



Stock No.: 6182

Wafer Works Corporation

2022 Annual Shareholders' Meeting Handbook

9:00 a.m. on June 21 (Tuesday), 2022

Type of Meeting : Physical Meeting

No.100, Longyuan 1st Rd., Longtan Science Park, Taoyuan, Taiwan

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Wafer Works Corporation

2022 Annual Shareholders' Meeting

Meeting Agenda
(Translation)

- I. Report on the number of shares attended
- II. Announcing the meeting
- III. Chairman's Address
- IV. Report Items
- V. Ratification Items
- VI. Discussion Items
- VII. Provisional Motions
- VIII. Meeting Adjournment

Wafer Works Corporation

2022 Annual Shareholders' Meeting

Meeting Agenda
(Translation)

Time: 9: 00 a.m., June 21, 2022

Venue: No.100, Longyuan 1st Rd., Longtan Science Park,
Taoyuan, Taiwan

I. Chairman's Address

II. Report Items

- (1) To report the business of 2021
- (2) Audit Committee's review report of 2021
- (3) To report 2021 employees' profit sharing and directors' compensation
- (4) To report the Implementation of Investments in mainland China
- (5) To report the issuance of 7th unsecured convertible corporate bonds

III. Ratification Items

- (1) To accept 2021 Business Report and Financial Statements
- (2) To approve the proposal of 2021 earnings distribution

IV. Discussion Items

- (1) To revise the Articles of Incorporation
- (2) To revise the Procedures for Acquisition or Disposal of Assets
- (3) To revise the Rules and Procedures of Shareholders' Meeting
- (4) To approve the issuance of employee restricted stock awards for
year 2022
- (5) To approve the conduction of a private placement

(6) To approve the Wafer Works (Shanghai) Co., Ltd., a subsidiary of the company, application for listing on the stock exchange in mainland China

(7) To approve the removal of the noncompete clause for Directors

V. Provisional motions

VI. Meeting Adjournment

Report Items

1. To report the business of 2021.

Note: Please refer to pages 5-6 of this Handbook for business report in 2021.

Business Report

As COVID-19 variants continued to emerge globally, the case of clustered infections in the local communities has increased; and the decline in consumer consumptions during year 2021 was evident. However, the annual economic growth rate still accelerated to 6.28% as the result of strong export of semiconductors and electronic components.

Due to geopolitical conflicts and the shortage of semiconductor chips, Taiwan became the global hub of semiconductors as world-renowned foundries and IDMS (Integrated Device Manufacturers) continued to increase their demand for silicon wafers.

According to SEMI (Semiconductor Equipment and Materials International), annual silicon shipment reached 14,165 millions of square inches (MSI), an increase of 14% over year 2020; while sales revenue exceeded US\$12.6 billion; a record high for both.

Benefiting from the upward trend of the semiconductor industry, Wafer Works experienced a surge in orders leading to full capacity utilization. Our shipment of 200 mm silicon wafers increased by 48% year-over-year, global market share increased to 7.1%, coupled with the shipment of 300 mm heavily doped wafers in the third quarter and an increase in average selling price (ASP); our consolidated revenue in year 2021 was NT\$10.34 billion, which is an increase of 39.3% year-over-year. Earning per share was NT\$2.01.

Looking ahead to year 2022, applications such as electric vehicles (EV), 5G and metaverse are expected to grow exponentially, and major market researchers and analysts are optimistic about the outlook of the semiconductor industry. Alerted by semiconductor chips shortage and overly concentrated supply source, governments around the world are subsidizing enterprises on a large scale to expand capacity, targeting mass production by year 2023; which will further increase the demand of silicon wafers.

With the continuous increase in market demand, Wafer Works will actively expand production capacity and develop new products to better serve our customers. The outlook for this year's operations is as follows:

- 1) Technology: Our 300 mm turn-key solution ranging from heavily doped silicon crystal to Epitaxial service have been qualified by global customers. In addition to continue the efforts of strengthening our various technologies for 300 mm N-type, low-resistance heavily doped silicon wafers, we will also actively develop technology for 300 mm lightly doped P-type silicon wafer needed for logic components. We will continue to invest resources with strategic partners to develop third generation compound semiconductor technologies in order to enhance our capabilities by building a comprehensive product portfolio for maintaining our leading position in power semiconductor devices.

- 2) Production capacity: The utilization of all Wafer Works production sites has remained at full capacity due to the influx of customer orders. Through efforts of de-bottlenecking and process optimization, we will be able to offer additional capacity to our customers. In addition to increasing the 300 mm production capacity at our Zhengzhou, China site, we will also set-up a pilot production line at our Longtan, Taiwan site to develop technology for 300 mm silicon wafer in order to meet market and customer requirements.
- 3) Quality: We will apply big data analytics methods, automate production, and accelerate digital transformation to increase production efficiency, improve product quality and yield.
- 4) Business: We will gradually increase the percentage of long-term supply agreements (LTA), and strengthen the strategic partnership with our customers.
- 5) Sustainable operation: In line with government regulations, we will promote the concept of sustainable management of ESG companies, provision of information regarding Climate-Related Financial Disclosures (TCFD), and implement information disclosure in compliance with the standards set by the Sustainability Accounting Standards Board (SASB).

Wafer Works is a customer-centric company rooted in Taiwan, actively develop new products and technologies, continuously expand our global business footprint, uphold ethical standards, committed to improve the quality of life of our employees and the society, implement specific policies of promoting sustainable development relating to the ESG areas. We would like to express our gratitude to all shareholders for your long-term support to us. Thank you!

Chairman: Ping-Hai, Chiao



Manager: Hsien-Yuan, Chang



Accounting Supervisor: Chia-Yu, Lu



Report Items

2. Audit Committee's review report of 2021.

Note: Please refer to page 8 of this Handbook for the Audit Report of the Audit Committee.

Wafer Works Corporation

Audit Committee's Review Report

The 2021 Business Report, the financial report (including individual financial report and consolidated financial report) certified by certified public accountants Mao-Yi, Hong and Ching-Piao, Cheng of Ernst & Young, and the earnings distribution proposal prepared by our board of directors have been audited by our Audit Committee to be in compliance with laws and regulations. Thus, a report is hereby prepared according to Article 14-4 of the Securities and Exchange Act and our company's relevant regulations.

This report will be effective under the approval of your excellency
to
2022 Annual shareholder meeting of Wafer Works Corporation

Audit Committee of Wafer Works Corporation

Convener: Feng-I, Lin



March 23, 2022

Report Items

3. To report 2021 employees' profit sharing and directors' compensation

Note: 1. The company's profit in 2021 was NT\$1,287,973,053. According to the provisions of Article 235-1 of the Company Law and Article 29 of the Articles of incorporation, if the company makes a profit this year, it shall make up for the accumulated losses and then allocate the directors' remuneration and employees' remuneration. The term "annual profit status" refers to the profit before the annual pre-tax profit is deducted from the distributed employee's remuneration and the director's remuneration.

2. It is proposed to distribute 0.65% of directors' remuneration to NT\$8,400,000 and 5.82% of employees' remuneration to NT\$75,000,000, both of which are paid in cash.

Report Items

4. To report the Implementation of Investments in mainland China

Note: Please refer to Pages 11-12 of this Handbook for the general situation of reinvestment enterprises engaged in indirect investment in mainland China.

Information on investments in Mainland China :

Amount in thousand; Currency denomination in NTD unless otherwise specified

Investee company	Main Business and Product	Total Amount of Pain-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2021	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2021	Accumulated Inward Remittance of Earnings as of Dec. 31, 2021
					Outflow	Inflow						
Wafer Works (Shanghai) Co., Ltd. (Note10)	Wafer manufacturing industry	\$2,586,900 (Note1&3)	-	\$510,951	\$-	\$-	\$510,951	\$934,967	45.80%	\$449,875 (Note3,4&13)	\$4,337,779 (Note3,4&13)	\$-
Wafer Works Epitaxial Corp.	Wafer manufacturing industry	\$2,118,865 (Note3&6)	-	\$516,782	\$-	\$-	\$516,782	\$717,509	45.80%	\$717,509 (Note3,4&13)	\$1,346,783 (Note3,4&13)	\$-
Wafer Works (Yangzhou) Corp.	Wafer manufacturing industry	\$473,224 (Note3&7)	Note 2	\$-	\$-	\$-	\$-	\$41,107	45.80%	\$38,470 (Note3,4&13)	\$220,862 (Note3&13)	\$-
Wafer Works (Zhengzhou) Corp.	Wafer manufacturing industry	\$3,039,048 (Note3&8)	Note 8	\$-	\$-	\$-	\$-	\$510,847	45.80%	\$422,694 (Note3,4&13)	\$1,503,877 (Note3,4&13)	\$-
Zhengzhou Airport Economy Zone WaferWorks Technology Corp.	Wafer manufacturing industry	\$1,389,279 (Note3&9)	Note 9	\$-	\$-	\$-	\$-	\$(37,648)	45.80%	\$(37,648) (Note3,4&13)	\$616,610 (Note3,4&13)	\$-
HuaXin (Shanghai) Technology Co., Ltd.	Selling business	\$30,211 (Note11)	Note 12	\$30,211	\$-	\$-	\$30,211	\$6,598	100.00%	\$6,598 (Note3,4&13)	\$46,228 (Note3,4&13)	\$-

Investee company	Accumulated Investment in Mainland China as of Dec. 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Wafer Works (Shanghai) Co., Ltd.	\$510,951	\$681,037	Note 5
Wafer Works Epitaxial Corp.	\$516,782	\$1,484,699	Note 5
Wafer Works (Yangzhou) Corp.	\$-	\$-	Note 5
Wafer Works (Zhengzhou) Corp.	\$-	\$-	Note 5
Zhengzhou Airport Economy Zone WaferWorks Technology Corp.	\$-	\$-	Note 5
HuaXin (Shanghai) Technology Co., Ltd.	\$30,211	\$30,211	Note 5

Note 1: 53.64% shares of Wafer Works (Shanghai) Co., Ltd. owned by Silicon Technology Investment (Cayman) Corp. But 85.38% shares of Silicon Technology Investment (Cayman) Corp. owned by Wafer Works Investment Corp. Therefore, Wafer Works (Shanghai) Co., Ltd. indirectly invested by Wafer Works Corp.

Note 2: Wafer Works (Shanghai) Co., Ltd. invested directly to Wafer Works (Yangzhou) Corp.

Note 3: Foreign currencies were converted into New Taiwan dollars based on exchanged rate on December 31, 2021.

Note 4: The investment income (loss) recognized under equity method and by calculation was based on audited financial statements.

Note 5: The Company qualified and approved by Taiwan, R.O.C. government to be operation headquarter in Taiwan, thus there are no limitation of investee in mainland China.

Note 6: It was a wholly-owned subsidiary by the Company' s indirect subsidiary, Silicon Technology Investment (Cayman) Corp. The Company' s board in a meeting held on November 10, 2016 has resolved that Silicon Technology Investment (Cayman) Corp. participates in a cash addition conducted by Wafer Works (Shanghai) Co., Ltd. by using all ownership interest on Wafer Works Epitaxial Corp. As a result of the capital addition, Wafer Works (Shanghai) Co., Ltd. owns 100% interest of Wafer Works Epitaxial Corp.

Note 7: The Company' s board in a meeting held on November 10, 2016 resolved that Wafer Works (Shanghai) Co., Ltd. participates in a cash addition conducted by Wafer Works (Yangzhou) Corp. for 30% ownership interest.

Note 8: The Company' s board has resolved on February 16, 2017 Wafer Works (Zhengzhou) Corp. to be established through Wafer Works (Shanghai) Co., Ltd.' s investment.

Note 9: Zhengzhou Airport Economy Zone WaferWorks Technology Corp. has been established by Wafer Works (Shanghai) Co., Ltd. in November 2019.

Note 10: Wafer Works (Shanghai) Co., Ltd. applied for a shareholding restructuring to become a company limited by shares in September 2019. The registration procedures were completed on December 17, 2019.

Note 11: The paid-in capital is USD1,000 thousand, equivalent to NT\$30,211 thousand.

Note 12: The Company invested directly to Huaxin (Shanghai) Technology Co. Ltd.

Note 13: Transactions between consolidated entities are eliminated in the consolidated financial statements.

Report Items

5. To report the issuance of 7th unsecured convertible corporate bonds

Notes: 1. According to Article 246 of the Company Law, report the reasons and related matters of the company's corporate bond offering.

2. In order to repay the bank loans and to increase the working capital, the board of directors approved the issuance of the seventh domestic unsecured convertible bonds to raise capital on May 6, 2021, which was approved by the Financial Supervisory Commission in letter JGZFFZ No. 11003466281 dated June 22, 2021. The issuance was approved by the Financial Supervisory Commission in its letter JGZFFZ No. 11003466281 dated June 22, 2021 and agreed by the Taipei Exchange in its letter ZGZZ No. 11000074822 dated July 23, 2021, and will be listed and traded on the OTC starting from July 27, 2021.

3. Refer to the following table for the main distribution conditions:

Types of corporate bonds	The seventh domestic unsecured convertible corporate bonds
Issue denomination	NT\$100,000
Issue value	NT\$100
Total issued denomination	NT\$300,000,000
Total issue amount	NT\$300,000,000
Coupon rate	0%
Issue period	2021/7/27-2026/7/27
Conversion period	2021/10/28-2026/7/27
Conversion premium rate	106.54%
Latest conversion price	NT\$68
Conditions of bond repurchase right	Nil
Conditions of bond repurchase right	According to the company's issuance method Article 18 shall apply.
Underwriting agency	960T Fubon Comprehensive Securities Co., Ltd.
Number of converted ordinary shares and unconverted amount as of the date of publication	35,294 ordinary shares have been converted. The unconverted amount is NTD297,600,000.

Ratification Items

(Proposed by the Board of Directors)

Case 1: To accept 2021 Business Report and Financial Statements.

Notes: 1. The Company's 2021 individual financial statements and consolidated financial statements have been compiled, which are attached to the "2021 Business Report" and passed by the board of directors on March 23, 2022.

2. Please refer to pages 5-6 and 15-35 of this handbook for the 2021 business report, accountant's audit report and the above financial statements.

Resolutions:

AUDIT REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors and Shareholders
Wafer Works Corp.

Opinion

We have audited the accompanying parent-company-only balance sheets of Wafer Works Corp. (the “Company”) as of December 31, 2021 and 2020, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together “the parent-company-only financial statements”).

In our opinion, based on the results of our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audit of a Component Auditor section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2021 and 2020, and their parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of parent-company-only financial statements for the year ended December 31, 2021.

These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other non-current assets – valuation on prepayment for purchasing materials

As of December 31, 2021, prepayment for purchasing materials in amount of NT\$276,707 thousand was accounted for under the caption of other non-current assets, representing 2% of total assets. The prepayment was executed under purchasing agreement entered into with certain material suppliers for the purpose to stabilize the sources of multi-Si materials. However, due to rapid change in related industry and economy, significant drop in material price, and long-term unbalance in demand and supply, the management estimates that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. This estimation involved the significant judgement from management. We decide it to be one of our key audit matters and our audit procedures therefore have been prescribed to include, but not limit to, obtaining an understanding regarding the management's procedure to assess the impairment loss (including how to identify the unavoidable cost and the economic benefits to be received), review purchase agreements and any amendments or additions related, verifying the actual execution of the contracts for confirming the reasonableness of the management's accrual, and re-calculating the loss amounts for its accuracy. Meanwhile, we have evaluated the appropriateness of the related disclosure in Note 5 and 9 to the parent-company-only financial statements.

Provision against inventory

We determine that provision against inventory is also one of the key audit matters. The Company's inventory in amount of NT\$1,197,880 thousand, representing 7% of parent-company-only total assets, as of December 31, 2021 is significant to the Company's financial statements. Due to material price being influenced by market demand and supply, the prices of inventory tend to change rapidly. The determination of inventory's net realizable value involved the significant judgement from management. We decide it to be one of our key audit matters and our audit procedures therefore have been prescribed to include, but not limit to, assessing the appropriateness of the Company's inventory provision policy (including how the management estimates the net realizable value of inventory in considering of expecting demand and market values), testing the effectiveness of internal control system and execution regarding inventory management, evaluating the accuracy of the inventory's net realizable value applied by management (including sale price), test samples, etc. Also, we have evaluated the appropriateness of the related disclosure in Notes 5 and 6 to the parent-company-only financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of Helitek Company Ltd., an indirectly invested associate accounted for under the equity method by the Company. The financial statements of Helitek Company Ltd. as of December 31, 2021 and 2020, and for the years then ended were audited by other auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT\$156,379 thousand and

NT\$147,515 thousand as of December 31, 2021 and 2020 representing 0.97% and 1.14% of the Company's total assets, the related shares of income before tax from the associate under the equity method for the years then ended amounting to NT\$13,169 thousand and NT\$(1,704) thousand representing 1.09% and (0.28)% of the Company's income before tax, are based solely on the audit reports of other auditors.

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

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

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

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Mao-Yi, Hong 

Ching-Piao, Cheng 

Ernst & Young
Taipei, Taiwan,
Republic of China
March 23, 2022

Notices to Readers

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

Accordingly, the accompanying parent-company-only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Wafer Works Corp.
Parent-Company-Only Balance Sheets
As of December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2021		2020	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$3,862,033	25	\$1,859,490	15
1110	Financial assets at fair value through profit or loss	4, 6(2)	-	-	9,171	-
1136	Financial assets measured at amortized cost	4, 6(3),8	7,006	-	7,003	-
1170	Accounts receivable, net	4, 6(4)	781,606	5	554,349	4
1180	Accounts receivable - related parties, net	4, 6(4), 7	620,522	4	643,520	5
1200	Other receivables		22,754	-	25,205	-
1210	Other receivables - related parties	7	70,930	-	122,380	1
1310	Inventories, net	4, 6(5)	1,197,880	7	1,197,507	9
1410	Prepayments		215,131	1	185,996	2
1470	Other current assets		1,681	-	3,137	-
11XX	Total current assets		<u>6,779,543</u>	<u>42</u>	<u>4,607,758</u>	<u>36</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss	4, 6(2),6(12)	2,113	-	-	-
1536	Financial assets carried at amortized cost	4, 6(3),8	9,967	-	9,967	-
1550	Investment accounted for under equity method	4, 6(6)	4,767,126	31	3,995,680	31
1600	Property, plant and equipment, net	4, 6(7),7,8,9	3,885,107	24	3,845,943	30
1755	Right-of-use asset	4, 6(19)	48,469	-	54,527	-
1780	Intangible assets, net	4, 6(8)	6,098	-	6,667	-
1840	Deferred tax assets	4, 6(23)	37,873	-	37,873	-
1915	Prepayment for equipment		215,565	1	99,995	1
1920	Refundable deposits	8	26,845	-	26,972	-
1990	Other non-current assets	7,9	296,473	2	276,707	2
15XX	Total non-current assets		<u>9,295,636</u>	<u>58</u>	<u>8,354,331</u>	<u>64</u>
1XXX	Total Assets		<u>\$16,075,179</u>	<u>100</u>	<u>\$12,962,089</u>	<u>100</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Wafer Works Corp.
Parent-Company-Only Balance Sheets (Continued)
As of December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2021		2020	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(9)	\$291,083	2	\$504,339	4
2130	Contract liability	4, 6(17)	4,483	-	593	-
2170	Accounts payable		361,704	2	358,259	3
2180	Accounts payable - related parties	7	142,564	1	127,419	1
2200	Other payables	6(10)	729,749	5	517,267	4
2220	Other payables - related parties	7	3,282	-	451	-
2230	Current income tax liabilities	4	189,489	1	88,298	1
2281	Lease liabilities	4, 6(19)	5,681	-	5,542	-
2322	Current portion of long-term loans	6(13),8	184,794	1	5,242	-
2399	Other current liabilities	6(11)	2,219	-	2,479	-
21XX	Total current liabilities		<u>1,915,048</u>	<u>12</u>	<u>1,609,889</u>	<u>13</u>
	Non-current liabilities					
2527	Contract liability	4, 6(17)	699,478	4	527,989	4
2530	Bonds payable	4, 6(12)	284,385	2	-	-
2540	Long-term loans	6(13),8	1,522,917	10	1,611,704	13
2581	Lease liabilities	4, 6(19)	43,956	-	49,637	-
2630	Long-term deferred revenue	6(11)	3,098	-	2,055	-
2640	Accrued pension liabilities	4, 6(14)	50,276	-	58,888	-
2645	Deposits received		95,991	1	16,476	-
25XX	Total non-current liabilities		<u>2,700,101</u>	<u>17</u>	<u>2,266,749</u>	<u>17</u>
2XXX	Total liabilities		<u>4,615,149</u>	<u>29</u>	<u>3,876,638</u>	<u>30</u>
3100	Capital	6(15)				
3110	Common stock		5,408,984	34	5,108,984	39
3140	Capital collected in advance		352	-	-	-
3200	Capital surplus	6(15)	4,147,189	26	2,641,147	20
3300	Retained earnings	6(15)				
3310	Legal reserve		393,239	2	341,802	3
3320	Special reserve		383,893	2	593,580	5
3350	Unappropriated earnings		1,452,830	9	783,831	6
3400	Other components of equity		(326,457)	(2)	(383,893)	(3)
3XXX	Total equity		<u>11,460,030</u>	<u>71</u>	<u>9,085,451</u>	<u>70</u>
	Total liabilities and equity		<u>\$16,075,179</u>	<u>100</u>	<u>\$12,962,089</u>	<u>100</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Wafer Works Corp.
Parent-Company-Only Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2021		2020	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(17), 7	\$5,910,694	100	\$5,135,703	100
5000	Operating costs	7	(4,514,734)	(76)	(4,179,902)	(81)
5900	Gross profit from operations		1,395,960	24	955,801	19
5910	Unrealized gross profit (loss) from sales		10,000	-	32,000	1
5950	Gross profit from operations		1,405,960	24	987,801	20
6000	Operating expenses					
6100	Selling		(195,055)	(3)	(156,738)	(4)
6200	General and administrative		(293,109)	(5)	(229,610)	(4)
6300	Research and development		(154,797)	(3)	(122,334)	(2)
6450	Expected credit gains (losses)	4, 6(18)	-	-	-	-
	Operating expenses total		(642,961)	(11)	(508,682)	(10)
6900	Operating income		762,999	13	479,119	10
7000	Non-operating income and expenses					
7100	Interest income	6(21)	5,214	-	7,131	-
7010	Other income	6(21)	13,933	-	41,088	1
7020	Other gains and losses	6(21), 7	(15,640)	-	(37,017)	(1)
7050	Finance costs	6(21)	(35,946)	(1)	(39,589)	(1)
7070	Share of profit or loss of subsidiaries, associates and joint ventures	4, 6(6)	474,012	8	166,785	3
	Non-operating income and expense total		441,573	7	138,398	2
7900	Income before income tax		1,204,572	20	617,517	12
7950	Income tax benefit	4, 6(23)	(154,000)	(2)	(98,799)	(2)
8200	Net income		1,050,572	18	518,718	10
8300	Other comprehensive income (loss)	6(22)				
8310	Item that not be reclassified subsequently to profit or loss					
8311	Actuarial gain (loss) on defined benefit plans		4,613	-	(4,353)	-
8320	Unrealized gains or losses on financial assets at fair value through other comprehensive income		105,861	2	172,834	3
8360	Items that may be reclassified subsequently to profit or loss					
8370	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(30,873)	(1)	36,853	1
	Total other comprehensive income, net of tax		79,601	1	205,334	4
8500	Total comprehensive income (loss)		\$1,130,173	19	\$724,052	14
9750	Earnings per share - basic (in NT\$)	6(24)	\$2.02		\$1.02	
9850	Earnings per share - diluted (in NT\$)	6(24)	\$2.01		\$1.01	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Wafer Works Corp.
Parent-Company-Only Statements of Changes in Equity
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Capital		Capital Surplus	Retained Earnings			Other Components of equity		Total Equity
		Common stock	Capital collected in advance		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income (loss)	
		3100	3140		3200	3310	3320	3350	3410	
A1	Balance as of January 1, 2020	\$5,108,984	\$-	\$2,641,147	\$218,582	\$428,317	\$1,477,566	\$(309,225)	\$(284,355)	\$9,281,016
	Appropriation and distribution of 2019 earnings:									
B1	Legal reserve				123,220		(123,220)			-
B3	Special reserve					165,263	(165,263)			-
B5	Cash dividends - common shares						(919,617)			(919,617)
D1	Net income for 2020						518,718			518,718
D3	Other comprehensive income (loss) for 2020						(4,353)	36,853	172,834	205,334
D5	Total comprehensive income (loss)	-	-	-	-	-	514,365	36,853	172,834	724,052
Z1	Balance as of December 31, 2020	5,108,984	-	2,641,147	341,802	593,580	783,831	(272,372)	(111,521)	9,085,451
	Appropriation and distribution of 2020 earnings:									
B1	Legal reserve				51,437		(51,437)			-
B3	Special reserve					(209,687)	209,687			-
B5	Cash dividends - common shares						(561,988)			(561,988)
C5	Equity component of convertible bonds issued by the Company			12,787						12,787
C7	Changes in subsidiaries, associates, and joint ventures accounted for under equity method			212,446						212,446
D1	Net income for 2021						1,050,572			1,050,572
D3	Other comprehensive income (loss) for 2021						4,613	(30,873)	105,861	79,601
D5	Total comprehensive income (loss)	-	-	-	-	-	1,055,185	(30,873)	105,861	1,130,173
E1	Issuance of common stock for cash	300,000		1,255,255						1,555,255
I1	Conversion of convertible bonds		352	1,938						2,290
N1	Share-based payment transaction			23,616						23,616
Q1	Proceeds from disposal of equity instruments measured at fair value through other comprehensive income						17,552		(17,552)	-
Z1	Balance as of December 31, 2021	\$5,408,984	\$352	\$4,147,189	\$393,239	\$383,893	\$1,452,830	\$(303,245)	\$(23,212)	\$11,460,030

