3	Water-saving measures	Machine and facility water recovery optimization	191	26.18
4	Reduce power use by stopping intermediate pumps	Changed water supply method to reduce pump load	177	24.23
5	General lighting upgrade (T5 to LED)	Replaced 190 T5 tubes and 53 recessed lights	90	12.39
6	Production area lighting upgrade (T5 to LED)	Replaced 413 T5 tubes with LED	96	13.2
7	AHU frequency control in electrical room	Changed 12 fan units from full load to VFD	380	52.08
8	Blower replacement in wastewater plant	Replaced 40HP blowers with energy-saving turbo type	123	16.84
9	Circulation pump VFD control for scrubber A004	Reduced frequency from 60Hz to 40Hz	166	22.78
10	VFD operation for non-production HVAC	Switched 12 fan units from full load to VFD	438	60.15
11	Lighting upgrade in Crystal Growth Phase 1	Replaced 138 T5 tubes with LED	26	3.5
12	Condensate recovery from MAU to cooling tower	Reused 76CMD condensate to reduce cooling fan load	61	8.41
13	Temperature/humidity adjustment in poly-silicon cleanroom	Adjusted from 23°C 50RH% to 23.5°C 55RH%	38	5.15
14	Surface treatment lighting upgrade (T5 to LED)	Saved 8,494 kWh/year	31	4.2
15	Reduce LSR1 pump usage	Adjusted tank levels to reduce pump starts	74	10.13

16	Scrubber A003 pump VFD control	Reduced frequency from 60Hz to 40Hz	111	15.19
17	Scrubber A005 pump VFD control	Reduced frequency from 60Hz to 48Hz	77	10.53
18	Lighting upgrade in poly-silicon area (T8 to LED)	Replaced 213 T8 tubes with LED	43	5.85
19	Cleanroom temperature adjustment (Production #4)	Adjusted from 23°C 50RH% to 23.5°C 55RH%	128	17.63
20	RO pump efficiency upgrade	Replaced 4 low-efficiency 20HP pumps	216	29.61
21	Adjust 12°C chilled water temperature	Increased output temp to enhance efficiency	1735	238.1
22	Replace WS with DWS machines	Reduced electricity by switching to energy-saving cutters	624	85.58
23	Buffer tank insulation	Installed insulation to reduce heat loss	86	11.86
24	Lighting replacement with LEDs	Replaced 112 light fixtures	45	6.19
25	General exhaust reduction in machines	Reduced frequency of exhaust fans	260	35.65
26	Thermal field upgrade in crystal growth	Improved insulation and heating control	47	6.4
27	Process optimization in crystal growth	Reduced heating and process time	229	31.4
28	VFD installation on dust collector	Installed inverter for dust collection system	5	0.73
29	IGBT power supply replacement	Replaced one IGBT power supply unit	348	47.8
30	Nighttime shutdown of ovens	Shut off ovens overnight	51	7.04
31	Lighting Upgrades to LED Fixtures	Replaced lighting in the peripheral walkway areas of the production zone with LED lights	39	5.32
32	Lighting Upgrades to LED Fixtures	Replaced lighting in the raw material and finished goods storage areas with LED lights	21	2.87
TOTAL			6,484	889.43

Yangmei Site				
No.	Energy-saving Measure	Implementation Details	Estimated Savings (GJ)	CO ₂ Reduction (tCO ₂ e)
1	AHU07 air conditioning improvement	Changed electric heating to hot water coil in cleanroom	2,970	407.49
2	POLY area air supply improvement	Modified electric heating to hot water coil system	381	52.22
3	Scrubber pump replacement	Upgraded IE3 motors to IE4 for 5 scrubbers	8	1.1
4	Scrubber fan motor upgrade	Replaced 30HP IE1 motors with IE3	17	2.27
5	UPS replacement for CDA#2	Removed inefficient UPS to reduce conversion loss	322	44.14
6	Condensate recovery from MAU & AHU	Reduced cooling tower power and water consumption	58	7.95
7	Chiller refrigerant side optimization	Added FRIG AID refrigerant to improve performance	583	80.02

8	UPS route optimization for crystal growth	Improved conversion efficiency from 93% to 100%	255	34.94
9	Ventilation fan replacement in chiller room	Saved 59,744 kWh by replacing 5HP fan	204	28.04
10	Reduced WS machine count	Switched from 11 to 7 machines including DWS	718	98.55
11	Crystal growth thermal field replacement	Converted 5 furnaces to G3 type	161	22.09
TOTAL			5,677	778.81

V. Labor-management relationship

1. Various welfare measures, further education, training, and retirement system for employees and the implementation status, labor-management agreements, and various employee rights and interests protection measures of the Company:

(1) Complete and diversified welfare system

Adhering to the belief that employees are important assets, Wafer Works has planned complete and diversified welfare to attract and retain outstanding talents.

- 1) Flexible working hours
- 2) Extra annual leave for new employee
- 3) Stock award for employee
- 4) Festival bonus
- 5) Cash remuneration for employees (employee bonus)
- 6) Retention program
- 7) Gift card
- 8) Employee medical office
- 9) Meal allowance
- 10) Comprehensive well-being
- 11) Year-end party
- 12) Group insurance (life insurance, injury insurance, accident insurance, medical insurance, hospitalization, cancer insurance, and occupational disaster); dependents' preferential insurance plan at own choice
- 13) Employee entertainment facilities
- 14) Employee Stock Ownership Trust (ESOT)

(2) Advanced study and training

The company provides employees with the most complete and professional training and development system, with complete and diversified training and development categories from newcomers to senior levels to meet the needs of employees at different stages.

Annual training goals are produced based on the company's goals and capability requirements. Based on company & departmental goals, combined with personal goals and career development, a personal learning and development plan is formulated. Professional functional courses combined with the e-Training System for learning and development are carried out to improve employee capabilities and to strengthen organizational competitiveness.

The company is committed to create a diverse and sufficient learning and development environment, to nurture employees who have commitment and engagement, and to build the foundation for corporate excellence and continuity for technology, products, trends, mentality, etc., in the hope of achieving employee growth, self-realization, and company performance advancement, which are the ultimate win-win for all stakeholders. In order to promote talent development, the Human Resources Office deploy annual training surveys and training roadmaps to formulate training plans for the next year. The training expenses in 2024 totaled NT\$582,000 proximately.