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Wafer Works Corp.
Parent-Company-Only Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2021	2020	Code	Items	2021	2020
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$1,204,572	\$617,517	B00040	Disposal (acquisition) of financial assets at amortised cost	(3)	(7,003)
A20000	Adjustments:			B01800	Acquisition of investment accounted for under equity method	-	(30,211)
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(683,810)	(553,888)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(682)	(801)	B02800	Proceeds from disposal of property, plant and equipment	7,888	26,674
A21200	Interest income	(5,214)	(7,131)	B03700	Decrease (increase) in refundable deposits	127	35,294
A20900	Interest expense	35,946	39,589	B04500	Acquisition of intangible assets	(5,046)	(6,240)
A20100	Depreciation	605,406	580,749	BBBB	Net cash provided by (used in) investing activities	(680,844)	(535,374)
A20200	Amortization	5,615	5,966				
A21900	Cost of share based payment	23,616	-				
A22400	Share of profit or loss of subsidiaries, associates and joint ventures	(474,012)	(166,785)				
A22500	Gain on disposal of property, plant and equipment	126,820	(1,378)	CCCC	Cash flows from financing activities:		
A22600	Reclassification of property, plant and equipment to expense	-	270	C00100	Increase in (repayment of) short-term loans	(213,256)	(75,267)
A23100	Gain from disposal of investments	(618)	-	C01200	Issuance of convertible bonds	296,434	-
A23700	Impairment loss on non-financial assets	(129,993)	4,000	C01600	Increase in long-term loans	97,700	120,300
A24000	Unrealized (gains) losses	(10,000)	(32,000)	C01700	Repayment of long-term loans	(5,800)	(50,967)
A29900	Loss (gain) on government grants	(550)	(144)	C03000	Increase in guarantee deposits received	79,515	(21,590)
A29900	Loss (gain) on lease modification	-	(1,365)	C04020	Payments of lease liabilities	(6,846)	(6,390)
A30000	Changes in operating assets and liabilities:			C04500	Payment of cash dividends	(561,988)	(919,617)
A31115	Financial assets at fair value through profit or loss	9,618	-	C04600	Capital increase by cash	1,555,255	-
A31150	Accounts receivable	(227,257)	257,353	CCCC	Net cash provided by (used in) financing activities	1,241,014	(953,531)
A31160	Accounts receivable - related parties	22,998	(193,798)				
A31180	Other receivable	2,956	313,804				
A31190	Other receivable - related parties	51,450	(60,685)	EEEE	Net Increase (decrease) in cash and cash equivalents	2,002,543	(422,571)
A31200	Inventories	(373)	95,266	E00100	Cash and cash equivalents at beginning of period	1,859,490	2,282,061
A31230	Prepayment	(48,901)	64,671	E00200	Cash and cash equivalents at end of period	\$3,862,033	\$1,859,490
A31240	Other current assets	1,456	35,166				
A32125	Contract liabilities	175,379	(61,212)				
A32150	Accounts payable	3,445	(155,856)				
A32160	Accounts payable - related parties	15,145	(148,537)				
A32180	Other payable	137,949	(22,290)				
A32190	Other payable - related parties	2,831	202				
A32230	Other current liabilities	(582)	(1,494)				
A32240	Net defined benefit liability	(3,999)	(3,376)				
A33000	Cash generated from operations	1,523,021	1,157,701				
A33200	Interest received	4,709	7,203				
A33300	Interest paid	(32,548)	(39,082)				
A33500	Income tax paid	(52,809)	(59,488)				
AAAA	Net cash provided by (used in) operating activities	1,442,373	1,066,334				

(The accompanying notes are an integral part of the parent-company-only financial statements.)

MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Wafer Works Corp. as of December 31, 2021 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Wafer Works Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Wafer Works Corp.

By



Ping-Hai, Chiao

Chairman

March 23, 2022

AUDIT REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors and Shareholders
Wafer Works Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Wafer Works Corp. (the “Company”) and its subsidiaries as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audit of a Component Auditor section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2021 and 2020, and their consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements. These matters were addressed in the context of

our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other non-current assets – valuation on prepayment for purchasing materials

As of December 31, 2021, prepayment for purchasing materials in amount of NT\$276,707 thousand was accounted for under the caption of other non-current assets, representing 1% of total assets. The prepayment was executed under purchasing agreement entered into with certain material suppliers for the purpose to stabilize the sources of multi-Si materials. However, due to rapid change in related industry and economy, significant drop in material price, and long-term unbalance in demand and supply, the management estimates that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. This estimation involved the significant judgement from management. We decide it to be one of our key audit matters and our audit procedures therefore have been prescribed to include, but not limit to, obtaining an understanding regarding the management's procedure to assess the impairment loss (including how to identify the unavoidable cost and the economic benefits to be received), review purchase agreements and any amendments or additions related, verifying the actual execution of the contracts for confirming the reasonableness of the management's accrual, and re-calculating the loss amounts for its accuracy. Meanwhile, we have evaluated the appropriateness of the related disclosure in Notes 5 and 9 to the consolidated financial statements.

Provision against inventory

We determine that provision against inventory is also one of the key audit matters. The Company and its subsidiaries' inventory in amount of NT\$2,359,750 thousand, representing 9% of consolidated total assets, as of December 31, 2021 is significant to the Company's consolidated financial statements. Due to material price being influenced by market demand and supply, the prices of inventory tend to change rapidly. The determination of inventory's net realizable value involved the significant judgement from management. We decide it to be one of our key audit matters and our audit procedures therefore have been prescribed to include, but not limit to, assessing the appropriateness of the Company's inventory provision policy (including how the management estimates the net realizable value of inventory in considering of expecting demand and market values), testing the effectiveness of internal control system and execution regarding inventory management, evaluating the accuracy of the inventory's net realizable value applied by management (including sale price), test samples, etc. Also, we have evaluated the appropriateness of the related disclosure in Notes 5 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of Helitek Company Ltd. as of December 31, 2021 and

2020. Those financial statements were audited by other auditors whose reports have been furnished to us. The amounts related to Helitek Company Ltd. were based on the other auditors' reports. The related total assets were NT\$445,562 thousand and NT\$329,842 thousand, representing 1.63% and 1.41% of the total consolidated assets, as of December 31, 2021 and 2020 respectively. And the related net revenues of NT\$1,471,149 thousand and NT\$1,108,175 thousand, representing 14.23% and 14.93% of the consolidated net revenue for the years then ended, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China,

we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent-company-only financial statements of the Company as of December 31, 2021 and 2020 and for the years then ended.

Mao-Yi, Hong



Ching-Piao, Cheng



Ernst & Young
Taipei, Taiwan,
Republic of China
March 23, 2022

Notices to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Wafer Works Corp. and Subsidiaries
Consolidated Balance Sheets
As of December 31, 2021 and 2020
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2021		As of December 31, 2020	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$5,736,575	21	\$3,256,837	14
1110	Financial assets at fair value through profit or loss	4, 6(2)	-	-	9,171	-
1136	Financial assets measured at amortized cost	4, 6(4), 8	75,614	-	151,113	1
1150	Notes receivable, net	4, 6(5), 8	219,801	1	159,735	1
1170	Accounts receivable, net	4, 6(6)	2,401,995	9	1,685,585	7
1200	Other receivables		37,427	-	31,441	-
1310	Inventories, net	4, 6(7)	2,359,750	9	2,303,904	10
1410	Prepayments	6(8)	351,185	1	244,708	1
1470	Other current assets		563,918	2	632,050	3
11xx	Total current assets		11,746,265	43	8,474,544	37
	Non-current assets					
1510	Financial assets at fair value through profit or loss	4, 6(2), 6(15)	2,113	-	-	-
1517	Financial asset at fair value through OCI	4, 6(3)	149,325	1	223,068	1
1536	Financial assets measured at amortized cost	4, 6(4), 8	9,967	-	9,967	-
1600	Property, plant and equipment, net	4, 6(9), 8, 9	13,402,062	49	13,184,391	56
1755	Right-of-use assets, net	4, 6(22), 8	592,240	2	615,354	3
1780	Intangible assets, net	4, 6(10)	49,357	-	51,542	-
1840	Deferred tax assets	4, 6(26)	40,918	-	41,545	-
1915	Prepayment for equipment	9	1,034,928	4	578,508	2
1920	Refundable deposits	8	34,049	-	38,266	-
1990	Other non-current assets	9	296,473	1	276,707	1
15xx	Total non-current assets		15,611,432	57	15,019,348	63
1xxx	Total Assets		\$27,357,697	100	\$23,493,892	100

(The accompanying notes are an integral part of the consolidated financial statements.)

Wafer Works Corp. and Subsidiaries
Consolidated Balance Sheets-(Continued)
As of December 31, 2021 and 2020
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2021		As of December 31, 2020	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(11), 8	\$1,976,531	7	\$2,205,581	9
2130	Contract liability	6(20)	132,431	-	25,622	-
2170	Accounts payable		671,247	3	549,361	2
2200	Other payables	6(12)	1,277,593	5	1,261,929	5
2230	Current income tax liabilities	4	241,934	1	175,151	1
2322	Current portion of long-term loans	6(16), 8	633,865	2	567,532	3
2280	Lease liability	4, 6(22)	5,681	-	5,542	-
2300	Other current liabilities	4, 6(13)	3,944	-	3,858	-
21xx	Total current liabilities		4,943,226	18	4,794,576	20
	Non-current liabilities					
2527	Contract liability	6(20), 9	699,478	3	527,989	2
2530	Bonds payable	4, 6(15)	284,385	1	-	-
2540	Long-term loans	6(16), 8	4,167,002	16	4,653,644	20
2580	Lease liability	4, 6(22)	43,956	-	49,637	-
2630	Long-term deferred revenue	4, 6(14)	392,181	1	335,878	2
2640	Accrued pension liabilities	4, 6(17)	50,276	-	58,888	-
2600	Deposits received		95,991	-	19,772	-
25xx	Total non-current liabilities		5,733,269	21	5,645,808	24
2xxx	Total liabilities		10,676,495	39	10,440,384	44
	Equity attributable to shareholders of the parent					
31xx	Capital	6(18)				
3110	Common stock		5,408,984	20	5,108,984	22
3140	Capital collected in advance		352	-	-	-
3200	Capital surplus	6(18)	4,147,189	15	2,641,147	11
3300	Retained earnings					
3310	Legal reserve		393,239	1	341,802	1
3320	Special reserve		383,893	1	593,580	3
3350	Unappropriated earnings		1,452,830	6	783,831	4
3400	Other components of equity		(326,457)	(1)	(383,893)	(2)
31xx	Equity attributable to the parent company		11,460,030	42	9,085,451	39
36xx	Non-controlling interests	6(18)	5,221,172	19	3,968,057	17
3xxx	Total equity		16,681,202	61	13,053,508	56
	Total liabilities and equity		\$27,357,697	100	\$23,493,892	100

(The accompanying notes are an integral part of the consolidated financial statements.)

Wafer Works Corp. and Subsidiaries
Consolidated Statements Of Comprehensive Incomes
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2021		2020	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(20)	\$10,341,276	100	\$7,421,529	100
5000	Operating costs	6(7)	(6,722,996)	(65)	(5,407,643)	(73)
5900	Gross profit		3,618,280	35	2,013,886	27
6000	Operating expenses					
6100	Sales and marketing		(271,855)	(3)	(213,965)	(3)
6200	General and administrative		(670,860)	(6)	(690,281)	(9)
6300	Research and development		(687,152)	(7)	(372,611)	(5)
6450	Expected credit gains (losses)	6(21)	1,091	-	(2,702)	-
	Total operating expenses		(1,628,776)	(16)	(1,279,559)	(17)
6900	Operating income		1,989,504	19	734,327	10
7000	Non-operating incomes and expenses					
7100	Interest incomes	6(24)	10,765	-	13,528	-
7010	Other incomes	6(24)	81,455	1	404,358	6
7020	Other gains or losses	6(24)	(34,047)	-	(32,338)	-
7050	Finance costs	6(24)	(178,765)	(2)	(188,324)	(3)
	Total non-operating incomes and expenses		(120,592)	(1)	197,224	3
7900	Income before income tax		1,868,912	18	931,551	13
7950	Income tax expenses	4, 6(26)	(327,435)	(3)	(240,585)	(3)
8200	Net income		1,541,477	15	690,966	10
8300	Other comprehensive income (loss)	6(25)				
8310	Item that not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		4,613	-	(4,353)	-
8316	Unrealized gains or losses on financial assets at fair value through other comprehensive income (loss)		105,861	1	172,834	2
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(51,954)	(1)	98,756	1
	Total other comprehensive income (loss), net of tax		58,520	-	267,237	3
8500	Total comprehensive income		\$1,599,997	15	\$958,203	13
8600	Net income attributable to:					
8610	Stockholders of the parent		\$1,050,572	10	\$518,718	7
8620	Non-controlling interests		490,905	5	172,248	3
			\$1,541,477	15	\$690,966	10
8700	Total comprehensive income (loss) attributable to:					
8710	Stockholders of the parent		\$1,130,173	11	\$724,052	10
8720	Non-controlling interests		469,824	4	234,151	3
			\$1,599,997	15	\$958,203	13
9750	Earnings per share-basic (in NTD)	6(27)	\$2.02		\$1.02	
9850	Earnings per share-diluted (in NTD)	6(27)	\$2.01		\$1.01	

(The accompanying notes are an integral part of the consolidated financial statements.)

Wafer Works Corp. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent								Non-controlling Interests	Total Equity	
		Capital		Capital Surplus	Retained Earnings			Others				Total
		Common stock	Capital collected in advance		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income (loss)			
		3100	3140	3200	3310	3320	3350	3410	3490	31XX	36XX	3XXX
A1	Balance as of January 1, 2020	\$5,108,984	\$-	\$2,641,147	\$218,582	\$428,317	\$1,477,566	\$(309,225)	\$(284,355)	\$9,281,016	\$3,696,934	\$12,977,950
	Appropriation and distribution of 2019 earnings											
B1	Legal reserve				123,220		(123,220)			-		-
B3	Special reserve					165,263	(165,263)			-		-
B5	Cash dividends-common shares						(919,617)			(919,617)		(919,617)
D1	Net income for 2020						518,718			518,718	172,248	690,966
D3	Other comprehensive income (loss), net of tax, for 2020.						(4,353)	36,853	172,834	205,334	61,903	267,237
D5	Total comprehensive income (loss)	-	-	-	-	-	514,365	36,853	172,834	724,052	234,151	958,203
O1	Non-controlling interests increase (decrease)										36,972	36,972
Z1	Balance as of December 31, 2020	5,108,984	-	2,641,147	341,802	593,580	783,831	(272,372)	(111,521)	9,085,451	3,968,057	13,053,508
	Appropriation and distribution of 2020 earnings											
B1	Legal reserve				51,437		(51,437)			-		-
B3	Special reserve					(209,687)	209,687			-		-
B5	Cash dividends-common shares						(561,988)			(561,988)		(561,988)
C5	Embedded conversion options derived from convertible bonds			12,787						12,787		12,787
D1	Net income for 2021						1,050,572			1,050,572	490,905	1,541,477
D3	Other comprehensive income (loss), net of tax, for 2021.						4,613	(30,873)	105,861	79,601	(21,081)	58,520
D5	Total comprehensive income (loss)	-	-	-	-	-	1,055,185	(30,873)	105,861	1,130,173	469,824	1,599,997
E1	Capital increase by cash	300,000		1,255,255						1,555,255		1,555,255
I1	Shares from bonds converted		352	1,938						2,290		2,290
M7	Change in ownership interest of subsidiaries			212,446						212,446	742,124	954,570
N1	Share-based payment transaction			23,616						23,616		23,616
O1	Non-controlling interests increase (decrease)										41,167	41,167
Q1	Equity instruments measured at fair value through other comprehensive income						17,552		(17,552)	-		-
Z1	Balance as of December 31, 2021	\$5,408,984	\$352	\$4,147,189	\$393,239	\$383,893	\$1,452,830	\$(303,245)	\$(23,212)	\$11,460,030	\$5,221,172	\$16,681,202

(The accompanying notes are an integral part of the consolidated financial statements.)