The training types are divided into:

- A. Newcomer training
- B. Core technology
- C. Professional capabilities of divisions
- D. Certification/multi-skilled worker
- E. Quality and efficiency
- F. Leadership and management
- G. General knowledge

The 2024 training results are:

Name of course	Number of courses	Total participants	Total hours	Total expenses (NTD thousand)
Newcomer training	14	2,435	5,287	582
Core technology	21	1,471	2,580	
Professional capabilities of divisions	23	314	365	
Certification/multiple skills	278	3,140	8,355	
Quality and efficiency	55	5,024	3,686	
Leadership and management	3	131	98	
Core general knowledge	36	6,008	7,660	
Total	430	18,523	28,031	

(3) Retirement system

The Company has reserved the pension fund to the designated account of Bank of Taiwan according to the Labor Standards Act, and set up Labor Pension Reserve Supervisory Committee in 1999 based on the approval by Letter 88-Fu-lao-tung-tzu-ti-055925 of Taoyuan County Government every month since 1999 to be used for employee retirement matters; starting from July 1, 2005, the Company allocated 6% of monthly salary to individual account for every employee at Bureau of Labor Insurance according to the Regulations of New Labor Pension System. The retirement policies for employees of foreign subsidiaries shall be subject to local laws and regulations.

(4) Labor-management agreement and various measures for employees' rights and interests

Since the founding of the Company, the labor-management relationship has always been harmonious, and the rights and interests and obligations of both parties have been subject to the Company's work rules and the implementation of management rules by regular labor relationship meetings. The labor relationship meeting has been convened every quarter to ensure the rights and interests of employees. A total of 5 labor-management meetings were convened in 2024 for discussion of major labor issues and the election for annual model labor.

Regardless no union is formed in the Company, the labor and management representatives have been actively participating, discussing, and negotiating adjustment of overall labor conditions, system advocacy, and mutual benefits of labor and management of the company, so there has not been any labor dispute. However, if there is any major operational change that could affect employees, a prior notice will be issued to all employees in accordance with the Labor Standards Act.

2. The losses suffered from labor disputes in 2023 and up to the date of publication of the annual report (including the violation of the Labor Standards Act during labor inspection, where the date and memo number of punishment, violation by clause of law or regulation and its content, and reasons for punishment), and the disclosure of current and future possible estimated amount and corrective actions. If it cannot be reasonably estimated, the facts to address the issues shall be explained:

The company has established a complete management system with open-communication channels so that the labor relationship has been harmonious and no major labor disputes occurred.

3. Employee Code of Conduct

- (1) The Company has formulated "RBA code of Ethics and Management Rules" to serve as the criteria for the code of conduct for all employees in Wafer Works. The Company is committed to assure company governance with high ethical standards, engage in business activities in accordance with the principles of fairness, honesty, trustworthiness and transparency, enhance the behavioral competence of all employees, regulating employees' professional capabilities and moral judgment during a business performance in order to maintain the Company's assets, rights and interests, and image; it is also required that employees are obliged to create maximum benefits for the Company within the legal scope, and also responsible for damage or loss. They shall jointly maintain the Company's reputation in order to win over the respect and trust of customers, suppliers, and industry in order to ensure the Company's sustainable operation and development. The main content of this regulation includes:

- 1) Principle of integrity: faithfully performing the tasks assigned by the Company with integrity as the highest ethical standard.
- 2) Respect for individuals and customers: respect and strictly protect individual and customers' privacy, and fair treatment for customers.
- 3) Avoidance of conflicts of interests: details of the involvement of activities with potential conflicts of the Company's interest shall be disclosed to Chairman and President for approval and reported to the Audit Office in advance.

- 4) Gifts and business entertainment: all employees and their families are not allowed to accept gifts (except for weddings and funerals) or kickbacks or other unlawful interests from customers and suppliers.
 - 5) Facilitating payment: the Company cannot offer or promise any facilitation payment.
 - 6) Complete, adequate, accurate and timely disclosure of understandable information.
 - 7) Reporting, Protection and be waived: Any violation of government laws and regulations, code of ethics or fraud should be reported to the appropriate person by name and email.
 - 8) Corporate social responsibility: the Company shall fulfill the corporate social responsibility and protect the rights and interests of employees.
- (2) In addition to official announcement by the ISO document system of the Group, RBA code of Ethics and Management Rules will also be actively advocated to all employees to assure that they will all comply with these codes by clearly understandings of the code of conduct.
 - (3) In addition to let employees aware of and comply with this regulation, any behavior worthy of encouragement or punishment shall be subject to the Company's reward and punishment management measures.
4. Human rights policy statement
- To implement corporate social responsibility as well as guarantee basic human rights of all employees, customers, and stakeholders, the Company follows the principles specified in "Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights", "United Nations Global Compact", "International Labor Organization", and "Code of Conduct of Responsible Business Alliance" and respects the basic human rights recognized internationally. It includes freedom of association, caring for vulnerable, prohibition of using child labor, eliminating all types of forced labor, and eradicating recruitment and employment discrimination. We have established "Employee Employment Management Method" and strictly followed local legal regulations related to labor as well as provided relevant training courses to all employees to strengthen their awareness of human rights. Creating a better supplying environment is Wafer Works' responsibility; therefore, Wafer Works also requests supplier that its chain partners follow the same criteria.
- Implement compliance with domestic labor rules, international human rights and labor standards, and code of conduct of responsible business alliance to guarantee employees' rights and interests.
 - It is strictly forbidden to use child labor. Established protective measures for misusing child labor.
 - Compliance with legal regulations towards working hours and remuneration by providing legal requirements on wages and welfare; besides, we strictly follow the working hour management standards and ensure all the overwork is based on free-will.
 - Provide employees with a cozy working environment with safety and health and promote their physical and mental health development.
 - No forced labor. Employees have the rights to resign or terminate their labor contract at any time. We adopt humane treatment and never treat employees with methods of harsh punishment.
 - No discrimination, harassment, or differential treatment due to race, skin color, ethnicity, ranks, language, thoughts, religion, political parties, group background,

- identity of veteran, nationality, birthplace, gender, sexual orientation, gender identification and performance, age, marriage, appearance, facial features, identity of physical or mental disability, or protected genes.
- Respect employees' collective negotiation and freedom of association as well as the rights to participate in various peaceful assemblies.
- Provide relevant professional knowledge and skills required for different job duties to strengthen organizational competitiveness and complete career planning.