Wafer Works Corp. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2021	2020	Code	Items	2021	2020
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$1,868,912	\$931,551	B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	170,912	-
A20000	Adjustments:			B00040	Disposal (acquisition) of financial assets at amortised cost	75,499	(77,303)
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(2,253,834)	(3,122,130)
A20100	Depreciation (Including right of use assets)	1,348,895	1,138,379	B02800	Proceeds from disposal of property, plant and equipment	32,890	40,941
A20200	Amortization	12,435	10,253	B03700	Decrease (increase) in refundable deposits	4,217	35,167
A20300	Expected credit losses (gain on recovery)	(1,091)	2,702	B04500	Acquisition of intangible assets	(10,482)	(36,498)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(682)	(801)	B09900	Other investing activities	106,621	-
A20900	Interest expense	178,765	188,324	BBBB	Net cash provided by (used in) investing activities	<u>(1,874,177)</u>	<u>(3,159,823)</u>
A21200	Interest income	(10,765)	(13,528)				
A21900	Share-based payment	64,783	36,972	CCCC	Cash flows from financing activities:		
A22500	Loss (gain) on disposal of property, plant and equipment	122,609	(10,275)	C00100	Increase in (repayment of) short-term loans	(229,050)	421,473
A22600	Reclassification of property, plant and equipment to expense	-	270	C01200	Issuance of corporate bonds	296,434	-
A23100	Gain from disposal of investments	(618)	-	C01600	Increase in long-term loans	357,481	917,878
A23700	Impairment loss on non-financial assets	(129,993)	4,000	C01700	Repayment of long-term loans	(748,950)	(251,136)
A29900	Loss (gain) on government grants	(50,184)	2,598	C03000	Increase in guarantee deposits received	76,219	(45,936)
A29900	Loss (gain) on lease modification	-	(1,365)	C04020	Payments of lease liabilities	(6,846)	(6,390)
A30000	Changes in operating assets and liabilities:			C04500	Payment of cash dividends	(561,988)	(919,617)
A31115	Financial assets at fair value through profit or loss	9,480	-	C04600	Capital increase by cash	1,555,255	-
A31130	Notes receivable	(60,066)	101,000	C05800	Increase (decrease) in non-controlling interests	954,570	-
A31150	Accounts receivable	(715,248)	(260,691)	CCCC	Net cash provided by (used in) financing activities	<u>1,693,125</u>	<u>116,272</u>
A31180	Other receivable	441	323,199				
A31200	Inventories	(55,846)	(168,567)	DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(21,229)</u>	<u>15,747</u>
A31230	Prepayment	(126,243)	(13,265)				
A31240	Other current assets	68,132	(126,531)	EEEE	Net Increase (decrease) in cash and cash equivalents	2,479,738	(1,322,182)
A32125	Contract liabilities	278,298	(57,886)	E00100	Cash and cash equivalents at beginning of period	<u>3,256,837</u>	<u>4,579,019</u>
A32130	Notes payable	-	(4,513)	E00200	Cash and cash equivalents at end of period	<u>\$5,736,575</u>	<u>\$3,256,837</u>
A32150	Accounts payable	121,886	(59,940)				
A32180	Other payable	192,840	3,284				
A32230	Other current liabilities	(236)	(905)				
A32240	Accrued pension liabilities	(3,999)	(3,376)				
A33000	Cash generated from operations	<u>3,112,505</u>	<u>2,020,889</u>				
A33200	Interest received	10,244	13,685				
A33300	Interest paid	(175,417)	(187,997)				
A33500	Income tax paid	(265,313)	(140,955)				
AAAA	Net cash provided by (used in) operating activities	<u>2,682,019</u>	<u>1,705,622</u>				

(The accompanying notes are an integral part of the consolidated financial statements.)

Ratification Items


(Proposed by the Board of Directors)

Case 2: To approve the proposal of 2021 earnings distribution.

- Notes: 1. The company's beginning balance is NT\$380,092,755 and the net profit after tax in 2021 is NT\$1,050,573,053, plus other comprehensive gains and losses (re-measurement of welfare plan) of NT\$4,613,008 and disposal of equity instruments measured at fair value through other comprehensive gains and losses of NT\$17,552,000 plus NT\$107,273,806 deducted from the 10% statutory surplus reserve set aside in accordance with the Company Law, and NT\$57,435,596 returned to the special surplus reserve in accordance with the law. The accumulated distributable surplus totals NT\$1,402,992,606; It is planned to distribute a shareholder dividend of NT\$730,260,536, which will be paid in cash, that is, a cash dividend of NT\$1.35 per share; After distribution, the undistributed surplus balance is NT\$672,732,070.
2. In this distribution case, the surplus of 2021 shall be distributed first, and the surplus of the previous year shall be distributed for the insufficient part.
 3. Cash dividends shall be paid until one dollar, and the total amount of abnormal dividends less than one dollar shall be included in other income of the Company.
 4. If there is a change in the dividend distribution ratio due to a change in the number of outstanding shares of the Company, the Company intends to request the shareholders' meeting to authorize the chairman of the board of directors to handle the distribution at his sole discretion.
 5. Please also authorize the chairman of the board of directors to set the base date of ex-dividend and other related matters after the shareholders' general meeting passes the earnings distribution plan.
 6. Please find attached the following earnings distribution table.

Wafer Works Corporation
2021 Earnings Distribution Table

Items	Unit: NTD Amount
Beginning balance	380,092,755
Plus: Other comprehensive profit and loss (to determine the re-measurement of welfare plan -2021)	4,613,008
Plus: dispose of equity instruments measured at fair value through other comprehensive profit or loss.	17,552,000
Plus: net profit after tax this year	1,050,573,053
Less: set aside statutory surplus reserve	(107,273,806)
Plus: revolving special surplus reserve	57,435,596
Available distribution surplus	1,402,992,606
Distribution items:	
Dividends-cash	(730,260,536)
Ending undistributed surplus	672,732,070

Chairman:  Manager:  Accounting supervisor: 

Resolutions:

Discussion Items

(Proposed by the Board of Directors)

Case 1: To revise the Articles of Incorporation.

Notes: 1. It is proposed to amend some articles of the Articles of Incorporation to meet the needs of the amendment of laws and regulations and the practical operation of the company.

2. A comparison table of articles before and after the amendment of the Articles of Incorporation is hereby prepared. Please refer to pages 39-40 of this Handbook.

Resolutions:

Wafer Works Corporation

Comparison table of amendments to articles of incorporation

Provisions before amendment	Amended provisions	Reason for amendment
<p>Article 6</p> <p>The company's capital is rated at <u>NT\$6 billion</u> only, and it is divided into <u>600 million</u> ordinary shares, each with a par value of NT\$10 only, of which the unissued shares are authorized by the board of directors to be issued by installments. NT\$100 million is reserved in the capital mentioned in the preceding paragraph, with a par value of NT\$10 per share, accounting for 10 million shares for the issuance of corporate bonds with warrants, special shares with warrants, and employee stock warrants, which may be issued in batches according to the resolution of the board of directors.</p>	<p>Article 6</p> <p>The capital of the Company is rated at <u>NT\$7 billion</u> only, and it is divided into <u>700 million</u> ordinary shares, with a par value of NT\$10 per share, of which the unissued shares are authorized by the board of directors to be issued by installments. NT\$100 million is reserved in the capital mentioned in the preceding paragraph, with a par value of NT\$10 per share, accounting for 10 million shares for the issuance of corporate bonds with warrants, special shares with warrants, and employee stock warrants, which may be issued in batches according to the resolution of the board of directors.</p>	<p>Amended in keeping with practice</p>
<p><u>Newly added this article</u></p>	<p><u>Article 10-1</u></p> <p><u>When the shareholders' meeting of the Company is held, it can be done by video conference or other means announced by the central competent authority.</u></p> <p><u>The conditions, operating procedures and other matters to be observed in the video shareholders' meeting shall be governed by the provisions of the competent securities authority, if otherwise stipulated.</u></p>	<p>In line with Article 172-2 of the Company Law</p> <p>Newly added</p>

Provisions before amendment	Amended provisions	Reason for amendment
<p>Article 17</p> <p>The Company has seven to nine directors, who are elected by the shareholders' meeting. The term of office is three years and they can be re-elected. The Company may, in accordance with the Code of Practice for Corporate Governance of Listed and OTC Companies, purchase liability insurance for directors, <u>and the scope of insurance shall be authorized by the board of directors to make a resolution.</u></p>	<p>Article 17</p> <p>The Company has seven to nine directors, who are elected by the shareholders' meeting. The term of office is three years and they can be re-elected. The Company may, in accordance with the Code of Practice for Corporate Governance of Listed and OTC Companies, purchase liability insurance for directors.</p>	<p>Amended in line with current laws and regulations</p>
<p>Article 33</p> <p>The Articles of Incorporation was established on July 21, 1997, with the first amendment made on August 24, 1997, the second amendment on June 26, 1998, the third amendment on June 15, 1990, the fourth amendment on June 21, 2001, the fifth amendment on June 25, 2002, the sixth amendment on June 30, 2003, the seventh amendment on June 15, 2004, the eighth amendment on June 23, 2006, the ninth amendment on June 21, 2007, the tenth amendment on June 13, 2008, the eleventh amendment on June 19, 2009, the twelfth amendment on June 25, 2010, the thirteenth amendment on June 19, 2012, the fourteenth amendment on June 28, 2013, the fifteenth amendment on June 19, 2014, the sixteenth amendment on June 28, 2016, the seventeenth amendment on June 15, 2017, the eighteenth amendment on June 27, 2018, the nineteenth amendment on June 25, 2019, and the twentieth amendment on July 23, 2021.</p>	<p>Article 33</p> <p>The Articles of Incorporation was established on July 21, 1997, with the first amendment made on August 24, 1997, the second amendment on June 26, 1998, the third amendment on June 15, 1990, the fourth amendment on June 21, 2001, the fifth amendment on June 25, 2002, the sixth amendment on June 30, 2003, the seventh amendment on June 15, 2004, the eighth amendment on June 23, 2006, the ninth amendment on June 21, 2007, the tenth amendment on June 13, 2008, the eleventh amendment on June 19, 2009, the twelfth amendment on June 25, 2010, the thirteenth amendment on June 19, 2012, the fourteenth amendment on June 28, 2013, the fifteenth amendment on June 19, 2014, the sixteenth amendment on June 28, 2016, the seventeenth amendment on June 15, 2017, the eighteenth amendment on June 27, 2018, the nineteenth amendment on June 25, 2019, and the twentieth amendment on July 23, 2021 , <u>and the twenty-first amendment on June 21, 2022.</u></p>	<p>Added amendment date</p>

Discussion Items

(Proposed by the Board of Directors)

Case 2: To revise the Procedures for Acquisition or Disposal of Assets.

Notes: 1. In line with the amendment of laws and regulations, it is proposed to amend some provisions of the Company's " Procedures for Acquisition or Disposal of Assets ".

2. Please refer to pages 42-47 of this Handbook for a comparison table of the provisions before and after the amendment of the Procedures for Acquisition or Disposal of Assets.

Resolutions:

Wafer Works Corporation

Comparison table of provisions before and after the amendment of “Procedures for Acquisition or Disposal of Assets”

Provisions before amendment	Amended provisions	Reason for amendment
<p>Article 6: Valuation report or opinion</p> <p>1. For an appraisal report obtained by the Company or an opinion from an accountant, attorney or securities underwriter, the professional appraiser and its appraisers, accountants, attorneys or securities underwriters shall comply with the following requirements (omitted)</p> <p>2. When issuing appraisal reports or opinions, the personnel referred to in the preceding paragraph shall handle the following matters:</p> <p style="padding-left: 20px;">(1) Before accepting a case, you should carefully evaluate your professional ability, practical experience and independence.</p> <p style="padding-left: 20px;">(2) <u>When auditing a case</u>, it is necessary to properly plan and implement an appropriate operation process to form a conclusion and issue a report or opinion accordingly; The procedures, collected data and conclusions will be published in detail in the working papers of the case.</p> <p style="padding-left: 20px;">(3) The data sources, parameters and information used shall be evaluated item by item for <u>completeness, correctness</u> and rationality, so as to be the basis for issuing appraisal reports or opinions.</p> <p style="padding-left: 20px;">(4) The matters to be declared shall include that the relevant personnel are professional and</p>	<p>Article 6: Valuation report or opinion</p> <p>1. For an appraisal report obtained by the Company or an opinion from an accountant, attorney or securities underwriter, the professional appraiser and its appraisers, accountants, attorneys or securities underwriters shall comply with the following requirements (omitted)</p> <p>2. When issuing appraisal reports or opinions, the personnel referred to in the preceding paragraph shall <u>comply with the self-discipline norms of their respective trade associations and</u> the following matters :</p> <p style="padding-left: 20px;">(1) Before accepting a case, you should carefully evaluate your professional ability, practical experience and independence.</p> <p style="padding-left: 20px;">(2) <u>The implementation of the case</u>, should properly plan and implement the appropriate operation process, in order to form a conclusion and issue a report or opinion; The procedures, collected data and conclusions will be published in detail in the working papers of the case.</p> <p style="padding-left: 20px;">(3) <u>For</u> the data sources, parameters and information used, the <u>appropriateness</u> and rationality should be evaluated item by item, which can be used as the basis for issuing appraisal reports or opinions.</p> <p style="padding-left: 20px;">(4) The matters to be declared shall include that the relevant personnel are professional and</p>	<p>1. Define the procedures and responsibilities that external experts should follow.</p> <p>2. Make appropriate text correction in line with laws and regulations or actual situations.</p>

Provisions before amendment	Amended provisions	Reason for amendment
<p>independent, the information used has been assessed to be reasonable and correct, and the relevant laws and regulations have been followed.</p>	<p>independent, the information used has been assessed as appropriate and reasonable, and the relevant laws and regulations have been followed.</p>	
<p>Article 9: Procedures for dealing with related party transactions</p> <p>1. When the Company and its related parties acquire or dispose of assets, in addition to the asset disposal procedures for acquiring real estate, other fixed assets or their use rights in accordance with Article 7, they should also go through the relevant resolution procedures and evaluate the reasonableness of the transaction conditions in accordance with the following regulations. If the transaction amount reaches more than 10% of the total assets of the Company, they should also obtain the appraisal report or accountant's opinion issued by a professional appraiser in accordance with the regulations. In addition, when judging whether the transaction object is a related party, we should not only pay attention to its legal form, but also consider the substantive relationship.</p> <p>2. Evaluation and Operating Procedures If the Company acquires or disposes of real estate or its right to use assets from related parties, or acquires or disposes of other assets other than real estate or its right to use assets with related parties, and the transaction amount reaches 20% of the paid-in capital of the Company, 10% of the total assets or NT\$300 million or more, in addition to buying and selling domestic government bonds, bonds with buy-back and sell-back</p>	<p>Article 9: Procedures for dealing with related party transactions</p> <p>1. When the Company and its related parties acquire or dispose of assets, in addition to the asset disposal procedures for acquiring real estate, other fixed assets or their use rights in accordance with Article 7, they should also go through the relevant resolution procedures and evaluate the reasonableness of the transaction conditions in accordance with the following regulations. If the transaction amount reaches more than 10% of the total assets of the Company, they should also obtain the appraisal report or accountant's opinion issued by a professional appraiser in accordance with the regulations. In addition, when judging whether the transaction object is a related party, we should not only pay attention to its legal form, but also consider the substantive relationship.</p> <p>2. Evaluation and Operating Procedures If the Company acquires or disposes of real estate or its right to use assets from related parties, or acquires or disposes of other assets other than real estate or its right to use assets with related parties, and the transaction amount reaches 20% of the paid-in capital of the Company, 10% of the total assets or NT\$300 million or more, in addition to buying and selling domestic government bonds, bonds with buy-back and</p>	<p>1. To strengthen the management of related party transactions and protect the rights of minority shareholders of public companies to express their opinions on the transactions between companies and related parties, the regulations on related party transactions are amended.</p> <p>2. Relax the rules for the assessment of the acquisition or disposal of real estate or its right to use assets by transactions between parent companies, subsidiaries or subsidiaries.</p> <p>3. Make appropriate text corrections in line with laws and regulations or actual</p>

Provisions before amendment	Amended provisions	Reason for amendment
<p>conditions, and purchasing or buying back money market funds issued by domestic securities investment trust enterprises, the following information shall be submitted to the audit committee for consideration and approved by the board of directors before signing the transaction contract and making payment:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and expected benefits of acquiring or disposing of assets. (2) The reason why the selected related party is the trading partner. (3) The relevant materials to evaluate the rationality of the predetermined transaction conditions in accordance with the provisions of subparagraphs (1) and (4) of paragraph 3 of this article when acquiring the real estate or its right to use assets from related parties. (4) the original acquisition date and price of the related party, the transaction object and its relationship with the company and related parties, etc. (5) a forecast statement of cash receipts and payments for each month in the coming year from the beginning of the contract month, and an assessment of the necessity of the transaction and the rationality of the use of funds. (6) the appraisal report issued by a professional appraiser obtained in accordance with the regulations, or the opinions of accountants. (7) Restrictions and other important agreements of this transaction. <p>The calculation of the transaction amount referred to in</p>	<p>sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trust enterprises, the following information shall be submitted to the audit committee for consideration and approved by the board of directors before signing the transaction contract and making payment:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and expected benefits of acquiring or disposing of assets. (2) The reason why the selected related party is the trading partner. (3) The relevant materials to evaluate the rationality of the predetermined transaction conditions in accordance with the provisions of subparagraphs (1) and (4) of paragraph 3 of this article when acquiring the real estate or its right to use assets from related parties. (4) the original acquisition date and price of the related party, the transaction object and its relationship with the company and related parties, etc. (5) a forecast statement of cash receipts and payments for each month in the coming year from the beginning of the contract month, and an assessment of the necessity of the transaction and the rationality of the use of funds. (6) the appraisal report issued by a professional appraiser obtained in accordance with the regulations, or the opinions of accountants. (7) Restrictions and other important agreements of this transaction. 	<p>situations.</p>

Provisions before amendment	Amended provisions	Reason for amendment
<p>the preceding paragraph shall be handled in accordance with subparagraph 6, Paragraph 1, Article 14, and the term "one year" shall be based on the date of the transaction, and it shall be retroactively calculated for one year. If it has been submitted to the audit committee for deliberation and approved <u>by the board of directors</u> according to the regulations, the part will be exempted from being included again.</p> <p>3. Rationality evaluation of transaction costs (omitted)</p>	<p><u>If the Company or a subsidiary company that is not a domestic public company has the transaction mentioned in Paragraph 2 of this Article, and the transaction amount reaches more than 10% of the total assets of the Company, the Company shall submit the information listed in Paragraph 2 of this Article to the shareholders' meeting for approval before signing the transaction contract and making payment. However, this restriction does not apply to transactions between the Company and its subsidiaries or between subsidiaries.</u></p> <p><u>The calculation of the transaction amount in the second paragraph</u> and the preceding paragraph of this Article shall be handled in accordance with the provisions of subparagraph 6, Paragraph 1, Article 14, and the term "within one year" is based on the date of the occurrence of this transaction, and it has been retroactively calculated for one year. It has been submitted to the Audit Committee for deliberation according to the regulations, and the board of directors <u>and shareholders' meeting</u> have approved that part of the transaction amount shall not be counted again.</p> <p>3. Rationality evaluation of transaction costs (omitted)</p>	

Provisions before amendment	Amended provisions	Reason for amendment
<p>Article 10: Procedures for obtaining or disposing of membership cards, intangible assets or right to use assets</p> <ol style="list-style-type: none"> 1. Evaluation and Operation Procedures (omitted) 2. The procedures for determining trading conditions, authorized amount and executing unit (omitted) 3. Report of expert evaluation opinions on membership cards, intangible assets or right to use assets <p>If the transaction amount of the company's acquisition or disposal of membership card, intangible assets or its right to use assets reaches 20% of the company's paid-in capital or NT\$300 million or more, in addition to the transaction with domestic government agencies, the company shall ask the accountant to express his opinion on the rationality of the transaction price before the fact occurs, and the accountant shall handle it in accordance with the provisions of the Auditing Standards Bulletin No.20 issued by the Accounting Research and Development Foundation.</p>	<p>Article 10: Procedures for obtaining or disposing of membership cards, intangible assets or right to use assets.</p> <ol style="list-style-type: none"> 1. Evaluation and Operation Procedures (omitted) 2. The procedures for determining trading conditions, authorized amount and executing unit (omitted) 3. Report of expert evaluation opinions on membership cards, intangible assets or right to use assets <p>If the transaction amount of the company's acquisition or disposal of membership card, intangible assets or its right-to-use assets reaches 20% of the paid-in capital of the company or more than NT\$300 million, in addition to the transaction with domestic government agencies, the company shall ask an accountant to express his opinion on the rationality of the transaction price before the fact occurs.</p>	<ol style="list-style-type: none"> 1. Made appropriate text corrections in line with laws and regulations.
<p>Article 14: Information disclosure procedure</p> <ol style="list-style-type: none"> 1. The declaration items and standards should be announced. <ol style="list-style-type: none"> (1) – (6) (omitted) (7) Assets transactions other than those mentioned in the preceding six paragraphs, financial institutions' disposal of creditor's rights or investment in mainland China, where the transaction amount reaches 20% of the paid-in capital of the company or NT\$300 million or more. However, the following circumstances shall not apply: <ol style="list-style-type: none"> 1. Buying and selling domestic bonds. 	<p>Article 14: Information disclosure procedure</p> <ol style="list-style-type: none"> 1. The declaration items and standards should be announced. <ol style="list-style-type: none"> (1) – (6) (omitted) (7) Assets transactions other than those mentioned in the preceding six paragraphs, financial institutions' disposal of creditor's rights or investment in mainland China, where the transaction amount reaches 20% of the paid-in capital of the company or NT\$300 million or more. However, the following circumstances shall not apply: 	<ol style="list-style-type: none"> 1. Relax the announcement standard for buying and selling foreign bonds with credit rating not lower than China's sovereign rating. 2. Relaxing the announcement standards for investors who specialize in

Provisions before amendment	Amended provisions	Reason for amendment
<p>2 For those who are specialized in investment, they may buy and sell marketable securities on domestic and overseas stock exchanges or securities dealers' offices, or subscribe for ordinary corporate bonds and general financial bonds not involving equity interests (excluding subordinated bonds) in the domestic primary market, or subscribe for or buy back securities investment trusts or futures trusts, or securities dealers acting as advisors to emerging companies for underwriting business and recommending securities dealers to subscribe for marketable securities in accordance with Taipei Exchange regulations.</p> <p>3. Buying and selling bonds with buy-back and sell-back conditions, purchasing or buying back money market funds issued by domestic securities investment trust enterprises; Or obtain and dispose of all kinds of publicly offered open-end funds or wealth management products with guaranteed capital and interest that expire within three months issued by commercial banks; Trading information of derivative commodities reported before the 10th day of each month.</p> <p>(8) (Omitted)</p>	<p>1. Buying and selling domestic public bonds or <u>foreign public bonds with a credit rating not lower than Taiwan's sovereign rating.</u></p> <p>2. Investment professionals engage in the trading of securities in domestic and overseas stock exchanges or securities firms' business offices, or purchase <u>foreign government bonds or common corporate bonds and general financial bonds (excluding subordinated bonds) issued in the domestic primary market, or purchase or buy back securities investment trust funds or futures trust funds, or purchase or sell back index investment securities,</u> or securities firms act as guidance and recommendation securities firms for underwriting business, and subscribe for securities in accordance with the regulations of the OTC Securities Market of the Republic of China and Taipei Exchange regulations.</p> <p>3. Buying and selling bonds with buy-back and sell-back conditions, purchasing or buying back money market funds issued by domestic securities investment trust enterprises; Or obtain and dispose of all kinds of publicly offered open-end funds or wealth management products with guaranteed capital and interest that expire within three months issued by commercial banks; Trading information of derivative commodities reported before the 10th day of each month.</p> <p>(8) (Omitted)</p>	<p>investment to subscribe for foreign bonds, purchase or sell back index investment securities in the primary market.</p>

Discussion Items

(Proposed by the Board of Directors)

Case 3: To revise the Rules and Procedures of Shareholders' Meeting.