VI. Cyber security management

1. Information security management structure, security policy, implementation and resource planning.

(1) Information security risk management structure

Established the Information Security Committee chaired by President. The committee members including top supervisors of all divisions periodically review and improve the information security protection to carry out internal audit and external assessment, and report to the Audit Committee and the Board of Directors.

(2) Information security policy

Information Security Policy has published in accordance with the regulation of the Information Security Management System (ISMS). The Information Technology Division is in charge of the risk assessment and protection enhancement, work with relevant divisions for security required issues, organize training courses and broadcast information security policy on computer login screen to improve employees' awareness of information security.

(3) Implementation

- 1) Information security policy is continuously improving, especially emergency reporting and handling procedures.
- 2) Implemented information security protection technology and control mechanisms, including:
 - A. Periodic information assets inventory and information security vulnerability risk assessment.
 - B. Use the next generation firewall to strengthen the access control and to prevent viruses from spreading across internal and external networks and across factories and regions.
 - C. Strengthen the update of anti-virus software and computer virus scan mechanism.
 - D. Implemented Data Loss Prevention tools to manage and control classified documents and data security.
 - E. Implemented Mailgates BEC (Business Email Compromise) tools to prevent malicious attack from email social engineering and phishing website.
 - F. Established operation technology security mechanism to prevent the malicious virus attack from incoming or repairing equipment by vendor certificate contract and virus scan procedure.
 - G. Established critical system backup and dual-backup control mechanisms to reduce the risk and threat of operation interruption.

- 3) Assurance of confidentiality, integrity and availability of the core business and important information assets including trade secrets, customers' confidential information, supplier contract terms, and personal information of employees and shareholders.
- 4) Utilize the PDCA method to continuously review and enhance information security protection effectiveness, and reporting to the Information Security Committee.

P (Plan): formulate information security risk assessment and improvement plan.

D (Do): strengthen defense technology, including network, system, account permission, email, confidential and personal information, and data center access control and physical security.

C (Check): conduct various drills of attack simulations to test employees' information security alertness, and to monitor, assess, and inspect information security weakness for improvement.

A (Action): advocate information security, report and handle violations of information security, implement various improvement action plans, and evaluate continuous improvement.

2. Resources planning

- (1) Preparation of information security special budget plan of dedicated information security manpower, professional skill training, assessment of purchase of innovative technical tools, information security consulting, health examination and risk assessment, and enhancement of information security protective capability.
 - (2) Achieve ISO/IEC 27001 international information security management system certification, and establish a complete Information Security Management System (ISMS) in accordance with "Information and Communication Security Control Guidelines for Publicly Listed Company" and "SEMI Wafer Equipment Information Security Standard".
 - (3) Join the membership of the Taiwan Computer Emergency Response Team /Coordination Center (TWCERT/CC) and Science Park - Information Sharing and Analysis Center (SP-ISAC) for effectively reception and transmission of information security information, consultation and coordination of information security, and enhancement of resources supporting the crisis management of abnormal event.
3. The losses, possible impacts, and responsive measures resulting from major information and communication security events in the most recent year and up to the date of publication of the annual report shall be specified. If they cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained.

The company has reported in its annual report dated November 3, 2024 that a subsidiary, Helitek Company Ltd., experienced a network security incident. Despite being attacked by hackers, the company immediately implemented backup recovery and enhanced security measures, successfully restoring normal operations within a short timeframe with no significant impact on its business operations.

VII. Important agreements: supply and sales contracts, technical cooperation contracts, construction contracts, long-term loan contracts, and other important contracts which could affect shareholders' rights and interests that are valid up to the date of publication of the annual report and will expire in the most recent years.

Nature of contract	Litigant	Commencing and expired dates	Main contents	Restriction
Supplier contract	B	2022.07.01–2025.06.30	On-site gas supply	None
Long-term loan contract	Land Bank of Taiwan	2024.10.15–2031.10.15	Joint bank credit granting	(Note)
Construction contract	E	2023.12.29~2025.12.30	Plant construction	None
Purchase contract	F	2023.12.29~2025.12.30	Material purchase	None

Note: (1) The Company signed the joint credit extension contract with Land Bank of Taiwan and 8 other banks on October 15, 2024 to acquire the loan commitment of NTD 2,760,000 thousand; according to the contract, the Company shall maintain a specific current ratio, debt ratio, interest coverage ratio and a certain amount of net worth in the annual consolidated financial statement during the loan period.

(2) The use periods of various credits of such credit extension: the credit extension A and B are valid from the date of signing the contract, ending after three and six months later, respectively.

V . Review and Analysis of Financial Status and Performance, and Risk Assessment

I. Financial status

Unit: NTD thousand; %

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	8,752,824	14,507,624	5,754,800	65.75
Property, plant and equipment	15,568,341	17,409,088	1,840,747	11.82
Intangible assets	48,412	43,947	(4,465)	(9.22)
Other assets	2,061,199	2,544,266	483,067	23.44
Total assets	26,430,776	34,504,925	8,074,149	30.55
Current liabilities	4,688,296	3,783,056	(905,240)	(19.31)
Non-current liabilities	3,579,887	5,028,688	1,448,801	40.47
Total liabilities	8,268,183	8,811,744	543,561	6.57
Share capital	5,418,836	5,732,436	313,600	5.79
Capital surplus	4,105,199	6,967,673	2,862,474	69.73
Retained earnings	2,903,189	2,561,373	(341,816)	(11.77)
Other Equity	(431,111)	(142,603)	288,508	66.92
Non-controlling interest	6,166,480	10,574,302	4,407,822	71.48
Total Equity	18,162,593	25,693,181	7,530,588	41.46
The changes of more than 20% and NTD10 million will be analyzed:				
(1) Current assets: Primarily due to cash capital increase and the issuance of corporate bonds in 2024, as well as the subsidiary's IPO fundraising and the execution of employee stock options.				
(2) Other assets: Primarily due to the new construction of the Erlin plant and the purchase of related machines and equipment in 2024.				
(3) Non-current liabilities: Primarily due to the issuance of corporate bonds in 2024.				
(4) Capital surplus, Non-controlling interests and Total equity: Primarily due to the subsidiary's IPO fundraising and the execution of employee stock options in 2024, which led to a decrease in the company's overall shareholding percentage and the recognition of corresponding changes in ownership equity.				