Notes: 1. In line with the amendment of laws and regulations, it is proposed to revise the relevant provisions of the Company's Rules and Procedures of Shareholders' Meeting.

2. Please refer to pages 49-65 of this Handbook for a comparison table of the provisions before and after the amendment of the Rules and Procedures of Shareholders' Meeting.

Resolutions:

Wafer Works Corporation
Comparison Table of Articles before and after Amendment of the Rules and Procedures of Shareholders' Meeting

Provisions before amendment	Revised provisions	Reason for amendment
<p>Article 3 (Notice of Convening and Meeting of Shareholders' Meeting)</p> <p>Unless otherwise stipulated by laws and regulations, the shareholders' meeting of the Company shall be convened by the board of directors.</p> <p>The Company shall, 30 days before the general meeting of shareholders or 15 days before the extraordinary meeting of shareholders, prepare the cause of action and explanatory materials of the shareholders' meeting notice, power of attorney, relevant recognition case, discussion case, election or dismissal of directors, etc. into electronic files and send them to the Market Observation Post System. Before the 21st day of the general meeting of shareholders or the 15th day of the extraordinary meeting of shareholders, the meeting handbook and supplementary information of the shareholders' meeting will be made into an electronic file and sent to the Market Observation Post System. Fifteen days</p>	<p>Article 3 (Notice of Convening and Meeting of Shareholders' Meeting)</p> <p>Unless otherwise stipulated by laws and regulations, the shareholders' meeting of the Company shall be convened by the board of directors.</p> <p><u>The change of the way of holding the shareholders' meeting of the Company shall be decided by the board of directors, and it shall be done at the latest before the notice of the shareholders' meeting is sent.</u></p> <p>The Company shall, 30 days before the general meeting of shareholders or 15 days before the extraordinary meeting of shareholders, prepare the cause of action and explanatory materials of the shareholders' meeting notice, power of attorney, relevant recognition case, discussion case, election or dismissal of directors, etc. into electronic files and send them to the Market Observation Post System. Before the 21st day of the general shareholders' meeting or the 15th day of the interim shareholders' meeting, the meeting manual and supplementary information of the shareholders' meeting shall be prepared and sent to the Market Observation Post System.</p>	<p>In accordance with the amendment to Article 172-2 of the Company Law, public companies are allowed to hold shareholders' meetings by means of video, and the relevant regulations for video meetings of shareholders' meetings are amended by reference to the "Rules of Procedure for Shareholders' Meetings of ○○ Corporation" amended by the Taiwan Stock Exchange on March 08, 2022.</p>

Provisions before amendment	Revised provisions	Reason for amendment
<p>before the meeting of the shareholders' meeting, prepare the minutes manual and supplementary materials of the meeting for shareholders to consult at any time, display them in the company and the professional stock agency appointed by the company, <u>and distribute them at the meeting of shareholders.</u></p> <p>The notice and announcement shall specify the reasons for the convening.</p> <p>Omitted below</p>	<p><u>However, if the paid-in capital of this company at the end of the latest fiscal year reaches NT\$10 billion or more, or the total share of foreign capital and land capital recorded in the shareholders' name book in the latest fiscal year reaches more than 30%, the transmission of the electronic file before the general shareholders' meeting shall be completed 30 days before.</u> Fifteen days before the meeting of the shareholders' meeting, prepare the minutes manual and supplementary materials of the meeting for shareholders to consult at any time, and display them in the company and the professional stock affairs agency appointed by the company.</p> <p><u>On the day of the meeting of the shareholders' meeting, the Company shall provide the meeting Handbook and meeting supplementary information referred to in the preceding paragraph to shareholders in the following ways:</u></p> <ol style="list-style-type: none"> <u>1. When an entity shareholders' meeting is held, it shall be distributed at the shareholders' meeting.</u> <u>2. When video-assisted shareholders' meeting is held, it shall be distributed at the shareholders' meeting site and transmitted to the video conference platform by electronic files.</u> <u>3. When the video shareholders' meeting is held, it should be transmitted to the video conference platform by electronic files.</u> 	

Provisions before amendment	Revised provisions	Reason for amendment
	<p>The notice and announcement shall specify the reasons for convening; <u>If the notice is approved by the counterpart, it may be done electronically.</u></p> <p>Omitted below</p>	
<p>Article 4 Items 1 to 3 have not been amended.</p>	<p>Article 4 Items 1 to 3 have not been amended.</p> <p><u>After the power of attorney is delivered to the Company, shareholders who wish to attend the shareholders' meeting by video shall give a written notice to the Company to cancel the power of attorney two days before the shareholders' meeting; If the cancellation is overdue, the voting right entrusted by the agent to attend and exercise shall prevail.</u></p>	Ditto
<p>Article 5 (Principles of Place and Time for Holding Shareholders' Meeting)</p> <p>The place where the shareholders' meeting is held shall be the place where the Company is located or a place convenient for shareholders to attend and suitable for the shareholders' meeting, and the meeting shall not start earlier than 9: 00 am or later than 3: 00 pm.</p>	<p>Article 5 (Principles of Place and Time for Holding Shareholders' Meeting)</p> <p>The place where the shareholders' meeting is held shall be the place where the Company is located or a place convenient for shareholders to attend and suitable for the shareholders' meeting, and the meeting shall not start earlier than 9: 00 am or later than 3: 00 pm.</p> <p><u>When the Company holds the video shareholders' meeting, it shall not be restricted by the venue mentioned in the preceding paragraph.</u></p>	Ditto

Provisions before amendment	Revised provisions	Reason for amendment
<p>Article 6 (Preparation of signature book and other documents)</p> <p>The Company shall specify in the notice of meeting the registration time, registration place and other matters needing attention of shareholders.</p> <p>The registration time for accepting shareholders referred to in the preceding paragraph shall be handled at least 30 minutes before the meeting starts; The registration place should be clearly marked everywhere, and appropriate and competent personnel should be sent to handle it.</p> <p><u>The shareholder or the proxy entrusted by the shareholder (hereinafter referred to as the shareholder)</u> shall attend the shareholders' meeting with the attendance card, attendance sign-in card and identity documents. The Company shall not arbitrarily add other supporting documents to the supporting documents of the shareholders' attendance. If it is the requester of the power of attorney, it is necessary to bring identification documents for verification.</p> <p>The Company shall set up a signature book for the attendance shareholders to sign in, or the attendance shareholders shall submit a sign-in card to sign in.</p>	<p>Article 6 (Preparation of signature book and other documents)</p> <p>The Company shall specify the registration time, registration place and other matters needing attention of the accepting shareholders, <u>solicitors and entrusted agents (hereinafter referred to as shareholders)</u> in the meeting notice.</p> <p>The registration time for accepting shareholders referred to in the preceding paragraph shall be handled at least 30 minutes before the meeting starts. The registration place should be clearly marked everywhere and send adequate and competent personnel to handle it; <u>The video conference of shareholders shall be accepted and registered on the video conference platform of shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration shall be deemed to attend the shareholders' meeting in person.</u></p> <p>Shareholders shall attend the shareholders' meeting with attendance card, attendance sign-in card or other attendance documents, and the Company shall not arbitrarily add other supporting documents to the supporting documents on which shareholders attend; if it is the requester of the power of attorney, it is necessary to bring identification documents for verification.</p>	<p>Ditto</p>

Provisions before amendment	Revised provisions	Reason for amendment
<p>The Company shall deliver the Handbook of proceedings, annual report, attendance cards, speeches, voting tickets and other meeting materials to the shareholders present at the shareholders' meeting; If a director is elected, an election ticket shall be attached.</p> <p>When the government or legal person is a shareholder, the number of representatives attending the shareholders' meeting is not limited to one. When a legal person is entrusted to attend the shareholders' meeting, only one representative may be appointed to attend the meeting.</p>	<p>The Company shall set up a signature book for the attendance shareholders to sign in, or the attendance shareholders shall submit a sign-in card to sign in.</p> <p>The Company shall deliver the Handbook of proceedings, annual report, attendance cards, speeches, voting tickets and other meeting materials to the shareholders present at the shareholders' meeting; If a director is elected, an election ticket shall be attached.</p> <p>When the government or legal person is a shareholder, the number of representatives attending the shareholders' meeting is not limited to one. When a legal person is entrusted to attend the shareholders' meeting, only one representative may be appointed to attend the meeting.</p> <p><u>If the shareholders' meeting is held by video conference, shareholders who want to attend by video conference shall register with the Company two days before the shareholders' meeting.</u></p> <p><u>If the video conference of the shareholders' meeting is held, the Company shall upload the discussion Handbook, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting starts, and continuously disclose them until the end of the meeting.</u></p>	

Provisions before amendment	Revised provisions	Reason for amendment
<p>Newly added this Article</p>	<p><u>Article 6-1 (Call video conference of shareholders' meeting, matters to be included in the call notice)</u> <u>When the Company holds the video conference of the shareholders' meeting, the following matters shall be stated in the notice of convening the shareholders' meeting:</u> 1. <u>Shareholders' participation in video conferences and methods of exercising their rights.</u> 2. <u>The ways to deal with the obstacles caused by natural disasters, incidents or other force majeure, including at least the following:</u> (1) <u>The time when the meeting has to be postponed or resumed due to the persistent obstacles, and the date when the meeting needs to be postponed or resumed.</u> (2) <u>Shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting.</u> (3) <u>If the video-assisted shareholders' meeting can't be continued, after deducting the number of shares attending the shareholders' meeting by video, the total number of shares attending the shareholders' meeting reaches the statutory quota, and the shareholders' meeting should be continued. The number of shares attending the shareholders' meeting by video should be included in the total number of shares attending the shareholders' meeting, and all the resolutions of the shareholders' meeting should be regarded as abstention.</u> (4) <u>In the event that all the motions have been announced, but no provisional motion has been made, should be handled this way.</u> 3. <u>Hold the video shareholders' meeting, and specify the appropriate alternative measures for shareholders who have</u></p>	<p>Ditto</p>

Provisions before amendment	Revised provisions	Reason for amendment
	<u>difficulty in participating in the shareholders' meeting by video.</u>	
<p>Article 8 (Evidence of Audio Recording or Video Recording of the Shareholders' Meeting)</p> <p>The Company shall continuously record and video the whole process of shareholders' registration, meeting and vote counting from the time of accepting shareholders' registration.</p> <p>The audio-visual materials referred to in the preceding paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the end of the lawsuit.</p>	<p>Article 8 (Evidence of Audio Recording or Video Recording of the Shareholders' Meeting)</p> <p>The Company shall continuously record and video the whole process of shareholders' registration, meeting and vote counting from the time of accepting shareholders' registration.</p> <p>The audio-visual materials referred to in the preceding paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the end of the lawsuit.</p> <p><u>If the shareholders' meeting is held by video conference, the Company shall keep records of the registration, reporting, questioning, voting and the results of the company's vote counting, and record and video the whole video conference continuously.</u></p> <p><u>The information and audio and video recordings referred to in the preceding paragraph shall be properly kept by the Company during the period of existence, and the audio and video recordings shall be provided to those entrusted with video conference affairs for preservation.</u></p>	Ditto

Provisions before amendment	Revised provisions	Reason for amendment
	<p><u>If the shareholders' meeting is held by video conference, this company should record and video record the background operation interface of the video conference platform.</u></p>	
<p>Article 9 The attendance of the shareholders' meeting shall be calculated on the basis of shares. The number of shares present is calculated according to the sign-in card submitted, plus the number of shares that exercise voting rights in written or electronic form. At the opening of the session, the chairman shall announce the meeting immediately, and at the same time announce the number of non-voting rights, the number of shares present and other relevant information. However, when shareholders representing more than half of the total number of issued shares are not present, the chairman may announce the postponement of the meeting, and the number of postponements shall be limited to two, and the total postponement time shall not exceed one hour. If shareholders representing more than one-third of the total number of issued shares are not present after the second delay, the chairman shall announce the meeting aborted.</p>	<p>Article 9 The attendance of the shareholders' meeting shall be calculated on the basis of shares. The number of shares attended is calculated according to the number of shares submitted by the sign-in card and <u>the video conference platform</u>, plus the number of shares that exercise voting rights in written or electronic form. At the opening of the session, the chairman shall announce the meeting immediately, and at the same time announce the number of non-voting rights, the number of shares present and other relevant information. However, when shareholders representing more than half of the total number of issued shares are not present, the chairman may announce the postponement of the meeting, and the number of postponements shall be limited to two, and the total postponement time shall not exceed one hour. If the shareholders representing more than one-third of the total issued shares are not present after the second delay, the chairman shall announce the meeting aborted; <u>If the shareholders' meeting is held by video conference, the</u></p>	<p>Ditto</p>

Provisions before amendment	Revised provisions	Reason for amendment
<p>If the number of shareholders representing at least one-third of the total number of issued shares is still insufficient after the second postponement of the preceding paragraph, the Company may, in accordance with Article 175(1) of the Company Law, make a bogus resolution and notify the shareholders of the bogus resolution to reconvene the shareholders' meeting within one month.</p> <p>If, before the end of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the fictitious resolution made to the shareholders' meeting for a vote in accordance with Article 174 of the Company Law.</p>	<p><u>Company shall also announce the meeting aborted on the video conference platform of shareholders' meeting.</u></p> <p>In the event that the number of shareholders representing at least one-third of the total number of issued shares is still insufficient after the second postponement of the preceding paragraph, the Company may, in accordance with Article 175(1) of the Company Law, make a bogus resolution and notify the shareholders of the bogus resolution to reconvene the shareholders' meeting within one month; if the shareholders' meeting is convened by video conference, the shareholders who wish to attend by video shall re-register with the Company in accordance with Article 6. If the number of shareholders who represent more than one third of the total number of issued shares is present after the second delay mentioned in the preceding paragraph, a bogus resolution may be made in accordance with Paragraph 1 of Article 175 of the Company Law, and the bogus resolution shall be notified to each shareholder within one month. If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the company in accordance with Article 6.</p> <p>If, before the end of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the fictitious resolution made to the shareholders'</p>	

Provisions before amendment	Revised provisions	Reason for amendment
	meeting for a vote in accordance with Article 174 of the Company Law.	
<p>Article 11 (Speech by Shareholders)</p> <p>Items 1 to 6 are not amended.</p>	<p>Article 11 (Speech by Shareholders)</p> <p>Items 1 to 6 have not been amended.</p> <p><u>If the video conference of the shareholders' meeting is held, the shareholders who participate in the video conference may ask questions in text on the video conference platform of the shareholders' meeting after the meeting is announced by the chairman and before the meeting is announced. The number of questions for each proposal shall not exceed two times, with a limit of 200 words each time, and the provisions of paragraphs 1 to 5 are not applicable.</u></p> <p><u>If the question mentioned in the preceding paragraph does not violate the regulations or exceed the scope of the proposal, it should be disclosed on the video conference platform of the shareholders' meeting for public knowledge.</u></p>	Ditto
<p>Article 13</p> <p>Items 1 to 3 have not been amended.</p> <p>After the shareholders exercise their voting rights in writing or electronically, if they want to attend the shareholders' meeting in person, they should cancel the expression of their intention to exercise their voting rights in the preceding paragraph in the same way as they exercise their voting rights at the latest two days before the shareholders' meeting; If it</p>	<p>Article 13</p> <p>Items 1 to 3 have not been amended.</p> <p>After the shareholders have exercised their voting rights in writing or electronically, if they want to attend the shareholders' meeting in person or by video, they should cancel the expression of their intention to exercise their voting rights in the preceding paragraph in the same way as they exercise their voting rights at the latest two days before</p>	Ditto

Provisions before amendment	Revised provisions	Reason for amendment
<p>is overdue, the voting rights exercised in writing or electronically shall prevail. If the voting rights are exercised by written or electronic means and the proxy is entrusted to attend the shareholders' meeting by power of attorney, the voting rights of the proxy shall prevail.</p> <p>Items 5 to 8 have not been amended.</p>	<p>the shareholders' meeting. If it is overdue, the voting rights exercised in writing or electronically shall prevail. If the voting rights are exercised by written or electronic means and the proxy is entrusted to attend the shareholders' meeting by power of attorney, the voting rights of the proxy shall prevail.</p> <p>Items 5 to 8 have not been amended.</p> <p><u>The Company holds a video conference of the shareholders' meeting. After the meeting is announced by the chairman, the shareholders who participate by video conference shall vote on various proposals and election proposals through the video conference platform, which shall be completed before the chairman announces the end of voting. If the voting is overdue, it will be deemed as abstention.</u></p> <p><u>If the shareholders' meeting is held by video conference, the voting shall be counted once after the chairman announces the end of voting, and the voting and election results shall be announced.</u></p> <p><u>When the Company holds the video-assisted shareholders' meeting, the shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 6, who want to attend the physical shareholders' meeting in person, shall cancel the registration in the same way as the registration two days before the shareholders' meeting; If the cancellation is overdue, the shareholders' meeting can only be attended by video.</u></p>	

Provisions before amendment	Revised provisions	Reason for amendment
	<p><u>Those who exercise their voting rights in writing or electronically, have not revoked their intention, and participate in the shareholders' meeting by video, except for temporary motions, are not allowed to exercise their voting rights on or propose amendments to the original motion or exercise their voting rights on amendments to the original motion.</u></p>	
<p>Article 15 The resolutions of the shareholders' meeting shall be made into minutes, which shall be signed or sealed by the chairman, and shall be distributed to all shareholders within 20 days after the meeting.</p> <p>The distribution of the minutes mentioned in the preceding paragraph may be done in the form of an announcement entered into the Market Observation Post System.</p> <p>The minutes shall be recorded according to the year, month, day, place, chairman's name, resolution method, main points of the proceedings and voting results (including statistical weights). If there is an election of directors, the voting weight of each candidate shall be disclosed. During the existence of the Company, it shall be kept permanently.</p>	<p>Article 15 The resolutions of the shareholders' meeting shall be made into minutes, which shall be signed or sealed by the chairman, and shall be distributed to all shareholders within 20 days after the meeting. The production and distribution of minutes of proceedings may be done electronically.</p> <p>The distribution of the minutes mentioned in the preceding paragraph may be done in the form of an announcement entered into the Market Observation Post System.</p> <p>The minutes shall be recorded according to the year, month, day, place, chairman's name, resolution method, main points of the proceedings and voting results (including statistical weights). If there is an election of directors, the voting weight of each candidate shall be disclosed. During the existence of the Company, it shall be kept permanently.</p> <p><u>If the shareholders' meeting is held by video conference, the minutes shall, in addition to the items required in the preceding paragraph, also record the starting and ending time</u></p>	Ditto

Provisions before amendment	Revised provisions	Reason for amendment
	<p><u>of the shareholders' meeting, the method of holding the meeting, the names of the chairman and the minutes, and the handling methods and situations when the video conference platform or video participation is hindered due to natural disasters, incidents or other force majeure.</u></p> <p><u>When the Company holds the video shareholders' meeting, it shall, in addition to the provisions in the preceding paragraph, state in the minutes the alternative measures provided by shareholders who have difficulties in participating in the shareholders' meeting by video.</u></p>	
<p>Article 16 (Public Announcement)</p> <p>On the day of the meeting of the shareholders' meeting, the Company shall compile a statistical table in the prescribed format for the number of shares obtained by the solicitors and the number of shares represented by the entrusted agent, and make a clear disclosure in the shareholders' meeting.</p> <p>If there is any important information about the matters resolved at the shareholders' meeting that is stipulated by laws and regulations or the Taipei Exchange, the Company</p>	<p>Article 16 (Public Announcement)</p> <p>The number of shares obtained by the solicitors, the number of shares represented by the entrusted agent and the number of shares attended by shareholders in written or electronic form shall be made by the Company on the day of the shareholders' meeting in the prescribed format, and clearly disclosed in the shareholders' meeting; <u>If the video conference of the shareholders' meeting is held, the Company shall upload the above information to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting starts, and continuously disclose it until the end of the meeting.</u></p> <p><u>When the Company holds a video conference of shareholders' meeting and announces the meeting, it shall disclose the total number of shareholders' shares present on the video</u></p>	Ditto

Provisions before amendment	Revised provisions	Reason for amendment
shall transmit the information to the Market Observation Post System within the specified time.	<p><u>conference platform. The same shall apply if there are other statistics on the total number of shares and voting rights of shareholders present at the meeting.</u></p> <p>If there is any important information about the matters resolved at the shareholders' meeting as required by laws and regulations or Taipei Exchange, the Company shall transmit the content to the Market Observation Post System within the specified time.</p>	
Newly added this Article	<p><u>Article 19 (Disclosure of Information in Video Conference)</u></p> <p><u>If a video conference of shareholders' meeting is held, the Company shall immediately disclose the voting results and election results of various proposals on the video conference platform of shareholders' meeting after the voting is over, and shall continue to disclose them for at least 15 minutes after the meeting is announced by the chairman.</u></p>	Ditto
Newly added this Article	<p><u>Article 20 (Location of the Chairman and Recording personnel of the Video Shareholders' Meeting)</u></p> <p><u>When the Company holds the video shareholders' meeting, the chairman and recording personnel shall be at the same place in Taiwan, and the chairman shall announce the address of the place at the meeting.</u></p>	Ditto
Newly added this Article	<p><u>Article 21 (Handling of Disconnection)</u></p> <p><u>If a video conference of shareholders' meeting is held, the Company may provide a simple connection test for shareholders before the meeting, and provide relevant</u></p>	Ditto

Provisions before amendment	Revised provisions	Reason for amendment
	<p><u>services immediately before and during the meeting to help deal with the technical problems of communication.</u></p> <p><u>When the shareholders' meeting is held by video conference, the chairman shall announce separately when announcing the meeting, except that there is no need to postpone or resume the meeting as stipulated in Paragraph 4, Article 44-20 of the Standards for the Handling of Stock Affairs of Public Offering Companies. Before the chairman announces the meeting, if the video conference platform or participation by video conference interruption lasts for more than 30 minutes due to natural disasters, incidents or other force majeure, the date of the meeting shall be postponed or resumed within five days and Article 182 of the Company Law shall not apply.</u></p> <p><u>Where the meeting referred to in the preceding paragraph should be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting.</u></p> <p><u>According to the provisions of Paragraph 2, the meeting should be postponed or resumed. For shareholders who have registered to participate in the original shareholders' meeting by video and completed registration, but have not participated in the postponed or resumed meeting, the number of shares attended at the original shareholders' meeting, their exercised voting rights and voting rights shall be included in the total</u></p>	

Provisions before amendment	Revised provisions	Reason for amendment
	<p><u>number of shares, voting rights and voting rights of shareholders attending the postponed or resumed meeting.</u></p> <p><u>When the shareholders meeting is postponed or reconvened in accordance with the provisions of Paragraph 2, it is not necessary to re-discuss and resolve the resolutions on which the voting and counting of votes have been completed, and the voting results or the list of elected directors and supervisors are announced.</u></p> <p><u>When the Company holds a video-assisted shareholders' meeting, and the video conference cannot be continued in the second paragraph, if the total number of shares attending the shareholders' meeting still reaches the statutory quota after deducting the number of shares attending the shareholders' meeting by video, the shareholders' meeting shall be continued, and there is no need to postpone or continue the meeting according to the second paragraph.</u></p> <p><u>In the event that the meeting should be continued in the preceding paragraph, the shareholders who participate in the shareholders' meeting by video conferencing shall count the number of shares present in the total number of shares of the shareholders present, but all the proposals of the shareholders' meeting shall be deemed as abstentions.</u></p> <p><u>If the Company postpones or continues the assembly in accordance with Paragraph 2, it shall, in accordance with the provisions listed in Paragraph 7 of Article 44-20 of the</u></p>	

Provisions before amendment	Revised provisions	Reason for amendment
	<p><u>Standards for the Handling of Stock Affairs of Public Offering Companies, conduct relevant preparatory work according to the date of the original shareholders' meeting and the provisions of respective articles.</u></p> <p><u>During the period specified in the second paragraph of Article 12 and the third paragraph of Article 13 of the Rules for the Use of Power of Attorney for Public Companies to Attend Shareholders' Meeting, the second paragraph of Article 45-5, the fifteenth paragraph of Article 44 and the seventeenth paragraph of Article 44 of the Rules for the Handling of Stock Affairs of Public Companies, the Company shall postpone or resume the meeting of shareholders' meeting according to the second paragraph.</u></p>	
Newly added this Article	<p><u>Article 22 (Handling of digital drop)</u></p> <p><u>When the company convenes a video conference of shareholders, it shall provide appropriate alternative measures for shareholders who have difficulty in attending the shareholders meeting by video conference.</u></p>	Ditto
<p>Article <u>19</u></p> <p>These Rules shall come into force after being approved by the shareholders' meeting, and the same applies to amendments.</p>	<p>Article <u>23</u></p> <p>These Rules shall come into force after being approved by the shareholders' meeting, and the same applies to amendments.</p>	Adjust the articles in line with the newly added articles.

Discussion Items

(Proposed by the board of directors)

Case 4: To approve the issuance of employee restricted stock awards for year 2022.

Notes: 1. In order to attract and retain key talents, and link their rewards with shareholders' interests and environmental, social and corporate governance (ESG) achievements, the Company plans to issue new shares with employee restricted stock awards according to relevant laws and regulations.

2. The contents of the new shares with employee restricted stock awards to be issued this time are as follows:

(1) Estimated total amount to be issued: no more than 1,000,000 common shares. The actual number of shares to be issued will be submitted to the board of directors for a resolution after the approval of this ordinary shareholders' meeting and the competent authority for the issue of new shares with employee restricted stock awards.

(2) Qualifications of employees and the number of shares to be allocated:

1. This reward plan is applicable to the full-time senior executives of the Company who are on the job and have achieved certain performance on the day when the new shares with employee restricted stock awards are granted. Qualified senior executives should also be (1) those who have significant influence on the company's operational decisions, or (2) key talents for the company's future development of core technologies and strategies.

2. The qualified senior executives' share allotment will take into account the company's operating results, personal rank, job performance, overall contribution, special achievements or other reference factors, which will be approved by the chairman and submitted to the Remuneration Committee and the Board of Directors for approval.

(3) Issue conditions:

1. Estimated issue price: Free issue, with an issue price of NT\$0 per share.

2. Vested conditions: The senior executive is still in office after the expiration of the following time period after being granted the new shares with employee restricted stock awards, and has never violated the labor contract and working rules of the Company, and the board of directors in the previous year has achieved the target performance set by the Company through the company's operating objectives and personal performance

appraisal. The proportion of shares that can respectively meet the vested conditions is as follows:

1-1. Expiration of one year: 40%

1-2. Expiration of two years: 30%

1-3. Expiration of three years: 30%

3. Handling of employees' failure to meet the vesting conditions or the occurrence of succession: In the event that the vesting conditions are not met, the Company shall withdraw the allotted shares without compensation and cancel them; in exceptional cases (including but not limited to the occurrence of succession), the issue of new shares with employee restricted stock awards shall be handled in accordance with the Regulations Governing the Issuance of New Shares.

4. Types of shares issued: New shares of ordinary shares of the Company.

3. The necessary reasons for this employee restricted stock awards: to attract and retain key talents, and to improve employees' centripetal force and sense of belonging to the company, so as to increase the competitiveness of the company and create the best interests of the company and shareholders.

4. The amount of possible expenses, dilution of the company's earnings per share and other matters affecting shareholders' equity: Based on the average closing price of NTD73 for the common shares of up to 1,000,000 shares and March 2022 (3/1-3/14), and using the valuation model, the total amount that may be expensed is estimated to be NTD73,000,000, and the apportioned expensing amounts for 2023, 2024 and 2025 are NTD29,200,000, NTD21,900,000 and NTD21,900,000, respectively. The costing of 2023, 2024 and 2025 will be NT\$29.2 million, NT\$21.9 million and NT\$21.9 million, respectively, with an EPS impact of NT\$0.054, NT\$0.040 and NT\$0.040 per share, respectively. The company's operation is expected to continue to grow in the next few years, so the overall assessment shows that the dilution of the company's earnings per share in the next year is still limited, and it has no significant impact on shareholders' equity.

5. The Company will handle the issuance of new shares with employee restricted stock awards in the form of stock trust custody.

6. Please refer to pages 68-73 of this Handbook for the Company's 2022 employee restricted stock awards Issuance Regulations. The Company intends to request the shareholders' meeting to authorize the Board of Directors or its authorized person to handle the related matters in full, if any amendment or adjustment is necessary due to the instruction of the competent authority or the amendment of the relevant laws and regulations.

Resolutions:

Wafer Works Corporation

Measures for the Issuance of employee restricted stock awards for year 2022

Article 1 Purpose of Issue

To attract and retain key talents, and to link their rewards with shareholders' interests and environmental, social and corporate governance (ESG) achievements, so as to increase the competitiveness of the company and create the best interests of the company and shareholders. In accordance with Article 267 of the Company Law and the "Guidelines for Issuers to Offer and Issue Securities" and other relevant regulations issued by the Financial Supervisory Commission, the Company's new share issuance measures with employee restricted stock awards (hereinafter referred to as the Measures) are formulated.

Article 2. Issue period

Within one year from the date of arrival of the effective notification from the competent authority, it will be issued once or in several times according to the actual needs. The actual issue date and related operational matters shall be determined by the chairman authorized by the board of directors.

Article 3 Qualifications of employees and the number of shares to be allocated.

- (1) This reward plan is applicable to the full-time senior executives of the Company who are on the job and have achieved certain performance on the day when the new shares with employee restricted stock awards are granted. Qualified senior executives should also be (1) those who have significant influence on the company's operational decisions, or (2) key talents for the company's future development of core technologies and strategies.
- (2) The number of shares to be allotted to qualified senior executives will take into account the company's operating results, personal rank, job performance, overall contribution, special achievements or other reference factors, which will be approved by the chairman and submitted to the Remuneration Committee and the Board of Directors for approval.

Article 4 Estimated Total Issue Amount

No more than 1,000,000 ordinary shares, each with a face value of NT\$10. The actual number of shares to be issued will be submitted to the board of directors for a resolution after the approval of this ordinary shareholders' meeting and the competent authority.

Article 5 Conditions of Issue

- (1) Estimated issue price: Free issue, with an issue price of NT\$0 per share.
- (2) Vested conditions: The senior executive is still in office after the expiration of the following time period after being granted the new shares with employee restricted stock awards, and has never violated the labor contract and working rules of the Company, and the board of directors in the previous year has achieved the target performance set by the Company through the company's operating objectives and personal performance appraisal. The proportion of shares that can respectively meet the vested conditions is as follows:
 1. Expiration of one year: 40%
 2. Expiration of two years: 30%
 3. Expiration of three years: 30%
- (3) Types of shares issued: New shares of ordinary shares of the Company.
- (4) When an employee fails to meet the vested conditions or inherits, it shall be dealt with in the following ways:
 1. If a senior executive fails to meet the vested conditions specified in Item (2) of this Article, the Company will take back his shares and cancel them without compensation.
 2. Voluntary resignation, dismissal, severance:
New shares with employee restricted stock awards that have not yet been vested will be deemed not to have been vested as of the effective date of resignation and will be withdrawn by the Company without compensation and cancelled.
 3. Leave without pay:
The rights and obligations of new shares with employee restricted stock awards that have not yet been vested shall not be affected; however, the actual shares that may be vested in each year shall be calculated in proportion to the actual number of months of employment of the executive officers in the year preceding each vesting date, in addition to the vesting conditions set forth herein. If it is left without pay on the vested date, it will be deemed that the vested conditions have not been met, and the company will take back its shares and cancel them without compensation.
 4. Retirement:
If a retiree has not vested any new shares with employee restricted stock awards, the company will take back the previously vested shares and cancel them without compensation.
 5. Unable to continue to serve due to physical disability caused by occupational disasters:
The new shares with employee restricted stock awards that have not been vested can be vested on the resignation date. However, for the vested years in which the company's operating and personal

performance goals have been confirmed, the actual shares that can be vested in each year shall be calculated according to the vested conditions stipulated in these Measures. For the vested year in which the company's operation and personal performance goals can't be confirmed, all the new shares with employee restricted stock awards that haven't been vested can be vested.

6. General death or death due to occupational disasters:

Upon the death of an employee, his or her unvested new shares with employee restricted stock awards may be applied for by the successor to receive his or her inherited shares or disposed interests after the successor has completed the necessary legal procedures and provided relevant documents. However, in the event of the death of an employee, the actual shares that can be vested in each of the vesting years in which the Company's operation and personal performance goals have been recognized shall be calculated in accordance with the vesting conditions set forth in these Measures. For vested years where it is not possible to confirm the degree of achievement of the Company's operating and personal performance targets, the unvested new shares of employee restricted stock awards may be fully vested.

7. Job transfer:

(1) When a senior executive is transferred to a subsidiary company, affiliated company or other company, his new shares with employee restricted stock awards that have not been acquired shall be dealt with according to the method of "voluntary resignation" in paragraph 2 of this item.

(2) In the event that an executive officer is assigned to a subsidiary, affiliate or other company by the Company for operational reasons, his or her rights and obligations with respect to new shares of employee restricted stock awards that have not yet been vested shall not be affected. However, it is still subject to the vested conditions stipulated in these Measures, and it is still necessary to continue to serve in the company's assigned subsidiary, affiliated enterprise or other company on the vested date. Otherwise, it will be deemed that the vested conditions are not met, and the company will take back its shares and cancel them without compensation. The Chairman of the Board of Directors of the Company shall determine whether or not the vested conditions have been met by reference to the performance evaluation provided by the subsidiary, affiliate or other company to which he/she has transferred.

8. If the senior executive voluntarily renounces the new shares with employee restricted stock awards granted to the Company in a written statement, the Company will take back its shares and cancel them without compensation.

9. If a senior executive violates any contract signed with the company and the company's working rules after being given new shares that restrict employees' rights, the company will take back his shares and cancel them without compensation.
 10. If the senior executive terminates or cancels the proxy authorization for the trust/custody account of the new shares with employee restricted stock awards, the company will take back the shares of the new shares with employee restricted stock awards and cancel them without compensation.
- (5) Restricted rights until the vesting conditions are met after the allotment of new shares.
1. After the new shares with employee restricted stock awards are issued, they shall be delivered to the trust/custody immediately, and before the vested conditions are fulfilled, the senior executives shall not request the trustee to return the new shares with employee restricted stock awards for any reason or in any way.
 2. After the senior executives are allocated new shares, they shall not sell, pledge, transfer, give away, set up, or dispose of the new shares with employee restricted stock awards by other means, except inheritance, before they meet the vested conditions.
 3. In addition to the foregoing restrictions, the new shares with employee restricted stock awards allocated to senior executives in accordance with these Measures have other rights before they meet the vested conditions, including but not limited to: the distribution rights of dividends, bonuses and capital reserves, and the options for cash capital increase, etc., which are the same as the issued ordinary shares of the Company, and the relevant operation methods are implemented according to the trust/custody contract.
 4. Until the executive officers have fulfilled the vested conditions, the attendance, proposal, speech, voting rights and other matters related to shareholders' rights at the Company's shareholders' meetings are entrusted to the trust/custodian institution to exercise them on their behalf.
 5. During the vesting period, if the Company conducts a capital reduction, capital reduction to cover losses, or other reductions in capital not due to a legal capital reduction, the new shares with employee restricted stock awards shall be cancelled in proportion to the capital reduction. In the case of cash capital reduction, the cash refunded shall be delivered to the trustee/custodian and shall be delivered to the senior executive only after the vesting condition is met; however, if the vesting condition is not met, the Company shall recover the cash.
- (6) Handling of mergers and acquisitions:

The existing rights and obligations of new shares that restrict employees' rights will not be affected, or they may be changed by the relevant contracts or plans of M&A.

(7) Other agreed matters

During the trust/custody period of the new shares with employee restricted stock awards, the company's authorized senior supervisor shall negotiate, sign, revise, extend, dissolve and terminate the trust/custody contract with the stock trust/custody institution, and give instructions on the delivery, use and disposition of the trust/custody property.

Article 6 Contract signing and confidentiality

(1) Senior executives who are allotted new shares with employee restricted stock awards are required to sign the "Consent Form for Receipt of New Shares with Employee restricted stock awards" and go through the related trust/custody procedures. Failure to sign the relevant documents in accordance with the regulations shall be considered as a renunciation of the new shares with employee restricted stock awards.

(2) Any person who acquires new shares with employee restricted stock awards and related interests through this method shall comply with the provisions of this Law and the "Consent to Receive New Shares with Employee restricted stock awards", and any violation shall be deemed to be a failure to meet the vesting conditions. Besides, it shall abide by the relevant confidentiality provisions, except as required by laws and regulations or the competent authority, and shall not inquire about others or disclose the relevant quantity and contents of the new shares granted with employee restricted stock awards, or inform others of the relevant contents and personal rights and interests of this case. In case of violation, the company has the right to take back its shares and cancel them without compensation for the new shares with employee restricted stock awards that have not met the established conditions.

Article 7 Taxes

Taxes related to new shares with employee restricted stock awards allocated in accordance with these Measures shall be handled in accordance with the laws and regulations of the Republic of China at that time.

Article 8 Other important matters

(1) These Measures shall be implemented after more than two-thirds of the directors of the board of directors attend and more than one-half of the directors present agree, and they are reported to the competent authority and become effective. If it is necessary to revise the regulations due to the revision of laws or regulations or the audit requirements of the competent authority, the chairman of the board of directors is authorized to revise

the regulations, and then the regulations can be approved by the board of directors before they can be issued.

- (2) If there are any matters not covered in these Measures, please follow the relevant laws and regulations.

Discussion Items

(Proposed by the Board of Directors)

Case 5: To approve the conduction of a private placement.

Note: In order to strengthen its financial structure, including, but not limited to, the Company's working capital or the repayment of bank loans to reduce interest expenses, the Company intends to place a private placement of common shares and/or private placement of convertible bonds within a quota of 50,000 thousand shares (in the case of private placement of convertible bonds, the total amount is tentatively capped at NT\$2.5 billion), with a par value of NT\$10 per share, in one or a combination of the two options, to be settled in two installments within one year from the date of the shareholders' meeting. The sixth provision of Article 43-6 of the Securities and Exchange Act and the regulations on the matters to be noted by public issuers for private placement of marketable securities are described as follows.

1. Basis and rationality of price setting:

- (1) The price of common shares in the private placement shall not be less than the average share price per share after deducting the ex-rights and dividends of the gratis allotment and adding back the capital reduction anti-defeasance from the closing price of common shares calculated on the basis of the selected one, three and five business days prior to the date of the pricing. The price of this private placement of ordinary shares shall not be lower than the simple arithmetic average of the closing price of ordinary shares calculated one, three or five business days before the pricing date, after deducting the free allotment ex-rights and dividends, and adding back the average share price after capital reduction and anti-ex-rights; Or the simple arithmetic average of the closing price of ordinary shares in 30 business days before the pricing date, after deducting the ex-rights and dividends of free allotment and adding back the ex-rights of capital reduction and counter-ex-rights, and 80% of the higher price calculated by the benchmark. On the actual pricing date, the board of directors is authorized to decide according to the situation of negotiating with a specific person in the future. The above private placement price is set in accordance with the relevant laws and regulations of the competent authority, and should be reasonable.
- (2) The base price used to calculate the conversion price for the private placement of convertible bonds shall be the average share price per share after deducting the ex-rights and dividends of the gratis allotment and adding back the capital reduction anti-defeasance from the simple arithmetic average of the closing prices of common

shares for one, three or five business days prior to the pricing date, or the share price after deducting the ex-rights and dividends of the gratis allotment and adding back the capital reduction anti-defeasance from the simple arithmetic average of the closing prices of common shares for 30 business days prior to the pricing date, whichever is the higher of the above two bases. In addition, the conversion price for the private placement of convertible bonds was set at no less than 80% of the reference price, and the actual pricing date was authorized to be determined by the board of directors in accordance with the circumstances of future negotiations with specific parties. The above private placement price was determined in accordance with the relevant laws and regulations of the competent authorities and should be reasonable.

2. Selection of specified persons: The targets of the private placement are specified persons in compliance with Article 43-6 of the Securities and Exchange Act and (91)Taicaizhengyizi Order No. 0910003455 of the Financial Supervisory Commission dated June 13, 2002. When the applicant is a strategic investor, he/she will select an individual or legal person who will help the Company improve its technology, develop products, reduce costs, expand markets or strengthen customer relations, so as to enhance the competitiveness, operational performance or profitability of the Company through his/her experience, technology, knowledge, reputation or access.
3. Necessary reasons for private placement:
 - (1) Reasons for not adopting public offering: after considering the capital market conditions, timeliness of raising funds, issue cost and other factors, raising funds through private placement of securities will effectively improve the mobility and flexibility of the company's fund raising, so it is planned to raise funds from specific people through private placement. In this private placement, if strategic investors are introduced, considering the restrictions on the transfer of private placement securities can ensure the long-term cooperative relationship between the company and strategic investors, and since the use of private placement funds meets the needs of the company's operation and development, it is also beneficial to the stability of the company's operation and shareholders' equity.
 - (2) Amount of private placement: The amount of private placement is expected to be within the quota of 50,000,000 shares (in case of private placement of convertible bonds, the total amount is tentatively limited to NT\$2.5 billion) and will be divided into two tranches within one year from the date of the shareholders' meeting.
 - (3) Use of funds and expected benefits of each private placement:
 - A. The use of funds includes but is not limited to enriching working

capital or repaying bank loans.

- B. Expected benefits: in response to the rapid changes in the industrial environment, if strategic investors are introduced at an appropriate time, they can be used to strengthen the experience, technology and knowledge required by the company's operation and improve the company's competition; the funds raised can be used to repay bank loans or enrich working capital, and can also reduce interest expenses and strengthen the company's financial structure and competition. If it is used for other funds, its benefits will be evaluated separately.
4. Impact on the private placement on shareholders' equity: Although the private placement will dilute the original shareholders' equity, it will strengthen the Company's financial structure and reduce the cost of capital through the increase of its own capital ratio, and will help the Company to improve its competitiveness in a timely manner in response to changes in the industry, which should have a positive effect on shareholders' equity.
 5. If all the shares of common stock in the private placement are issued, it will reach 8.46% of the paid-in capital after the issuance, but after comparing with the shareholder structure of the Company, there is no concern about the significant change of operating right.
 6. The common shares converted from the private placement of common shares and private placement of convertible bonds have the same rights and obligations as the issued common shares, except for the transfer restriction under Article 43-8 of the Securities and Exchange Act.
 7. If the number of shares of common stock to be issued and the amount of convertible bonds to be issued, the issue price, the terms and conditions of issuance, the project items, the amount to be raised, the use of funds, the estimated progress and the possible benefits, and all other matters related to the issuance plan are subject to change or amendment due to amendments to laws and regulations or regulations of competent authorities and due to operational evaluation or objective environment, the board of directors shall be authorized by the shareholders' meeting to adjust, formulate and act in accordance with the prevailing market conditions.

In the future, if the laws and regulations are changed, amended by the competent authority's instructions, or based on operational evaluation or due to objective environmental needs, the board of directors is also authorized to handle them with full authority.