II. Financial performance

Unit: NTD thousand; %

Item \ Year	2023	2024	Difference	
			Amount	%
Operating revenues	10,047,814	8,721,123	(1,326,691)	(13.20)
Operating costs	(6,801,309)	(6,612,467)	188,842	(2.78)
Gross profit	3,246,505	2,108,656	(1,137,849)	(35.05)
Operating expenses	(1,880,704)	(1,870,259)	10,445	(0.56)
Operating profit	1,365,801	238,397	(1,127,404)	(82.55)
Non-operating incomes and expenses	84,901	125,772	40,871	48.14
Income before Income Tax	1,450,702	364,169	(1,086,533)	(74.90)
Income tax expenses	(342,430)	(70,324)	272,106	(79.46)
Net income	1,108,272	293,845	(814,427)	(73.49)
Other comprehensive income (loss)	(246,725)	819,288	1,066,013	432.07
Total comprehensive income (loss)	861,547	1,113,133	251,586	29.20
<p>1. The changes of more than 20% and NTD10 million will be analyzed:</p> <p>(1) Gross profit, operating net profit, income before income tax and net income: Primarily due to the continued weak market demands in the semiconductor industry and a reduction in product price, resulting in a significant decline in net profit. So the company's financial performance declined in 2024, relevant decrease in various profitability indicators.</p> <p>(2) Non-operating income and expenses: due to the increase in interest income from time deposits and the increase of exchange gains.</p> <p>(3) Income tax expenses: Because of the revenue declined in 2024, resulting in the relative pre-tax profit decreased, and the income tax expenses also decreased.</p> <p>(4) Other comprehensive incomes: The increase was mainly due to increase in currency exchange gain arising from translation of foreign operations in 2024.</p> <p>2. Expected sales volume and its basis, possible impacts on future financial business of the Company, and response plans:</p> <p>To meet the 2025 business targets, the Company and its subsidiaries will continue to cultivate semiconductor products based on regional market demands, build relationships with upstream and downstream partners, and constantly explore market shares and develop new products. In response to future business growth, the company will continue to appropriately plan its financial structure.</p>				

III. Cash flow

1. Analysis of changes in cash flow for 2024

Unit: NTD thousand

Cash at Beginning of Year	Net Cash Flow from Operating Activities	Net Cash Flow from Investing and Financing Activities	Cash at End of Year	Remedial Measures for Cash Flow Shortfalls	
				Investment Plans	Financing Plans
1,879,090	429,960	1,042,054	3,351,104	Not applicable	Not applicable
Analysis of cash flow (1) Operating activities: the net cash provided by operating activities in 2024 is NTD429,960 thousand which is mainly due to the dividends of NTD337,642 thousand from the subsidiary. (2) Investment activities: the increased capital expenditures in 2024 have led to net cash outflow due to investment activities. (3) Financing activities: the capital increase in cash and issuance of corporate bonds in 2024 has led to net cash inflow due to financing activities.					

2. Corrective measure to be taken in response to liquidity: Not applicable.

3. Liquidity analysis for the coming year:

Unit: NTD thousand

Cash at Beginning of Year	Net Cash Flow from Operating Activities	Net Cash Flow from Investing and Financing Activities	Cash at End of Year	Remedial Measures for Cash Flow Shortfalls	
				Investment Plans	Financing Plans
3,351,104	700,941	(2,579,838)	1,472,207	Not applicable	Not applicable
Liquidity analysis for the coming year (1) Operating activities: it mainly comes from the net cash inflow from normal production plans. (2) Investment activities: it mainly comes from the net cash inflow generated from increased capital expenditures. (3) Financing activities: it mainly comes from the net cash inflow generated from the financing activities by the Company raising funds through bank borrowings.					

IV. Effect upon financial operations of major capital expenditures during the most recent year: in fiscal year 2024, the Company has disclosed its major capital expenditures in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.” Relevant information can be found in the material announcements section of the Market Observation Post System (MOPS). The capital expenditures have not had a material impact on the Company’s financial position or business operations.

V. Reinvestment policies, main reasons for profit or loss and improvement plans from recent year, and investment plans for the coming year

- The Company’s current investment policy for the year
The investment plans of the group mainly focus on industrial-related business, to concentrate on the development of its own business and enhancing overall operating performance.
- Main reason for profit or loss
There is no major profit or loss of reinvestments reported on the 2024 Consolidated Statement of the Company.
- Improvement plan
There is no major profit or loss of reinvestments reported on the 2024 Consolidated Statement of the Group.

4. Investment plan for the coming year

The Company will continue to integrate upstream and downstream suppliers at a proper time depending on the operating conditions to expand the market share.

VI. Risk items in the most recent year and as of the date of the publication date of the annual report

Organization and operation of risk management:

The Company has strengthened corporate risk management in recent years, in line with the most recent risk management development trend, to detect, evaluate, report, and treat risk cautiously. The risk control of the Company can be divided into three levels (mechanisms): the organizer or the person in charge is called the “First Mechanism”, who must be responsible for the consideration, design and prevention of the initial risk discovery, assessment and control of the operation; the “Second Mechanism” is the management meeting hosted by the President, which is in charge of feasibility study and assessment of various risks; the “Third Mechanism” is the review by Legal Affairs Division, Audit Division and the approval from Board of Directors. The Company prefers the proper protection and comprehensive risk control by the entire staff, so that the Company can better implement risk management.