In addition to the above-mentioned authorization scope, it is proposed to request the shareholders' meeting to authorize the chairman or his designated person to sign, negotiate and change all contracts and documents related to private placement of ordinary shares and/or private placement of convertible bonds on behalf of the Company, and to handle

all matters related to the issuance of private placement of ordinary shares and/or private placement of convertible bonds for the Company.

Resolutions:

Discussion Items

(Proposed by the Board of Directors)

Case 6: To approve Wafer Works (Shanghai) Co., Ltd., a subsidiary of the company, application for listing on the stock exchange in mainland China.

- Notes:
1. The purpose of applying for listing in overseas securities markets:
Wafer Works (Shanghai), a subsidiary of the Company, intends to apply to the Chinese mainland Stock Exchange for an initial public offering (IPO) and list it on the Chinese mainland Stock Exchange (hereinafter referred to as the "IPO") in order to rapidly expand relevant business markets, attract and motivate outstanding professionals and improve the global competitiveness of the Group.
 2. The impact on the company's finance and business, the expected organizational structure and business adjustment, and the impact of its adjustment on the Company:
 1. Impact on the company's finance and business
 - (1) If Wafer Works (Shanghai) is successfully listed on the Chinese mainland Stock Exchange, it will be able to obtain more capital sources and financing channels, and optimize the financial structure of the group. After the raised funds are in place, they will be used to expand production lines, increase production capacity, increase R&D investment and other projects, and enhance business competitiveness and market share. It is beneficial to increase the group's profit and shareholders' equity, increase the group's asset scale, and pursue the maximum benefit for shareholders.
 - (2) With this listing, it will help to enhance Wafer Works (Shanghai)'s corporate image in the local area and attract outstanding talents, which is advantageous for Wafer Works (Shanghai) to expand business.
 2. The expected organizational structure and business adjustment method, and the impact of its adjustment on the Company:
 - (1) In the future, the company will still hold the equity of Wafer Works (Shanghai) through its subsidiary Silicon Technology Investment (Cayman) Corp., and the organizational structure of Wafer Works (Shanghai) and its subsidiaries is the same as the current one, which has no influence on the company.
 - (2) Wafer Works (Shanghai) and the Company will make good use of their respective competitive niches in the future business adjustment, and enhance the competitiveness and growth momentum of the Group through professional division of labor.

3. The method of equity dispersion and the expected reduction of shareholding ratio:

The number of shares issued this time is expected to account for 10%–25% of the total issued share capital of Wafer Works (Shanghai) (tentatively, before the over-allotment option is exercised), and the lead underwriter can be granted an over-allotment option not exceeding 15% of the initial public offering. The specific public shareholders' shareholding ratio, the face value and price of the issued shares will be determined in accordance with the relevant laws and regulations of Chinese mainland listing and listing rules. At present, the company's comprehensive shareholding ratio of Wafer Works (Shanghai) is 45.8%. If all the above-mentioned over-allotment options are exercised, it is estimated that the company's comprehensive shareholding ratio of Wafer Works (Shanghai) will be 32.63%–41.22% after Wafer Works (Shanghai) issues new shares. The final issue quantity is proposed to the shareholders' meeting to authorize the board of directors of the company and/or the board of directors of Wafer Works (Shanghai) or their authorized persons to negotiate with the lead underwriter according to local laws and regulations, capital requirements, communication with securities regulatory authorities and market conditions. However, if there is a conflict of interest with the Company, it will be determined by the board of directors of the Company. If the number of shares to be issued in accordance with Taiwan laws and regulations requires a separate resolution, the Company will follow the relevant regulations.

4. Basis for setting the price:

The price will be determined in accordance with the relevant regulations and listing rules in the PRC where the listing is to take place. However, it is proposed that the shareholders' meeting authorize the board of directors of the Company and/or the board of directors of Wafer Works (Shanghai) or its authorized person to determine the price in consultation with the principal underwriter based on local laws and regulations, capital requirements, communication with securities regulators and market conditions.

5. The transferee of equity or the specific party to be negotiated:

According to the relevant laws and regulations of the place of listing, the new shares to be issued this time are the inquiry objects that conform to the laws and regulations of the place of listing and the regulations of regulatory authorities, qualified domestic natural persons and legal persons, and other investors that conform to the regulations of China Securities Regulatory Commission. The Company will not participate in the subscription.

6. Does it affect the company's continued listing in Taiwan?

Wafer Works (Shanghai)'s application for listing on the stock exchange

in Mainland China is in accordance with the relevant laws and regulations, and the Company still retains control over Wafer Works (Shanghai), and the interests of the Company's existing shareholders can be fully protected, which does not affect the Company's continued listing in Taiwan.

7. Other matters to be stated:

1. Wafer Works (Shanghai) has a long-term development, and applied to the Chinese competent authority for IPO and listing. However, it has not been delivered yet, and there are still uncertainties and unpredictability in the time of non-delivery and the length of the application period.

2. The Listing is subject to the approval of the Shareholders' Meeting. If the Shareholders' Meeting agrees, it is intended that the Shareholders' Meeting will authorize the Board of Directors or its delegates and/or authorize the Board of Directors or its delegates of the subsidiary Wafer Works (Shanghai) to make adjustments in accordance with the implementation of the Listing Plan, the opinions of the relevant government authorities and The Board of Directors or the Board of Directors of Wafer Works (Shanghai), will have full authority to make adjustments in accordance with the implementation of the Listing Plan, the opinions of the relevant governmental authorities and the laws and regulations of Taiwan and the listed jurisdictions, market conditions, or as applicable, and to deal with matters relating to the Listing, including but not limited to the appointment of professional advisors, the determination of the conditions of the Issue, the timing of the Issue, the number of issues, the objects of the Issue, the method of the Issue, the pricing method, the Issue price (including the price range and final pricing), the Issue Base date, strategic placement (including placement ratio, placement targets, etc.), over-allotment matters, use of proceeds, online and offline issue quantity ratio, determination of listing venue, exchange and listing board, issuance of commitment letter, confirmation letter and relevant listing application documents, and all other matters related to the listing of the Offering.

However, if there are matters involving conflicts of interest with the Company or matters required by law to be resolved by the Board of Directors of the Company, such matters will be determined by resolution of the Board of Directors of the Company. If the number of shares to be issued in accordance with Taiwan laws and regulations requires a separate resolution, the Company will follow the relevant regulations.

Resolutions:

Discussion Items

(Proposed by the Board of Directors)

Case 7: To approve the removal of the noncompete clause for Directors.

Notes: 1. According to Article 209 of the Company Law, if a director acts for himself or others within the business scope of the company, he shall explain the important contents of his act to the shareholders' meeting and obtain its permission.

2. Because the directors of our company either invest or operate other companies with the same or similar business scope as our company, we hereby request the shareholders' meeting to agree to lift their non-competition restrictions as follows. Please refer to the following.

Title	Name	Concurrently having duties of other companies as well	Main business
Director	Hua Eng Wire&Cable Co., LTD. Representative: Hsiu-Mei, Liu	China Ecotek Corp. Director	Environmental protection, electromechanical engineering, agency operation and electromechanical maintenance.
		Asia Pacific Telecom Co., Ltd. Director	Communication industry
		CO-TECH DEVELOPMENT CORP. Director	Electronic component manufacturing, metal surface treatment, copper smelting
		BIONIME CORPORATION Director	Blood glucose detector, Blood sugar test piece
Director	Chung-Hou, Tai	IC Broadcasting Co., Ltd. Director	Broadcasting industry
Independent Director	Feng-I, Lin	Sunjuice Holdings Co., Ltd. Independent Director	Production and sales of fruit juice, fruit grains, fruit powder and other products.

Resolutions:

Provisional Motions

Meeting Adjournment

Appendix I: Rules and Procedures of Shareholders' Meeting

Rules and Procedures of Shareholders' Meeting for Wafer Works Corporation (before amendment)

Shareholders' meeting 2021/7/23 Amendment passed

Article 1

In order to establish the company's good shareholders' meeting governance system, improve its supervisory function and strengthen its management function, these Rules are formulated in accordance with the Code of Practice for Governance of Listed and OTC Companies for compliance.

Article 2

Unless otherwise stipulated by laws or articles of incorporation, the rules of procedure of the shareholders' meeting of the Company shall be governed by these rules.

Article 3 (Notice of convening and meeting of shareholders meeting)

Unless otherwise stipulated by laws and regulations, the shareholders' meeting of the company shall be convened by the board of directors.

The Company shall, 30 days before the general meeting of shareholders or 15 days before the ad hoc meeting of shareholders, make the cause of action and explanatory materials of the shareholders' meeting notice, power of attorney, relevant ratification case, discussion case, election or dismissal of directors and other proposals into electronic files and send them to the Market Observation Post System. Before the 21st day of the general meeting of shareholders or the 15th day of the ad hoc meeting of shareholders, the meeting Handbook and supplementary information of the shareholders' meeting will be made and electronic files will be sent to the Market Observation Post System. Fifteen days before the meeting of the shareholders' meeting, prepare the minutes Handbook and supplementary materials of the meeting for shareholders to consult at any time, display them in the company and the professional stock agency appointed by the company, and distribute them at the meeting of shareholders.

The notice and announcement shall specify the reasons for the convening.

The election or dismissal of directors, change of articles of incorporation, reduction of capital, application for suspension of public offering, permission for directors to compete for business, transfer of capital from surplus to capital, transfer of capital from provident fund, dissolution, merger, demerger, or matters under Article 185, Paragraph 1 of the Company Law, Article 26-1, Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Rules Governing the Offering and Issuance of Securities by Issuers, shall be listed in the grounds for convening and the main contents thereof shall be stated, and shall not be proposed by ad hoc motion; the main contents thereof may be placed on the website designated by the competent securities authority or the public, and the website address shall be set forth in the notice.

The reason for the convening of the shareholders' meeting has stated the comprehensive re-election of directors and the appointment date. After the re-election of the shareholders' meeting is completed, the appointment date shall not be changed by provisional motions or other means at the same meeting.

Shareholders holding at least one percent of the issued shares may propose to the Company a motion for an annual general shareholders' meeting, subject to a limit of one proposal. However, the Board of Directors may include a proposal from a shareholder to urge the Company to promote the public interest or fulfill its social responsibility. In addition, the Board of Directors may not include a shareholder's proposal in any of the circumstances set forth in Article 172-1, Paragraph 4 of the Company Law.

The Company shall announce the acceptance of the shareholders' proposal, the written or electronic acceptance method, the acceptance place and the acceptance period before the suspension of share transfer before the shareholders' general meeting; the acceptance period shall not be less than ten days.

The proposal put forward by shareholders is limited to 300 words. If it exceeds 300 words, the proposal will not be included in the agenda; The proposer shareholder shall attend the shareholders' general meeting in person or entrust others, and participate in the discussion of the proposal.

The Company shall inform the proposing shareholders of the processing results before the notice of the convening of the shareholders' meeting, and list the proposals conforming to the provisions of this Article in the notice of the meeting. For shareholders' proposals not included in the proposal, the board of directors shall explain the reasons for not including them at the shareholders' meeting.

Article 4

At each shareholders' meeting, shareholders may issue a power of attorney issued by the Company, stating the scope of authorization, and entrust a proxy to attend the shareholders' meeting.

A shareholder shall issue a power of attorney, limited to one person, which shall be delivered to the Company five days prior to the shareholders' meeting, and in the event of duplicate power of attorney, the first to be delivered shall prevail. In the event of duplicate power of attorney, the first to be delivered shall prevail. However, a declaration of revocation of a previous power of attorney shall be excluded.

After the power of attorney is delivered to the Company, if shareholders want to attend the shareholders' meeting in person or exercise their voting rights by written or electronic means shall give a written notice to the Company to cancel the power of attorney at the latest two days before the meeting of the shareholders' meeting; if the cancellation is overdue, the voting right entrusted by the proxy to attend and exercise shall prevail.

Article 5 (Principles of Place and Time for Holding Shareholders' Meeting)

The place where the shareholders' meeting is held shall be the place where the Company is located or a place convenient for shareholders to attend and suitable for the shareholders' meeting, and the meeting shall not start earlier than 9: 00 am or later than 3: 00 pm.

Article 6 (Preparation of signature book and other documents)

The Company shall specify in the notice of meeting the time and place of the shareholders' report and other matters to be noted.

The aforementioned time for receiving shareholders' report shall be at least 30 minutes prior to the commencement of the meeting; the place for reporting shall be clearly marked and adequate and appropriate personnel shall be assigned to handle the report.

The registration time for accepting shareholders referred to in the preceding paragraph shall be handled at least 30 minutes before the meeting starts; the newspaper should be clearly marked everywhere, and appropriate and competent personnel should be sent to handle it.

The shareholder or the proxy entrusted by the shareholder (hereinafter referred to as the shareholder) shall attend the shareholders' meeting with the attendance card, attendance sign-

in card and identity documents. The Company shall not arbitrarily add other supporting documents to the supporting documents of the shareholders' attendance. It is the requester of the power of attorney, and should bring identification documents for verification.

The Company shall set up an agenda handbook for the attendance shareholders to sign in, or the attendance shareholders shall submit a sign-in card to sign in.

The Company shall deliver the agenda handbook, annual report, attendance cards, speech notes, voting tickets and other meeting materials to the shareholders present at the shareholders' meeting; if a director is elected, an election ticket shall be attached.

Or if the government or legal person is a shareholder, there is not only one representative attending the shareholders' meeting. When a legal person is entrusted to attend the shareholders' meeting, only one representative can be appointed to attend.

Article 7 (Chairman of the shareholders' meeting, attendees)

If the shareholders' meeting is convened by the board of directors, its chairman shall be the chairman. If the chairman is absent or unable to exercise his functions and powers for some reason, the chairman shall appoint one director to act as his proxy. If the chairman fails to appoint a proxy, the directors shall appoint one of them to act as their proxy.

If the chairman referred to in the preceding paragraph is represented by a director, it should be a director who has served for more than six months and knows the financial and business situation of the company.

At the shareholders' meeting convened by the board of directors, the chairman should personally preside over the meeting, and the directors should attend in person, and the attendance should be recorded in the minutes of the shareholders' meeting.

If a shareholders' meeting is convened by someone other than the Board of Directors, the chairman of the meeting shall be the convener. If there are more than two conveners, one of them shall be elected from among themselves.

The Company may assign its appointed lawyers, accountants or related personnel to attend the shareholders' meeting as nonvoting delegates.

Article 8 (Record of Audio or Video Recording of Shareholders' Meeting)

The Company shall continuously record and video the whole process of shareholders' registration, meeting and vote counting from the time of accepting shareholders' registration.

The audio-visual materials referred to in the preceding paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the end of the lawsuit.

Article 9

The attendance of the shareholders' meeting shall be calculated on the basis of shares. The number of shares present is calculated according to the sign-in card submitted, plus the number of shares that exercise voting rights in written or electronic form.

At the opening of the session, the chairman shall announce the meeting immediately, and at the same time announce the number of non-voting rights, the number of shares present and other relevant information. However, when shareholders representing more than half of the total number of issued shares are not present, the chairman may announce the postponement of the meeting, and the number of postponements shall be limited to two, and the total postponement time shall not exceed one hour. If shareholders representing more than one-third of the total number of issued shares are not present after the second delay, the chairman shall announce the meeting aborted.

If the amount in the preceding paragraph is still insufficient after two delays, and shareholders representing more than one-third of the total number of issued shares are present, a false resolution may be made in accordance with Paragraph 1 of Article 175 of the Company Law,

and the false resolution shall be notified to all shareholders to convene the shareholders' meeting again within one month.

Before the end of the meeting, if the number of shares represented by the shareholders present reaches more than half of the total issued shares, the chairman may make a false resolution and re-submit it to the shareholders' meeting for voting according to Article 174 of the Company Law.

Article 10 (Discussion of motion)

If the shareholders' meeting is convened by the board of directors, its agenda shall be determined by the board of directors, and all relevant proposals (including the provisional motion and the amendment of the original motion) shall be decided case-by-case, and the meeting shall be held according to the scheduled agenda, which shall not be changed without the resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

Before the agenda mentioned in the preceding two paragraphs is concluded (including provisional motions), the chairman shall not announce adjournment of the meeting without a resolution; if the chairman announces adjournment of the meeting in violation of the rules of procedure, other members of the board of directors shall promptly assist the shareholders present in the legal procedures, and with the consent of more than half of the voting rights of the shareholders present, a chairman shall be elected to continue the meeting.

The chairman shall give sufficient explanation and opportunity to discuss the motion and any amendments or provisional motions proposed by the shareholders, and when he/she is of the opinion that the motion is ready to be voted on, he/she may declare that the discussion is closed, put the motion to vote, and arrange an appropriate time for voting.

Article 11 (Speech by Shareholders)

Before speaking, the shareholders should fill in the speech note, stating the gist of the speech, the shareholder's account number (or attendance card number) and the name of the account, and the chairman should decide the order of his speech.

If the shareholders present at the meeting only give speech slips but do not speak, they will be deemed as not speaking. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail.

Each shareholder of the same proposal shall not speak more than twice without the consent of the chairman, and each time shall not exceed five minutes. However, if a shareholder's speech violates the regulations or exceeds the scope of the topic, the chairman may stop his speech.

When an attending shareholder speaks, other shareholders shall not interfere with the speech except with the consent of the chairman and the speaker, and the chairman shall stop the violator. When a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one person can speak on the same proposal.

After the attending shareholder speaks, the chairman may personally or designate relevant personnel to reply.

Article 12 (Calculation of the number of voting shares and withdrawal system)

Voting at the shareholders' meeting shall be calculated on the basis of shares.

The number of shares of shareholders without voting rights shall not be included in the total number of issued shares in the resolution of the shareholders' meeting.

When the matters of the shareholders' meeting are in danger of harming the interests of the Company due to their own interests, they shall not participate in the voting, and shall not exercise their voting rights on behalf of other shareholders.

The number of shares that cannot exercise voting rights mentioned in the preceding paragraph shall not be counted into the voting rights of the shareholders present.

Except trust enterprises or stock agencies approved by the competent securities authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total number of issued shares, and the voting rights exceeded by the proxy shall not be counted.

Article 13

Each share of the shareholder has one voting right; however, those who are restricted or have no voting rights listed in Item 2, Article 179 of the Company Law are not subject to this restriction.

When the Company holds the shareholders' meeting, it shall exercise its voting rights electronically and may do so in writing. When voting rights are exercised in written or electronic form, the exercise method shall be stated in the notice of convening the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to attend the shareholders' meeting in person. However, the interim motion and the amendment of the original motion of the shareholders' meeting shall be deemed as a waiver.

If the voting right is exercised by written or electronic means as mentioned in the preceding paragraph, its intention should be delivered to the company two days before the meeting of the shareholders' meeting. In case of any repetition, the first delivery shall prevail. However, this restriction does not apply to those who express their intention before the declaration is revoked. After the shareholders exercise their voting rights in writing or electronically, if they want to attend the shareholders' meeting in person, they should cancel the expression of their intention to exercise their voting rights in the preceding paragraph in the same way as they exercise their voting rights at the latest two days before the shareholders' meeting; if it is overdue, the voting rights exercised in writing or electronically shall prevail. If the voting rights are exercised by written or electronic means and the proxy is entrusted to attend the shareholders' meeting by power of attorney, the voting rights of the proxy shall prevail.

Unless otherwise stipulated in the Company Law and the Articles of incorporation of the Company, the voting of the motion shall be approved by a majority of the voting rights of the shareholders present. When voting, the chairman or his designee shall announce the total number of voting rights of the shareholders present on a case-by-case basis, and the shareholders shall vote on a case-by-case basis, and the results of shareholders' consent, opposition and abstention shall be entered into the Market Observation Post System on the day after the shareholders' meeting is held.

If there are amendments or alternatives to the same motion, the chairman shall decide the voting order with the original motion. If one of the cases has been passed, the other motions will be considered as vetoed, and there is no need to vote again.

The scrutineers and counting personnel for voting on the bill shall be appointed by the chairman, but the scrutineers shall have the status of shareholders.

The counting of votes for the shareholders' meeting or election proposal shall be conducted in the public place in the shareholders' meeting, and after the counting of votes is completed, the voting results, including the statistical weights, shall be announced on the spot and recorded.

Article 14 (Election Matters)

When the shareholders' meeting elects directors, it shall follow the relevant selection rules stipulated by the Company, and the election results shall be announced on the spot, including the list of elected directors and their elected weights, the list of unsuccessful directors and their elected rights.

The electoral votes for the election matters mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, and then properly kept for at least one year. However, if

a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the end of the lawsuit.

Article 15

The resolutions of the shareholders' meeting shall be recorded, signed or sealed by the chairman, and distributed to all shareholders within twenty days after the meeting.

The distribution of the minutes mentioned in the preceding paragraph can be made by entering the announcement method of the Market Observation Post System.

The minutes shall be recorded according to the year, month, day, place, chairman's name, resolution method, main points of the proceedings and voting results (including statistical weights). If there is an election of directors, the voting weight of each candidate shall be disclosed. During the existence of the Company, it shall be kept permanently.

Article 16 (Public Announcement)

On the day of the meeting of the shareholders' meeting, the Company shall compile a statistical table in the prescribed format for the number of shares obtained by the solicitors and the number of shares represented by the entrusted agent, and make a clear disclosure in the shareholders' meeting.

If there is any important information about the matters resolved at the shareholders' meeting as required by laws and regulations or Taipei Exchange, the Company shall transmit the content to the Market Observation Post System within the specified time.

Article 17 (Maintenance of Meeting Place Order)

Meeting staff handling the shareholders' meeting shall wear identification cards or armbands. The chairman may command pickets or security guards to help maintain the order of the venue. When pickets or security guards are present to help maintain order, they should wear armbands or identification cards with the word "pickets".

If the venue is equipped with public address equipment, the chairman may stop the shareholders from speaking other than the equipment provided by this company.

If a shareholder violates the rules of procedure and refuses to obey the correction of the chairman, which hinders the meeting and is stopped, the chairman may instruct the picket or security guard to ask him to leave the meeting.

Article 18 (Rest and Continued Assembly)

When the meeting is in progress, the chairman may announce a break at his discretion. In case of force majeure, the chairman may decide to suspend the meeting temporarily and announce the time for resuming the meeting as appropriate.

Before the scheduled agenda of the shareholders' meeting is concluded (including interim motions), if the venue for the meeting cannot be continuously used at that time, the shareholders' meeting may decide to find another venue to continue the meeting.

In accordance with Article 182 of the Company Law, the shareholders' meeting may decide to postpone or continue the meeting within five days.

Article 19

These Rules shall come into force after being approved by the shareholders' meeting, and the same applies to amendments.

Appendix II: Articles of Incorporation

Articles of Incorporation for Wafer Works Corporation (before amendment)

Chapter I General Provisions

- Article 1 The Company is organized and established in accordance with the Company Law on joint stock limited companies, and is named "Wafer Works Corporation".
The English name of this company is Wafer Works Corporation.
- Article 2 The Company's businesses are as follows:
CC01080 Electronic component manufacturing industry
F401010 International Trade Industry
- Article 3 The company has its head office in Taoyuan City, and if necessary, it may set up branch companies or factories in other places at home and abroad by the resolution of the board of directors.
- Article 4 The total investment of the Company is not limited by Article 13 of the Company Law, "It shall not exceed 40% of the paid-in share capital of the Company". The board of directors shall be authorized to make business decisions on the transfer of investment.
In order to meet the business needs, the Company may endorse the guarantee to the outside world, and its operations shall be handled in accordance with the Endorsement Guarantee Measures of the Company.
- Article 5 The announcement method of the Company shall be handled in accordance with Article 28 of the Company Law.

Chapter II Shares

- Article 6 The capital of the Company is rated as NT\$6 billion only, and it is divided into 600 million ordinary shares, with a par value of NT\$10 per share, of which the board of directors authorizes the issuance of the unissued shares by installments. NT\$100 million is reserved in the capital mentioned in the preceding paragraph, with a par value of NT\$10 per share, accounting for 10 million shares for the issuance of corporate bonds with warrants, special shares with warrants, and employee stock warrants, which may be issued in batches according to the resolution of the board of directors
- Article 7 Unless otherwise stipulated by laws and securities regulations, the shareholders of the Company shall handle the stock affairs such as stock transfer, right

creation, pledge, loss reporting, inheritance, gift, seal loss reporting or change of seal, and shall comply with the Standards for Handling Stock Affairs of Public Offering Companies.

The shares issued by this company may not be printed, and shall be registered with the centralized securities depository institution.

Article 8 The transfer of shares shall be stopped within 60 days before the general shareholders' meeting, 30 days before the temporary shareholders' meeting, or five days before the company decides to distribute dividends and bonuses or other benefits.

Article 9 When a company issues new shares, the original shareholders can enjoy the right to subscribe for new shares in proportion to the original shares according to law. If any shareholders or employees give up their right to purchase or subscribe for new shares, the board of directors shall negotiate with a specific person to subscribe.

Chapter III Shareholders' Meeting

Article 10 There are two types of shareholders' meeting: general meeting and temporary meeting. The general meeting will be held once a year, and it will be convened by the board of directors according to law within six months after the end of the fiscal year, unless there are legitimate reasons that have been reported to the competent authority for approval. Temporary meetings will be convened according to law when necessary.

Article 11 The shareholders' meeting shall be chaired by the chairman. If the chairman asks for leave or is unable to exercise his functions and powers for some reason, the vice chairman shall act as his proxy. If both the chairman and vice-chairman are absent, the chairman shall appoint one director to act as his proxy; if the chairman fails to appoint one, the directors shall elect each other to act as their proxy; if the convener is other than the board of directors, the chairman shall be the convener. If there are more than two conveners, one of them shall be appointed from each other.

Article 12 The general meeting of shareholders shall be called 30 days before the meeting, and the temporary meeting shall be called 15 days before the meeting. The notice shall state the reasons for the meeting and relevant contents in accordance with the Company Law or other laws and regulations.

Article 13 All shareholders of the Company shall have one voting right per share, except that the shares stipulated in Article 179 of the Company Law have no voting rights.

Article 14 Unless otherwise stipulated in relevant laws and regulations, the resolutions of

the shareholders' meeting must be attended or entrusted by shareholders representing more than half of the total number of issued shares, with the consent of more than half of the voting rights of the shareholders present or entrusted. According to the regulations of the competent authority, the shareholders of the Company can also exercise their voting rights electronically. Shareholders who exercise their voting rights electronically are deemed to be present in person, and relevant matters shall be handled according to laws and regulations.

- Article 15 The resolutions of the shareholders' meeting shall be recorded in Chinese, indicating the date and place of the meeting, the number of shareholders present at the meeting, the number of representative shares, the number of voting rights, the name of the chairman, the resolutions, the resolution method and other necessary matters, which shall be signed or sealed by the chairman, together with the attendance card of shareholders and the proxy letter of attorney. The minutes of the shareholders' meeting shall be distributed by public announcement.
- Article 16 If the company intends to cancel the public offering of its shares, it shall submit a resolution to the shareholders' meeting before doing so.

Chapter IV Directors, Audit Committee and Managers

- Article 17 The Company shall have seven to nine directors, who shall be elected by the shareholders' meeting. The term of office shall be three years and they may be re-elected. The Company may, in accordance with the Code of Practice for Corporate Governance of Listed and OTC Companies, purchase liability insurance for directors, and the scope of insurance shall be authorized by the board of directors to make a resolution.
- Article 17-1 According to Article 14-2 of the Securities and Exchange Act, the number of independent directors in the preceding article shall be at least three. The method of election of directors adopts the candidate nomination system in accordance with Article 192-1 of the Company Law, and shareholders should choose the directors from the list. The acceptance method and announcement of the nomination of directors and other related matters shall be handled in accordance with the relevant laws and regulations of the Company Law and the Securities and Exchange Act. The professional qualifications, shareholding, part-time restrictions, nomination and selection methods of independent directors and other matters to be observed shall be handled in accordance with the relevant regulations of the competent authority.

- Article 17-2 The election of directors shall be conducted by single-name cumulative voting. Each share has the same number of voting rights as the number of directors to be elected. One person may be elected in a centralized way, or several people may be distributed. The votes obtained represent those who have more voting rights and are elected as directors. Non-independent directors and independent directors shall be elected together, and the number of elected directors shall be calculated separately.
- Article 18 The Company's corporate shareholders shall have the right to designate a representative to be elected as a director, and shall have the right to re-designate a representative as a director at any time to fill the original term of office.
- Article 19 The Board of Directors of the Company shall have a chairman and a vice-chairman. The election of the chairman and vice-chairman shall be attended by more than two thirds of the directors and approved by more than half of the directors present. The chairman represents the Company externally.
- Article 20 The Board of Directors shall be convened by the Chairman of the Board. The first meeting of the Board of Directors of each term shall be convened by the Director who receives the largest number of votes representing the right to vote. A director who is unable to attend may authorize in writing another director to attend on his or her behalf. A director may attend a meeting of the Board of Directors on behalf of another director only if he or she is appointed by one person. A meeting of the Board of Directors shall be convened by written, facsimile or electronic transmission notice to the Directors seven days in advance, specifying the reason for the convening; provided, however, that in case of emergency, the meeting may be convened at any time.
- Article 21 The Board of Directors shall be chaired by the Chairman. In the absence of the Chairman, the Vice-Chairman shall act as proxy. If both the Chairman and the Vice Chairman are absent, the Chairman shall designate one of the Directors to act as proxy. If the Chairman does not designate a proxy, the Directors shall elect one from among themselves to act as proxy. The Board of Directors shall make a record of its proceedings and the provisions of Article 15 shall apply.
- Article 22 The directors organize the board of directors, and each director has one voting right when deciding any matters. The following matters shall be approved or verified by the resolution of the board of directors:
1. Drawing up a business plan and compiling the company's budget, final accounts and financial statements;
 2. Proposal to the shareholders' meeting to distribute surplus or make up for loss;
 3. Propose to the shareholders' meeting a proposal to amend the Articles of incorporation, change the capital, and dissolve or merge the company;

4. Establishment and abolishment of branches;
5. Appointment and dismissal of accountants;
6. Acquiring or transferring the equity or shares of an investment enterprise;
7. The proposal to mortgage, sell, lease, pledge, mortgage or otherwise dispose of all or important parts of the company's business or property.
8. Approval by the Company if the company applies to a financial institution or a third party for financing, guarantee, acceptance and any other credit extension or borrowing should the amount exceeds NT\$300 million, and if the amount is less than NT\$300 million (inclusive), it shall be ratified by the latest board meeting conducted afterwards.
9. Approval of capital expenditures in excess of NT\$300 million (inclusive), and if the amount is less than NT\$300 million, the proviso in Subparagraph 8 shall apply mutatis mutandis.

Article 23 The Company shall set up an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors, and the audit committee or its members shall be responsible for performing the functions and powers of supervisors stipulated in the Company Law, the Securities and Exchange Act and other laws and regulations.

Article 24 The Company shall appoint a manager, whose title, appointment, dismissal and remuneration shall be carried out by the board of directors with the attendance of more than half of the directors and the resolution agreed by more than half of the directors present.

Article 25 When the chairman and directors of this company perform their duties, the company may pay remuneration, and the remuneration shall be authorized by the board of directors to be agreed upon according to the degree of their participation in the operation of the Company and the value of their contributions, and taking into account the level of the industry.

Article 26 The board of directors of the Company may set up a salary and remuneration committee or other functional committees for the needs of business operation.

Chapter V Accounting

Article 27 The fiscal year of the Company starts on January 1st of each year and ends on December 31st of the same year.

Article 28 At the end of each fiscal year, the board of directors shall prepare the following documents and submit them to the shareholders' meeting for recognition according to law:

1. Business report;

2. Financial statements;
 3. The proposal of surplus distribution or loss appropriation;
- Article 29 If the Company makes a profit every year, it shall set aside not less than 5% as employee remuneration and not more than 2% as director remuneration. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance. Employee remuneration can be paid in stock or cash, and the objects to be paid in stock or cash can include employees of affiliated companies who meet certain conditions.
- Article 29-1 If there is any surplus in the final accounts of each year, the Company shall first pay taxes to make up for the losses of previous years, and then set aside 10% as the statutory surplus reserve and set aside special surplus reserve or turn-around special surplus reserve according to the requirements of the competent authority, and the accumulated surplus of previous years may be used as distributable surplus, except that it is reserved according to the business situation. The board of directors shall draw up a surplus distribution plan in accordance with this dividend policy and submit it to the shareholders meeting. The Company's dividend policy is determined by the Board of Directors in accordance with the operating plan, investment plan, capital budget and changes in the internal and external environment. Dividends to shareholders shall not be less than 30% of the current year's distributable earnings and shall be distributed in cash or in shares, provided that cash dividends shall not be less than 10% of the current year's total dividends to shareholders.
- Article 30 The distribution of shareholders' dividends shall be based on the shareholders recorded in the shareholders' name book on the base date of dividend distribution.

Chapter VI Supplementary Provisions

- Article 31 The relevant organizational rules, measures and detailed rules of the Company shall be formulated by a resolution of the board of directors.
- Article 32 Any matters not mentioned in the Articles of incorporation shall be handled in accordance with the Company Law.
- Article 33 The Articles of incorporation was concluded on July 21, 1997, with the first amendment on August 24, 1997, the second amendment on June 26, 1998, the third amendment on June 15, 2000, the fourth amendment on June 21, 2001, the fifth amendment on June 25, 2002, the sixth amendment on June 30, 2003, and the seventh amendment on June 15, 2004, the eighth amendment on June 23, 2006, the ninth amendment on June 21, 2007, the tenth amendment on June 13,

2008, the eleventh amendment on June 19, 2009, the twelfth amendment on June 25, 2010, the thirteenth amendment on June 19 2012, the fourteenth amendment on June 28, 2013 and the fifteenth amendment on June 19, 2014, the sixteenth amendment on June 28, 2016, the seventeenth amendment on June 15, 2017, the eighteenth amendment on June 27, 2018, the nineteenth amendment on June 25, 2019 and the twentieth amendment on July 23, 2021.

Appendix III:

Procedures for Acquisition or Disposal of Assets

Procedures for Acquisition or Disposal of Assets for Wafer Works Corporation (before amendment)

Article 1: Purpose

This procedure is specially formulated to protect assets and implement information disclosure.

Article 2: Legal Basis

This procedure is formulated in accordance with Article 36-1 of the Securities and Exchange Act and the relevant provisions of the "Standards for Handling Assets Acquired or Disposed by Public Companies" issued by the competent securities authority.

Article 3: Scope of assets

1. Securities: including stocks, government bonds, corporate bonds, financial bonds, securities of commendation funds, depositary receipts, call (put) warrants, beneficiary securities and asset-backed securities.
2. Property (including land, houses and buildings, investment property, inventory and equipment of construction industry) and other fixed assets.
3. Membership card.
4. Intangible assets: including intangible assets such as patents, copyrights, trademarks, franchises, etc.
5. Assets of right to use.
6. Debentures of financial institutions (including receivables, discount of foreign exchange purchase, loan and collection).
7. Derivative goods.
8. Assets acquired or disposed of by legal merger, demerger, acquisition or share transfer.
9. Other important assets.

Article 4: Definition of terms

1. Derivative goods: refers to forward contracts, option contracts, futures contracts, leveraged margin contracts, exchange contracts, combinations of the above contracts, or combined contracts or structured goods embedded in derivative goods, whose value is derived from a specific interest rate, financial instrument price, commodity price, exchange rate, price or rate index, credit rating or credit index, or other variables. The term forward contract does not include insurance contract, performance contract, after-sales service contract, long-term lease contract and long-term purchase (sale) contract.
2. Assets acquired or disposed according to legal merger, demerger, acquisition or share transfer: refers to assets acquired or disposed according to merger, demerger or acquisition of enterprises, financial holding companies, financial

institutions or other laws, or those who issue new shares to transfer shares of other companies (hereinafter referred to as share transfer) according to Article 156-3 of the Company Law.

3. Affiliates and subsidiaries: they shall be recognized in accordance with the financial report preparation standards of securities issuers.
4. Professional appraiser: refers to real estate appraisers or other persons who can engage in real estate and equipment appraisal business according to law.
5. The date of occurrence: refers to the transaction signing date, payment date, entrusted transaction date, transfer date, resolution date of the board of directors or other date sufficient to determine the transaction object and transaction amount, whichever the earlier. However, for investment to be approved by the competent authority, the aforementioned date or the date of receipt of approval from the competent authority, whichever earlier shall prevail.
6. Mainland investment: refers to the mainland investment made in accordance with the regulations of the Investment Review Committee of the Ministry of Economic Affairs on the licensing of investment or technical cooperation in mainland China.
7. The term "within one year" is based on the date of this acquisition or disposal of assets, and it is retroactively calculated for one year, and the announced part is not counted again.
8. The term "latest financial statements" refers to the financial statements that have been audited, certified or reviewed by certified public accountants before the company acquires or disposes of assets.
9. The requirement of 10% of total assets in this procedure is calculated by the total assets amount in the latest individual or individual financial statements as stipulated in the financial statement preparation standards of securities issuers. In the future, if the company's shares have no denomination or the denomination of each share is not NT\$10, the transaction amount of 20% of the paid-in capital shall be calculated by 10% of the owner's equity of the parent company. The transaction amount of paid-in capital up to NT\$10 billion stipulated in this procedure is calculated by the equity attributable to the owner of the parent company of NT\$20 billion.

Article 5: Investment in negotiable securities and real estate not for business use and the asset quota of the right to use

- (1) Unless approved by the shareholders' meeting of the Company and its subsidiaries, the total investment of the Company and its subsidiaries in individual long-term and short-term securities shall not exceed 40% of the paid-in capital of the Company and its subsidiaries, and the amount of investment in individual securities shall not exceed 10% of the paid-in capital of the Company and its subsidiaries.
- (2) The total amount of non-business real estate and its right to use assets purchased by the Company and its subsidiaries is limited to 20% of the paid-in capital of the Company and its subsidiaries.

Article 6: Valuation report or opinion

1. The professional appraisers and their appraisers, accountants, lawyers or securities underwriters shall meet the following requirements in the appraisal reports or opinions of accountants, lawyers or securities underwriters obtained by this company:
 - (1) Have never been sentenced to imprisonment for more than one year for violating this Act, the Company Law, the Banking Act, the Insurance Act, the Financial Holding Company Law, the Commercial Accounting Act, or committing fraud, breach of trust, embezzlement, forgery of documents, or business crimes. However, this is not the case if three years have elapsed since the completion of the execution, the expiration of the suspended sentence, or the pardon.
 - (2) The transaction party may not be a related person or a material related person.
 - (3) If the company should obtain appraisal reports from more than two professional appraisers, or appraisers from different professions may not be related or materially related to each other.
2. The personnel referred to in the preceding paragraph shall handle the following matters when issuing appraisal reports or opinions:
 - (1) Before accepting a case, you should carefully evaluate your professional ability, practical experience and independence.
 - (2) When checking a case, we should properly plan and implement the appropriate operation process to form a conclusion and issue a report or opinion accordingly; the procedures, collected data and conclusions will be published in detail in the working papers of the case.
 - (3) For the data sources, parameters and information used, the completeness, correctness and rationality should be evaluated item by item, which can be used as the basis for issuing appraisal reports or opinions.
 - (4) The statement shall include that the relevant personnel are professional and independent, the information used has been assessed as reasonable and correct, and the relevant laws and regulations have been followed.
3. If the company acquired or disposed of its assets through court auction, the certificate issued by the court may replace the valuation report or accountant's opinion.
4. Article 7, Article 8, Article 9 and Article 10 shall calculate the transaction amount in accordance with the provisions of sub-paragraph 6, Paragraph 1, Article 14, and the term "one year" shall be based on the date of this transaction, and it shall be retroactively calculated for one year, and the part of the valuation report or accountant's opinion issued by the professional appraiser that has been obtained according to the regulations shall not be counted again.

Article 7: Procedures for acquiring or disposing of real estate, other fixed assets or assets with the right to use them.

1. Evaluation and operation procedures
 - (1) When the Company acquires or disposes of assets, the organizer shall, after feasibility evaluation, sign and check the reasons for the acquisition or disposition, the subject matter, the counterparty, the transfer price, the terms of payment and receipt, and the reference basis of the price, and then handle it according to the hierarchical responsibility authority table of the

Company.

- (2) Operations related to the acquisition or disposal of assets shall be handled in accordance with the relevant provisions of the Company's internal control system.
2. Procedures for determining trading conditions, authorized amount and executing unit
 - (1) The acquisition or disposal of real estate or its right-to-use assets shall be determined by reference to the announced present value, assessed value, and the actual transaction price of the adjacent real estate, unless the counterparty is a related party in substance and in accordance with relevant regulations.
 - (2) The acquisition or disposal of real estate, other fixed assets or their right-to-use assets shall be made by comparison, bargaining or tender.
 - (3) When the Company acquires or disposes of real estate, other fixed assets or its right to use assets, it shall sign and approve them in accordance with the hierarchical responsibility authority table of the Company. If the approval of the board of directors is required, it shall be handled in accordance with Article 18.
3. Valuation reports of property, other fixed assets or its right to use assets
When the Company acquires or disposes of real estate, equipment or its right-to-use assets, except for transactions with domestic government agencies, construction on its own land, construction on rented land, or acquisition or disposal of equipment or its right-to-use assets for business use, and the transaction amount reaches 20% of the Company's paid-in capital or NT\$100 million or more, the Company shall obtain an appraisal report issued by a professional appraiser before the date of occurrence of the fact (the items to be recorded in the appraisal report are listed in Attachment 1), and shall comply with the following requirements.
 - (1) If, for special reasons, a limited price, a specific price or a special price is used as a reference for the transaction price, the transaction shall be submitted to the board of directors for approval, and the same applies to any subsequent changes in the transaction terms.
 - (2) If the transaction amount reaches NT\$1 billion or more, two or more professional appraisers shall be invited for valuation.
 - (3) If the appraisal result of a professional appraiser is one of the following, except that the appraisal result of an asset acquired is higher than the transaction amount or the appraisal result of an asset disposed of is lower than the transaction amount, the accountant shall be requested to comply with the provisions of Statement of Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the ARDF) and express a specific opinion on the reasons for the difference and the fairness of the transaction price.
 1. If the difference between the valuation result and the transaction amount is 20% or more of the transaction amount.
 2. If the difference between the appraisal results of two or more professional

appraisers reaches 10% or more of the transaction amount.

- (4) For professional appraisers, the date of issuance of the report shall not exceed three months from the date of establishment of the contract. However, if the current value of the contract is applicable to the same period of publication and is less than six months old, an opinion may be issued by the original professional appraiser.

Article 8: Procedures for acquiring or disposing of securities investment

1. Evaluation and Operating Procedures

- (1) When the Company acquires or disposes of assets, the organizer shall, after feasibility evaluation, sign and check the reasons for the acquisition or disposition, the subject matter, the transaction related party, the transfer price, the terms of payment and receipt, and the reference basis of the price, and then handle it according to the hierarchical responsibility authority table of the Company.
- (2) Operations related to the acquisition or disposal of assets shall be handled in accordance with the relevant provisions of the Company's internal control system.

2. The procedures for determining the trading conditions, authorized amount and executing unit.

- (1) The acquisition or disposal of marketable securities traded on the central exchange market or at securities dealers' offices is determined by the prevailing market price.
- (2) When acquiring or disposing of marketable securities, the Company shall obtain the most recent audited or reviewed financial statements of the subject company prior to the date of issuance as a reference for evaluating the transaction price, taking into account the net value per share, profitability, market interest rate, coupon rate of the bonds, future development potential and the prevailing transaction price. However, unless the securities are publicly quoted in the active market or otherwise stipulated by the competent securities authority, this restriction shall not apply.
- (3) When investing in long-term and short-term securities, the Company shall sign and approve them according to the hierarchical responsibility authority table of the Company.
- (4) The acquisition or disposal of equity or shares of the Company's investee company shall be subject to the approval of the board of directors; however, if authorized by the board of directors, the Company may first act in accordance with the authorization of the board of directors and shall report to the board of directors at the most recent meeting afterwards.