Prior to the preparation of the annual budget and determination of annual objectives, the Company will conduct a SWOT (strength, weakness, opportunity, threat) analysis in conjunction with the actively developed management by objectives and risk management; the self-assessment of the annual internal control system, and begins with a risk assessment to determine whether or not all risk items can be effectively prevented under the existing internal control system; the composition of annual audit plan by the Audit Office is also based on the risk assessment, where the operating procedures with greater risks shall be listed into the annual audit plan.

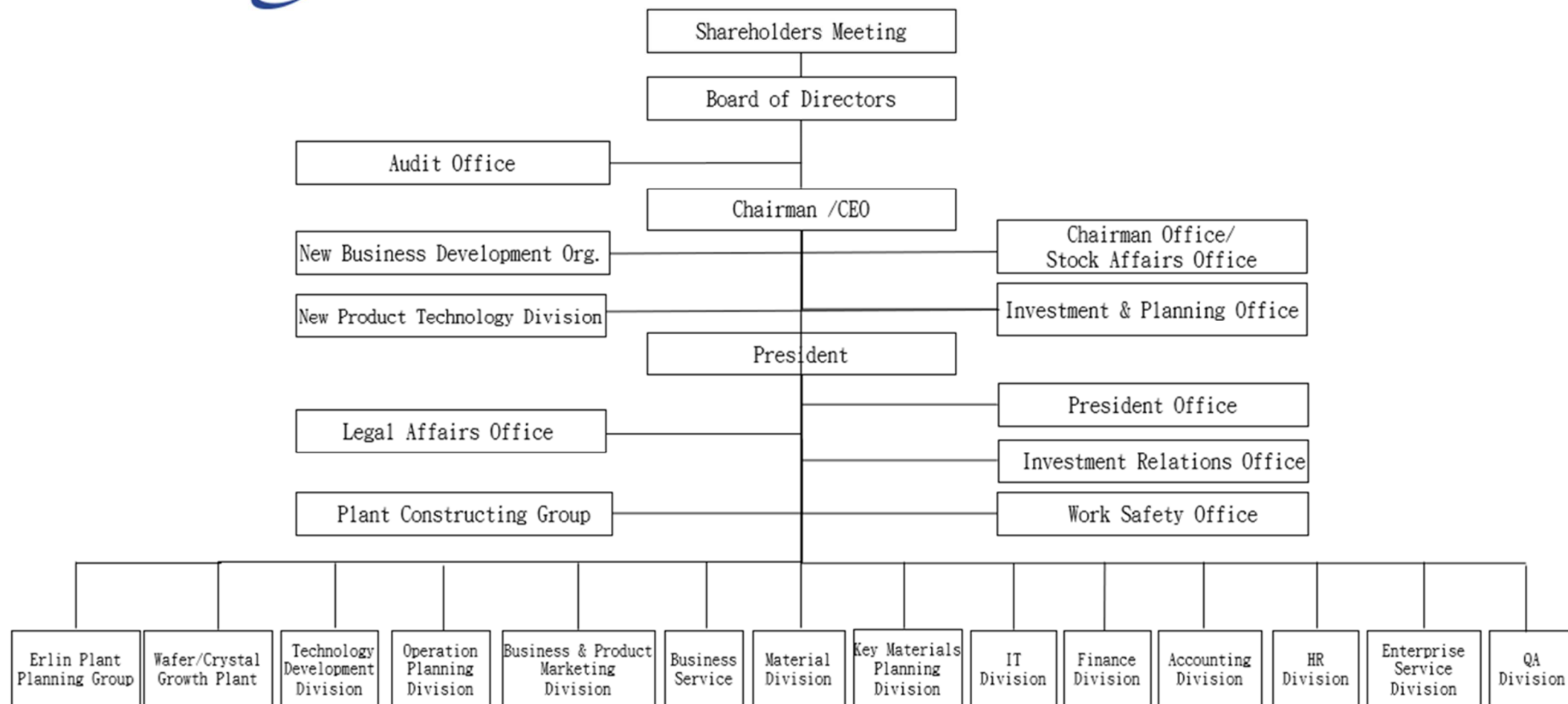
Risk management organization table:

Important risk assessment items	First Mechanism Business organizer	Second Mechanism Risk review and management	Third Mechanism Board of Directors and Audit Office
1. Risks of interest rates, currency exchange rates, and finance 2. High risk, high leverage investment, capital loan, endorsement and guarantee, financial derivatives transactions, and financial management and investment	Finance Division, President Office	Management Meeting	Board of Directors and Audit Committee: Decision making and final control of risk management Audit Division: Inspection, assessment, supervision, improvement tracing, and reporting of risks
3. R&D plan 4. Changes of technology and industry	New Product and Technology Division, Technology Development Division	Technology Meeting, Management Meeting	
5. Changes of policies and laws 6. Change of corporate image 7. Investment, reinvestment and M&A benefits	President Office, Legal Affairs Office, Investment & Planning Office	Management Meeting	
8. Risk of poor quality 9. Factory or production expansion 10. Major purchase or sales policy	Production Unit and Operations Planning Division, Sales and Service Organization	Quality Meeting, Production and Sales Meeting, Management Meeting	
11. Changes in equities of directors, supervisors, and major shareholders 12. Change in right of management 13. Board of Directors meeting management	Stock Affairs Office, President Office	Management Meeting	
14. Personnel behavior, ethics and conduct 15. Personal, property, and environmental safety	All units	Management Meeting	
16. Information and communication security 17. Litigation and non-litigation matters	Information Technology Division Legal Affairs Office	Management Meeting President Office	
18. Compliance with SOP and regulations 19. Other operational matters	All units All units	Quality Assurance, Work Safety, and Audit Unit President Office	

Organizational structure



Wafer Works Corporation organizational chart



I. Effects on the Company's profits (losses) from fluctuations of interest and exchange rate and changes in inflation, and response measures to be taken in the future:

1. The impact of interest rate variation on the Company's profit and loss and future response measures

(1) The impact of interest rate variation on the profit and loss of the Company and subsidiaries

The interest expenses of the Company and its subsidiaries in 2023 and 2024 were NTD 238,020 thousand and NTD 171,080 thousand respectively, which account for 2.37% and 1.96% of the operating revenues of the Company and its subsidiaries respectively. Therefore, the impact of interest rate variation on the profit and loss of the Company and its subsidiaries is limited.

(2) The Company's specific response measures to interest rate variation

The Company and its subsidiaries will timely adjust the capital utilization in the future depending on the variety of financial interest rates to reduce its impact on the profit and loss of the Company and its subsidiaries. In addition, the financing tools of the capital market are also timely used to reduce the cost of capital acquisition.

2. The impact of variation of exchange rate on the profit and loss of the Company and its subsidiaries and future response measures

(1) The Company and its subsidiaries primarily focus on export sales, with the majority of transactions conducted in US dollars, and the import of raw materials conducted in foreign currencies. Risk hedging is conducted based on the net foreign currency positions generated from the Company's operations. In addition to closely observing the trends in international foreign exchange markets such as the United States and Japan, the Company sells spot foreign currencies and enters into forward exchange contracts to avoid risks in a timely manner. According to the information indicated in the table below, the change in the exchange rate during the last two years has had an impact on the Group's revenue and profit.

Unit: NTD thousand ; %

Item \ Year	2023	2024
Net foreign exchange profit (loss) (A)	25,054	88,307
Net operating revenue(B)	10,047,814	8,721,123
Proportion of net operating revenue (A) /(B)	0.25%	1.01%
Net profit (loss)	1,108,272	293,845
Proportion of profit (loss) for the year (% absolute value)	2.26%	30.05%

(2) The company's specific response measures to the variation of exchange rate

1) Compose regularity of foreign exchange and exchange rate reports to monitor the ever-changing fluctuations in the foreign exchange market to make effective hedging decisions.

- 2) Coordinate with sales and procurement divisions to adjust the payment terms of foreign customers to reduce the exchange risk through natural hedging.
 - 3) Adjust the foreign currency borrowing position to avoid the risk of appreciation of NTD.
3. Effect of changes in inflation rate on the Company's profits (losses) and response measure to be taken in the future

(1) The impact of inflation on the profit and loss of the Company and its subsidiaries

So far, the impact of inflation on the Company's and its subsidiaries' profit and loss is not obvious. The Company and its subsidiaries will continue to monitor price fluctuations in order to adjust the selling price and control related costs properly, and the Company will take response actions as needed.

(2) The Company's specific measures in response to inflation

In addition to process improvement and cost savings, the Company will also head towards the development of high-value-added products.

II. The Company's policy regarding high-risk investments, high leveraged investments, loans to other parties, endorsement and guarantees, derivatives transactions and the main reasons for the profits/losses generated by the Company and response measures to be taken in the future

1. Main reasons for engaging in high-risk investments and high leveraged investments and the future response measures

(1) Main reasons for engaging in high-risk investment and high leveraged investments

The Company and its subsidiaries did not engage in any high-risk investments and high leveraged investment in the most recent year and as of the date of publication of the annual report.

(2) Response measures in the future

The Company and its subsidiaries are focused on their own business, with financial operations that are conservative and consistent. The money has not been used for any high-risk or high leveraged investments.

2. Lending funds to other parties and endorsement and guarantee

(1) Reasons for lending funds to others and endorsement and guarantee

1) Lending funds to others

The Group's lending to others in accordance with the "Procedures for Lending Funds to Other Parties", and the balance is zero as of the date of publication of the annual report.

2) Endorsement and guarantee

The Group's engagement in endorsement and guarantee is in accordance with the "Procedures for Endorsement and Guarantee", and the endorsement

and guarantee amount has not exceeded the limit as of the publication date of the annual report.

(2) Response measures in the future

The Company has formulated the “Procedures for Lending Funds to Other Parties” and “Procedures for Endorsement and Guarantee”, and the Company will conduct announcements and declarations process in accordance with laws and regulations.

(3) The Company’s policy regarding financial derivatives transactions and the main reasons for the profits/losses generated by the Company and response measures to be taken in the future

1) Policies of financial derivatives transactions

The Company engages in derivative trading for the purpose of avoiding risks arising from business operations. The products traded are mainly forward exchange, and speculative operations are not involved. Moreover, the Company selects financial institutions with better conditions as trading partners to avoid credit risks.

2) Response measures to be taken in the future

Derivative trading by the Company is handled in accordance with Article 12 of the “Procedures for Acquisition or Disposal of Assets”, which stipulates the procedures for acquisition or disposal of derivatives.

III. R&D work to be carried out in the future, and further expenditures expected to research and development work:

For details please refer to operation overview/ business content/ business scope/ new products and services planned to be developed in this annual report; operation overview/ business content/ technology and R&D overview.

IV. Effect on the Company’s finance and business resulting from crucial changes of global policies and laws, as well as response measures to be taken:

1. The Group’s finance and business have not been affected by any crucial change in global policies and laws in 2024 up to the date this public disclosure was printed.
2. Response measures: In addition to paying attention to global industrial news and changes in both laws and policies, all divisions of the Group collect information and message in the Group’s territories of production and business to clutch changes in policies and laws, and then notify the Company's senior executives and relevant divisions immediately. Therefore, the Group can adopt proper measures to well respond to the significant changes of global policies and laws.

V. Effect on the Company’s crisis management of changes in the Company’s corporate image, and response measures to be taken in the future:

1. Major risk assessment items such as information security risk assessment and response measures.

- (1) Information security risk management structure: established Information Security Committee to review and amend Information Security Policy Management Measures and relevant operational rules. Information technology division should be responsible for the implementation of management measures and risk assessment.
- (2) Information security risk awareness: regular advocacy and training of information security policies for all employees; formulating personnel arrival, transfer, and departure management procedures, and signing of a confidentiality agreement with clear notification of confidential matters.
- (3) External cyber attack threat: periodical testing of the security control mechanisms for computer, network, system and E-mail, including the setting and vulnerability repair of firewall, anti-virus and anti-phishing spam and malware protection.
- (4) Data loss prevention: implemented DLP tool to control access rights of classified confidential information, and kept the system logs of the error and correction or unauthorized access.
- (5) System security management: established system access of identity, portable storage device (such as USB), physical access, and information assets inventory management mechanisms to prevent unauthorized accesses of system, network, software and hardware.
- (6) System operation and maintenance interruption:
 - 1) In order to ensure sustainable business operation and prevent malfunction of system software/hardware and database, the backup of information system and disaster recovery drills have been regularly implemented to ensure that critical business activities can be timely restored.
 - 2) Natural disasters or disasters of force majeure: the information security insurance shall be assessed according to the principle of risk sharing. Due to uncertainty of the scope of insurance and claim evaluation, the Company did not take out the information security insurance. However, the Company has signed a maintenance contract with the software/hardware suppliers to prevent the interruption of information system service.

2. Emergency Response management: established emergency reporting procedure of information security risk events, and executed periodically system disaster recovery drills to make sure the quick control and proper handling of a sudden information security event.

VI. Effects on the Company's crisis management of changes in the Company's corporate image, and response measures to be taken in response:

1. The Company follows the code of integrity management, is committed to maintaining a positive corporate reputation, and shares its vision and performance through open

channels of communication. As of the publication date of the annual report, there are no negative reports that damage the Company's image.

2. Response measures: The Company has established internal control, risk management and spokesperson mechanism and other measures. We build clear and prompt channels of communication as well as management processes for different situations of emergency. Material information is released in a way that complies with the law in order to protect the rights of investors and the Company's reputation.

VII. Expected benefits and possible risks associated with any merger and acquisitions, and response measures being or to be taken:

The Company did not engage in any merger or acquisition in the most recent year and as of the date of publication of the annual report; therefore, it is not applicable.

VIII. Expected benefits and possible risks associated with any plant expansion, and response measures being or to be taken:

In response to future business expansion and operational needs, the Company continues to increase our production capacity. In August 2022, the Board of Directors approved the establishment of a new fab in CTSP (Central Taiwan Science Park)'s Erlin Park. The Erlin fab is the site for the 12-inch silicon wafer production line, and will adopt automated production technology, aiming to improve fabrication processes and increase production volume. The groundbreaking ceremony for the new fab took place in August of 2023, preparing for future market demands. The risks associated with fab expansion have been thoroughly, cautiously, and expertly assessed. Significant capital expenditures also require board review. The Company will continue to monitor market changes and evaluate the potential benefits and risks of related investments.

IX. Risks associated with concentrated sales and material procurement, and response measures being or to be taken:

1. Diversify suppliers and control primary raw material sources: to ensure the diversified supply of key materials, the company periodically communicates, reviews, and promotes ESG development with partners in the supply chain.
2. Disperse customer base: in light of the global supply chain restructuring, the company has established a customer base of tier-1 IDMs and foundries from the US, EU, Taiwan and China. This helps eliminate the concentration risks associated with customers and markets.

X. Substantial transfer or change of stock equity of Directors or shareholders who hold over 10% of company shares, and response measures being or to be taken:

There is no significant amount of equity being transferred by the directors or major shareholders (holding more than 10% of total shares) of the Company in the most recent year and as of the date of publication of this annual report.

XI. Effect and risk to the Company associated with any change in ownership, and response measures being or to be taken:

There is no change in ownership of the Company in the most recent year and as of the date of publication of annual report; therefore, it is not applicable.

XII. The dealing status of the case of lawsuit or non-lawsuit events, determinations, or administrative disputes about the Company and its Directors, President, the person in charge, or shareholders who hold over 10% of company shares shall be listed; if the results will have a huge impact on shareholders' rights or security's price: None.

XIII. Other important risks and response measures being or to be taken:

1. Environment, and occupational safety and health management

(1) In line with the principles of sustainable business operations, environmental and resource conservation, and the protection of employee safety and health, the company proactively assesses all potential emergencies, natural disasters, environmental impacts, and operational risks. Corresponding contingency plans and procedures have been established. Our environmental protection, occupational safety, and health management practices are aligned with international standards and are consistently verified annually through certifications of the ISO 14001 (Environmental Management System) and the ISO 45001 (Occupational Health and Safety Management System).

(2) The Company's major objectives and management plans are summarized as below:

Program	Goal/Objective
Solar Power Installation	Increase green energy usage and reduce environmental impact
Greenhouse Gas Reduction	Reduce carbon emissions by 1.5% compared to the previous year
Certificate of Cleaner Production Assessment	Clean Production Aspects: 1. Manufacturing: resource conservation, green processes, pollutant control 2. Eco-design: environmentally friendly product design 3. Green management and social responsibility 4. Innovation: new ideas and approaches
Waste Reduction and Recycling	1. Achieve a waste recycling rate of 87% 2. Continuously optimize and improve recycling ratio Recycling of PE Protection Tape and ESD Bags
Plant Safety Inspections	1. Weekly inspections with at least two deficiencies identified on average 2. Monthly improvement rate tracking with >90% improvement target

(3) Continued Promotion of a Safe Working Environment and Protective Measures

1) Occupational Injury Prevention Program

With the goal of zero workplace injuries, an annual Occupational Injury Prevention Plan is developed and implemented. Execution is strictly aligned with scheduled plans, and its effectiveness is audited. The plan is reviewed and revised quarterly by the Occupational Safety and Health Committee. Annual plans are updated based on the committee's resolutions, utilizing the PDCA (Plan-Do-Check-Act) cycle to reduce potential workplace hazards and ultimately achieve a zero-incident workplace.

2) Self-Inspection Implementation

To address potential hazards from unsafe operations, equipment, or management in different work environments and processes, the company actively promotes self-inspections. These inspections aim to identify and correct potential hazards and cover equipment, operational environments, machinery, and vehicles.

3) Workplace Environmental Monitoring

Workplace monitoring is conducted based on pre-established sampling strategies. The program includes data collection, raw material and process reviews, hazard identification, and observation/interview-based assessments. Similar exposure groups are determined, and samples are collected from the highest-risk groups. Monitoring includes physical and chemical hazard factors.

4) Hazardous Chemical Risk Assessment

Prior to using new chemicals, the company's Safety Office reviews and assesses environmental, health, and safety risks throughout storage, transportation, usage, and disposal processes. Risks are controlled through engineering improvements, use of personal protective equipment (PPE), and safety operation training.

5) General Safety Management, Training, and Auditing

Regular Environmental, Health, and Safety (EHS) committee meetings are held alongside preventive measures, including high-risk operation management, contractor safety, chemical safety, PPE policies, and safety audits. Emergency response procedures are established and regularly rehearsed to minimize personnel injury, property loss, and social/environmental impacts caused by disasters.

6) Emergency Response

Comprehensive and continually improved emergency response plans are in place. These plans cover rapid incident response, disaster recovery, and procedures for potential emergencies. Annual drills and evacuation exercises are conducted to ensure minimal disaster impact.

7) Employee Health Promotion

Dedicated nursing staff provide health programs for employees. On-site gyms are available to help relieve physical and mental stress. Occupational physicians visit monthly to offer post-health checkup consultations, follow-ups, and health education to promote self-managed health.

To ensure workplace health, programs such as maternal protection, prevention of musculoskeletal disorders caused by repetitive tasks, and control of excessive workloads are continuously implemented and improved to create a safe and healthy work environment.

2. Risks and opportunities of climate change

We have identified and analyzed potential operational risks and impacts related to climate change and have developed corresponding strategies and monitoring/control mechanisms. Under new climate-related regulations, overall energy costs may significantly increase.

(1) Physical climate risks

Climate change may increase the frequency and severity of extreme weather events such as storms, floods, and droughts, impacting operations and supply chains—e.g., water shortages or disruptions in raw material supply.

Despite the challenges, we believe climate change also presents opportunities. Both our Yangmei and Longtan plants have obtained ISO 50001 Energy Management System certifications and continue to implement energy-saving and carbon-reduction measures to adapt to and mitigate climate change. In 2024, there were zero days of operation lost due to extreme weather.

(2) Water Resource Risks and Opportunities

To address potential water shortages, we are continually evaluating the expansion of internal water recycling systems to maximize reuse. This minimizes water consumption and environmental impact while strengthening water resource and supply management systems. Our goal is to reuse each drop of water as many times as possible before discharge.

(3) Electricity Resource Risks and Opportunities

Green energy is an inevitable global trend. The company has installed solar power generation systems and purchases green electricity (T-REC, Taiwan Renewable Energy Certificates) to replace part of its power needs with clean energy, reducing greenhouse gas emissions.

(4) Innovation and Research & Development

In support of product innovation and energy-efficient development, the company focuses on the following:

1. Mass production of high-voltage power semiconductor chips
 2. Mass production of ultra-low on-resistance power semiconductor chips
- These innovations contribute to the development of low-energy-consumption products and help reduce overall greenhouse gas emissions

associated with their use.

2024 Renewable Energy Certificate List			
Yangmei Site		Longtan Site	
No.	Quantity	No.	Quantity
22SP0121-B024000181~248	68	22SP0121-B024000101~180	80
22SP0121-B024000474~549	76	22SP0121-B024000386~473	88
22SP0121-B024000799~883	85	22SP0121-B024000698~798	101
22SP0121-B024001409~1492	84	22SP0121-B024001311~1408	98
22SP0121-B024001869~1965	97	22SP0121-B024001770~1868	99
22SP0121-B024002374~2477	104	22SP0121-B024002270~2373	104
22SP0121-B024003090~3208	119	22SP0121-B024002964~3089	126
22SP0121-B024003664~3776	113	22SP0121-B024003545~3663	119
22SP0121-B024004167~4230	64	22SP0121-B024003937~3947	11
Total	810	Total	826

3. Risks transfer

- (1) Transfer of personal risks: in addition to labor insurance, national health insurance, and other insurances statutorily required in the local region of each subsidiary, the Company also provides group insurance to enhance the employees' welfare and to properly transfer the risks.
- (2) Transfer of property risks: for properties with risks, the Company has taken out fire insurance, earthquake, typhoon and flood insurance, motor vehicle insurance, transportation insurance, and other property insurances in order to properly transfer the property risks.
- (3) Directors and Officers Liability Insurance: the Company provides the Directors and Officers Liability Insurance as stipulated in the Articles of Incorporation, and authorizes the Board of Directors to determine the coverage of this insurance. The limit of liability of "Directors and Officers Liability Insurance" taken out by the Company recently is USD 16.5 million, which can reduce and disperse the major damage to the Company and shareholders caused by the illegal acts of directors and managers in order to ensure the rights and interests of the shareholders.

VII. Other important matters:

1. License acquisition of personnel related to financial information transparency

The license acquisition situations of the Company's personnel related to financial information transparency are as below:

Certified Internal Auditors (CIA): one employee in the Audit Division

License of Internal Auditor of The Institute of Internal Auditors – Chinese Taiwan: one employee in the Audit Division

2. Internal Material Information Processing Operation

The Company has formulated the “Procedures for Handling Material Information and Preventing Insider Trading” and submitted it to the Board of Directors of Wafer Works and had been approved in December, 2022. The Company had organized an internal advocacy meeting to announce these procedures to all employees, managers, and directors to prevent any violation or insider trading.

3. The company's key performance indicators (KPI)

In addition to regularly comparing the financial performance indicators (such as debt ratio, earnings per share, cash conversion days, and capital expenditures) with the competitors in the industry, the Group has also set non-financial indicators, such as market share, process yield, quality cost, employee output value, and customer satisfaction...etc, to monitor the group's competitive edges and current situation of the industry. With a series of collection and analysis, the Company gets to ensure the competitive edges over the competitors in the industry.

VI. Special Disclosure

I. Information of affiliated enterprises

Please refer to the Market Observation Post System >Single Company > Electronic Document Download > Affiliated Enterprises Reports Section.

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Private placement of securities in the most recent year and up to the date of publication of the annual report: None.

III. Other necessary supplements: None.

IV. Situations listed in Article 36, paragraph 3, subparagraph 2 of Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred: None.

Wafer Works Corporation

Chairman: Ping-Hai, Chiao

A handwritten signature in black ink, appearing to read "Ping-Hai, Chiao", written in a cursive style.

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