3. Obtaining expert opinions

If the transaction amount of securities acquired or disposed of by the Company reaches 20% of the company's paid-in capital or more than NT\$300 million, it shall consult an accountant to express its opinion on the rationality of the transaction price before the fact occurs. However, unless the securities are

publicly quoted in the active market or otherwise stipulated by the competent securities authority, this restriction shall not apply.

Article 9: Procedures for dealing with related party transactions

1. When the Company and its related parties acquire or dispose of assets, they shall, in addition to the procedures for acquiring real estate, other fixed assets or their right to use assets in accordance with Article 7, go through the relevant resolution procedures and evaluate the reasonableness of the transaction conditions in accordance with the following provisions. If the transaction amount reaches more than 10% of the total assets of the Company, they shall also obtain the appraisal report issued by a professional appraiser or accountant's opinion in accordance with the regulations. In addition, when judging whether the transaction object is a related party, we should not only pay attention to its legal form, but also consider the substantive relationship.

2. Evaluation and Operating Procedures

If the Company acquires or disposes of real estate or assets with a related party, or acquires or disposes of assets other than real estate or assets with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million or more, except for the purchase or sale of domestic bonds, bonds with buy-back or sell-back conditions, or the purchase or sale of money market funds issued by domestic securities investment trusts, the Company shall submit the following information to the Audit Committee for consideration and approval by the Board of Directors before signing the transaction contract and making payment. The following information shall be submitted to the Audit Committee for review and approval by the Board of Directors before the transaction contract is signed and payment is made.

- (1) The purpose, necessity and expected benefits of acquiring or disposing of assets.
- (2) The reason for selecting the related person as the transaction object.
- (3) Obtaining real estate or its right to use assets from related parties, and evaluating the rationality of the predetermined transaction conditions in accordance with the provisions of subparagraphs (1) and (4) of paragraph 3 of this article.
- (4) The original acquisition date and price of the related party, the counterparty and its relationship with the Company and the related party.
- (5) The Company estimates the cash flow forecast for each month of the coming year starting from the contract month, and evaluates the necessity of the transaction and the reasonableness of the use of funds.
- (6) A valuation report issued by a professional appraiser obtained in accordance with the regulations, or an accountant's opinion.
- (7) Restrictions and other important agreements of this transaction.
- (8) The calculation of the transaction amount in the preceding paragraph shall be carried out in accordance with the provisions of Subparagraph 6 of Paragraph 1 of Article 14, and the term within one year shall be based on the date of the actual occurrence of the transaction, and shall be retrospectively calculated for one year, which has been submitted in

accordance with the regulations. The part under review by the Audit Committee and approval by the Board of Directors will be exempted from re-accounting.

3. Evaluation of the reasonableness of transaction costs

- (1) The Company shall evaluate the reasonableness of the transaction cost for acquiring real estate or its right-to-use assets from a related party based on the following methods.
 1. According to the transaction price of related parties, add the necessary capital interest and the cost that the buyer should bear according to law. The interest cost of necessary capital is calculated based on the weighted-average interest rate on loans made by the Company in the year the assets are acquired, provided that it is not higher than the maximum interest rate on non-financial loans announced by the Ministry of Finance.
 2. If a related party has set up a collateralized loan with the subject matter to a financial institution, the financial institution shall assess the total value of the loan on the subject matter, provided that the cumulative value of the actual loan on the subject matter by the financial institution shall be at least 70% of the total assessed value of the loan and the loan has been made for a period of more than one year. However, this does not apply if the financial institution and one of the parties to the transaction are related parties.
- (2) If you purchase in combination or lease the same land and house, you may evaluate the transaction cost of the land and house by any of the methods listed in the preceding paragraph.
- (3) When the Company obtains the real estate or its right to use assets from related parties, it shall evaluate the cost of the real estate or its right to use assets according to the provisions of subparagraphs (1) and (2) of Paragraph 3 of this Article, and shall consult an accountant for review and express specific opinions.
- (4) If the appraisal results of the real estate or its right to use assets acquired by the Company from related parties are lower than the transaction price according to the provisions of subparagraphs (1) and (2) of the third paragraph of this article, it shall be handled according to the provisions of subparagraph (5) of the third paragraph of this article. However, this restriction shall not apply if objective evidence and specific reasonable opinions from professional appraisers and accountants of real estate are presented due to the following circumstances:
 1. If the related party has acquired plain land or leased land for re-construction, it may prove that it meets one of the following conditions:
 - (1) If the evaluation of plain land is based on the method stipulated in the preceding article, the house shall be based on the construction cost of the related party plus the reasonable construction profit, and the total amount exceeds the actual transaction price. The term “reasonable construction profit” shall be based on the average operating gross profit margin of the related party’s construction department in the last three years or the most recent construction

gross profit rate announced by the Ministry of Finance, whichever is lower.

- (2) Any other floor of the same subject premises or other unrelated transactions within one year in the vicinity of the subject premises that are similar in size and where the terms of the transaction have been evaluated on the basis of reasonable floor or area price differentials that are customary for the sale or lease of real estate.
2. The Company certifies that the purchase of real estate from a related party or the acquisition of real estate use rights assets by lease is on terms comparable to those of other non-related party transactions in the neighboring area within one year and of similar size. In the aforementioned cases of neighboring area transactions, the same or neighboring street block and the distance from the subject of the transaction is less than 500 meters in circumference or its announced present value is similar; in the case of similar area, the area of other non-related party transactions is not less than 50% of the subject of the transaction. The aforementioned one-year period is based on the date of acquisition of real estate or its right-to-use assets and extrapolated back one year.
- (5) If the Company obtains real estate or its right to use assets from related parties, and the evaluation results are lower than the transaction price according to subparagraphs (1) and (2) of paragraph 3 of this article, it shall handle the following matters.
 1. The difference between the transaction price of real estate or its right-to-use assets and the appraised cost shall be set aside as a special reserve in accordance with Article 41-1 of the Securities and Exchange Act, and shall not be distributed or transferred to additional paid-in capital. If an investor whose investment in the Company is accounted for under the equity method is a public company, a special reserve should also be appropriated in proportion to the shareholding in accordance with Article 41(1) of the Securities and Exchange Act.
 2. Independent directors of the audit committee shall act in accordance with Article 218 of the Company Law.
 3. The Company shall report to the shareholders' meeting on the handling of points 1 and 2 of paragraph 3(5) of this paragraph and disclose the details of the transaction in the annual report and prospectus.The treatment of points 1 and 2 in subparagraph (5) of Paragraph 3 of this paragraph shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.

If the Company has set aside a special reserve in accordance with the aforementioned regulations, the special reserve may be used only after the Company has recognized a loss on decline in value of assets acquired or leased at a high price, or has disposed of or terminated a lease, or has made appropriate compensation or restoration to the original condition, or has other evidence to confirm that it is not unreasonable, and has received the consent of the competent securities authority.
- (6) If the Company acquires real estate or its right-to-use assets from a related

party under any of the following circumstances, the Company shall comply with the provisions of paragraphs 1 and 2 of this Article regarding the evaluation and operating procedures, and the provisions of paragraphs 3(1), (2) and (3) of this Article regarding the evaluation of the reasonableness of the transaction costs shall not apply.

1. A related party acquires real estate or its right-to-use assets by inheritance or gift.
 2. The related party has contracted to acquire real estate or its right-to-use assets for more than five years from the date of this transaction.
 3. The Company acquires real estate by signing a joint construction contract with a related party, or by commissioning a related party to build real estate on its own land or on rented land.
 4. The Company acquires real estate right-of-use assets for business use between the Company and its parent company, subsidiaries, or subsidiaries in which the Company directly or indirectly holds 100% of the outstanding shares or capital.
- (7) If the Company acquires real estate or its right-to-use assets from a related party and there is other evidence that the transaction is not in accordance with business practices, the Company shall also apply the provisions of paragraph 3 (5) of this Article.

Article 10: Procedures for obtaining or disposing of membership cards, intangible assets or right to use assets.

1. Evaluation and Operating Procedures
 - (1) When the Company acquires or disposes of an asset, the contractor shall sign the table of hierarchy authority of the Company after evaluating the reasons for the proposed acquisition or disposal, the subject matter, the counterparty, the transfer price, the terms of receipt and payment, and the price reference, etc.
 - (2) Operations related to the acquisition or disposal of assets are carried out in accordance with the relevant provisions of the Company's internal control system.
2. The procedures for determining the trading conditions, authorized amount and executing unit.
 - (1) When acquiring or disposing of a membership card or its right-to-use assets, the terms of the transaction and the transaction price shall be resolved with reference to the fair market value.
 - (2) When the Company acquires or disposes of membership cards, intangible assets or assets with the right to use, the Company shall follow the table of authority of the Company's hierarchical responsibilities and sign it, and if the Board of Directors' approval is required, the Company shall follow the provisions of Article 18.
3. Report of expert evaluation opinions on membership cards, intangible assets or their right to use assets

For transactions involving the acquisition or disposal of memberships, intangible assets or their right-to-use assets amounting to 20% of the Company's

paid-in capital or NT\$300 million or more, the Company shall, except for transactions with domestic government agencies, request an accountant to express an opinion on the reasonableness of the transaction price prior to the date of occurrence of the fact, and the accountant shall comply with the provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.

Article 11: Procedures for obtaining or disposing of debentures of financial institutions

In principle, the Company does not engage in transactions to acquire or dispose of the debentures of financial institutions. In the future, if the Company wishes to engage in transactions to acquire or dispose of the debentures of financial institutions, the Company will submit them to the board of directors for approval and then establish the evaluation and operating procedures

Article 12: Procedures for acquiring or disposing of derivative goods

1. Trading Principles and Policies

(1) Types of transactions

1. The Company engages in derivative financial instruments, which are contracts (such as forward contracts, options, futures, interest rates or exchange rates, swaps, and compound contracts resulting from a combination of the above) whose values are derived from assets, interest rates, exchange rates, indices, or other interests.
2. The forward contracts referred to in this procedure do not include insurance contracts, performance guarantees, after-sales service guarantees, long-term lease contracts and long-term purchase (sales) contracts.

(1) Business (hedge) strategy

The Company shall engage in derivative financial instruments for hedging purposes and shall select the instruments to be used to hedge the risks arising from the Company's business operations. Transactions for other specific purposes should be carefully evaluated and submitted to the Board of Directors for approval before proceeding.

(2) Division of powers and responsibilities

1. Finance Department

(1) Traders

- A. Responsible for the strategy formulation of the entire company's financial commodity trading.
- B. Trading personnel shall regularly calculate positions, collect market information, make trend judgments and risk assessments, and formulate operating strategies on a monthly basis, which shall be used as the basis for engaging in trading after approval by the approval authority.
- C. Execute transactions according to the authorized authority and the established strategy.
- D. When there are significant changes in the financial market, and traders judge that the established strategy is no longer applicable, they shall submit an evaluation report at any time, and re-

formulate the strategy, which will be used as the basis for trading after the approval of the general manager.

(2) Accounting personnel

- A. Execute transaction confirmation.
- B. Review whether the transaction is conducted according to the authorized authority and the established strategy.
- C. Conduct regular evaluation.
- D. Accounting treatment.
- E. Make declaration and announcement according to the regulations of the competent securities authority.

(3) Delivery personnel: perform delivery tasks.

(4) Approval authority of derivative goods

- A. Approval authority of interest rate and exchange rate hedging transactions (forward contracts)

	Upper limit of single transaction amount	Upper limit of total amount
Chairman	USD 4 million	USD 30 million
General manager	USD 2 million	
Finance and Accounting (Deputy) Director	USD 1 million	

- B. For other special-purpose transactions, the total amount is capped at USD30 million, which can only be carried out after being submitted to the board of directors for approval.

- C. If the acquisition or disposal of derivatives by the Company requires the approval of the Board of Directors, the Company shall comply with the provisions of Article 18.

2. Audit Department

Responsible for understanding the adequacy of the internal control of derivatives trading, checking the compliance of the trading department with operating procedures, analyzing the trading cycle, making audit reports, and reporting to the board of directors when there are major deficiencies.

3. Performance evaluation

(1) Hedging transactions

- A. Performance is evaluated on the basis of the exchange rate cost in the company's books and the gain or loss from engaging in derivative financial transactions.
- B. In order to fully grasp and express the valuation risk of the transactions, the Company uses a monthly valuation method to evaluate the profit and loss.
- C. The finance department shall provide the evaluation of the foreign exchange position and the foreign exchange market trend and market analysis to the General Manager for management reference and instruction.

(2) Special purpose transaction

The actual profit or loss generated is used as the basis for performance evaluation, and the accounting staff must regularly prepare reports on the positions for the management's reference.

4. Determination of the total contract amount and the upper limit of loss

(1) Total contract amount

A. Hedging transaction limit

The financial department should grasp the overall position of the company to avoid transaction risks, and the amount of hedging transactions should not exceed the overall position of the company.

B. Special Purpose Transactions

Based on the forecast of market changes, the Finance Department may formulate strategies as needed and submit them to the Board of Directors for approval before proceeding.

(2) Loss Cap Setting

A. For hedging transactions, a stop-loss point should be set after the position is established to prevent excessive losses. The stop-loss point shall be set at a maximum of 10% of the total contract amount or individual contract amount. If the loss exceeds the maximum amount, the loss shall be reported to the General Manager immediately for consideration of necessary measures.

B. For contracts with specific purposes, a stop-loss point shall be established to prevent excessive losses after the contract is established. If the loss exceeds 10% of the contract amount, the loss shall be reported to the General Manager immediately for consideration of necessary measures.

C. The loss amount of individual contracts shall be capped at the lesser of US\$20,000 or 5% of the transaction amount.

2. Risk management measures

(1) Credit risk management

Since the market is subject to various factors that may cause operational risk of derivative financial instruments, market risk management is conducted in accordance with the following principles:

(1) Transaction object: mainly domestic and foreign famous financial institutions.

(2) Traded commodities: only those provided by famous financial institutions at home and abroad.

(2) Market risk management

The main focus is on the open foreign exchange market provided by banks, and the futures market will not be considered for the time being.

(3) Liquidity risk management

To ensure market liquidity, the selection of financial products is based on a high degree of liquidity, and the financial institution entrusted with the transaction must have sufficient information and the ability to trade in any market at any time.

(4) Cash flow risk management

In order to ensure the stability of the Company's working capital cycle, the Company's sources of funds for derivative transactions are limited to its own funds, and its operating amounts should take into account the funding requirements of cash flow projections for the next three months.

(5) Operational Risk Management

1. The company's authorization limits, operational procedures and internal audits should be followed to avoid operational risks.
2. Traders engaged in derivative products and operators engaged in confirmation and delivery shall not concurrently serve each other.
3. Risk measurement, supervision and control personnel should be in a separate department from those in the preceding paragraph and should report to the board of directors or to a senior executive who is not responsible for making decisions about transactions or position decision-making.
4. The positions held in derivative transactions should be evaluated and presented on a regular basis

(6) Commodity risk management

Internal traders should have complete and accurate expertise in financial instruments and banks are required to fully disclose the risks in order to avoid the risk of using financial instruments.

(7) Legal risk management:

Documents signed with financial institutions should be inspected by specialists in foreign exchange and legal affairs or legal counsel before they are formally signed to avoid legal risks.

3. Internal audit system

- (1) The internal auditors shall regularly understand the appropriateness of the internal controls over derivative transactions, and check the compliance of the trading department with the procedures for handling derivative transactions on a monthly basis, analyze the transaction cycle, and prepare an audit report; if significant irregularities are found, they shall notify the Audit Committee in writing.
- (2) The internal auditors shall report the audit report together with the annual audit of internal audit operations to the SEC by the end of February of the following year, and report the improvement of irregularities to the SEC for examination by the end of May of the following year at the latest.

4. Periodic evaluation method

- (1) The board of directors shall authorize senior executives to regularly supervise and evaluate whether the trading of derivative products is conducted in accordance with the trading procedures set by the company, and whether the risks they undertake are within the allowable commitment range. If there is any abnormality in the market evaluation report, they shall immediately report to the board of directors and take corresponding measures.
- (2) The positions held in derivative transactions shall be evaluated at least once a week, except for hedging transactions for business purposes, which shall be evaluated at least twice a month, and the evaluation report shall be submitted to a senior officer authorized by the Board of Directors.

5. Principles of supervision and management of the board of directors when engaging in derivative commodity trading.
 - (1) The Board of Directors shall designate senior management to monitor and control the risk of derivative transactions at all times, and the management principles are as follows.
 1. Periodically evaluate whether the risk management measures currently in use are appropriate and ensure that they are handled in accordance with this Standard and the procedures established by the Company for engaging in derivative transactions.
 2. Supervise the transaction and profit and loss situation, and take necessary countermeasures when any abnormality is found, and report to the board of directors immediately. The board of directors shall have independent directors present and express their opinions.
 - (2) Periodically evaluate whether the performance of derivative transactions is in line with the established business strategy and whether the risks assumed are within the Company's tolerance.
 - (3) If the Company engages in derivative transactions and authorizes the relevant personnel to handle such transactions in accordance with the provisions of these Procedures, the Company shall report to the most recent Board of Directors afterwards.
 - (4) When the Company engages in derivative transactions, the Company shall establish a record book to record details of the types and amounts of derivative transactions engaged in, the dates of approval by the Board of Directors, and the matters that should be carefully evaluated in accordance with Paragraphs 4(2), 5(1) and 5(2) of this Article in the record book.

Article 13: Procedures for Handling Mergers, Demergers, Acquisitions or Share Transfers

1. In the event of a merger, demerger, acquisition or transfer of shares by a public company, an accountant, attorney or securities underwriter shall be appointed to express an opinion on the reasonableness of the share exchange ratio, acquisition price or allotment of cash or other property to the shareholders for discussion and approval by the board of directors prior to the resolution of the board of directors.
2. A public company participating in a merger, demerger or acquisition shall prepare a public document to its shareholders, together with the expert opinion in the first paragraph of the preceding Article and the notice of the shareholders' meeting, prior to the shareholders' meeting for the purpose of determining whether or not to agree to the merger, demerger or acquisition, and the related matters. However, the Company is exempted from convening a shareholders' meeting to resolve a merger, demerger or acquisition under other laws. If a stockholders' meeting of a company participating in a merger, demerger or acquisition cannot be convened or resolved due to insufficient

attendance or voting rights or other legal restrictions, or if the proposal is rejected by the stockholders' meeting, the company participating in the merger, demerger or acquisition shall immediately disclose to the public the reasons for the occurrence, the subsequent handling operations and the expected date of the stockholders' meeting.

3. (1) A company participating in a merger, demerger or acquisition shall hold a board of directors' meeting and a shareholders' meeting on the same day to resolve matters related to the merger, demerger or acquisition, unless otherwise provided by other laws or if there are special factors that have been reported to the competent securities authorities for prior approval.
 - (2) A company participating in the transfer of shares shall convene a board meeting on the same day unless otherwise required by other laws or special factors are reported to the competent securities authorities for prior approval.
 - (3) Companies involved in mergers, demergers, acquisitions or share transfers that are listed or whose shares are traded on the business premises of a securities dealer shall make complete written records of the following information and keep them for five years for inspection.
 1. Basic personnel information: including the title, name, and ID number (or passport number in the case of foreign nationals) of all persons involved in the merger, demerger, acquisition, or share transfer plan or the execution of the plan prior to the disclosure of the information.
 2. Date of important events: including the date of signing a letter of intent or memorandum of understanding, appointing a financial or legal advisor, signing a contract and board of directors' meeting, etc.
 3. Important documents and minutes: including merger, demerger, acquisition or share transfer plans, letters or memoranda of intent, important contracts and minutes of board meetings.
 - (4) A company participating in a merger, demerger, acquisition or transfer of shares listed or traded on the business premises of a securities dealer shall, within two days from the date of approval of the Board of Directors' resolution, report the information in Items 1 and 2 of the preceding paragraph in the prescribed format to the Internet Information System for the Association's records.
 - (5) If any company participating in a merger, demerger, acquisition or transfer of shares is not a listed company or a company whose shares are traded on the business premises of a securities broker, the listed company or the company whose shares are traded on the business premises of a securities broker shall enter into an agreement with it and comply with the provisions of Paragraphs 3 and 4.
4. All persons participating in or having knowledge of the Company's merger, demerger, acquisition or share transfer plan shall give a written undertaking of confidentiality and shall not disclose the contents of the plan to the public until the information is made public, nor shall they trade, on their own or in the name of others, all shares of the Company and other marketable securities of an equity nature in connection with the merger, demerger, acquisition or

- share transfer.
5. When the Company participates in a merger, demerger, acquisition or transfer of shares, the share exchange ratio or acquisition price shall not be changed at will except in the following circumstances, and the circumstances under which the merger, demerger, acquisition or transfer of shares may be changed shall be stipulated in the merger, demerger, acquisition or transfer of shares contract.
 - (1) Cash capital increase, issuance of convertible bonds, allotment of shares without consideration, issuance of bonds with stock options, preferred shares with stock options, stock warrants and other marketable securities with stock options.
 - (2) Disposal of significant assets and other actions affecting the Company's financial operations.
 - (3) The occurrence of major disasters, major technological changes and other events affecting the interests of shareholders or the price of securities.
 - (4) Adjustment for the purchase of treasury stock by either party involved in a merger, demerger, acquisition or transfer of shares in accordance with the law.
 - (5) Increase or decrease in the number of entities or companies involved in mergers, demergers, acquisitions or share transfers.
 - (6) Other conditions that may be changed are stipulated in the contract and are publicly disclosed.
 6. If the Company participates in a merger, demerger, acquisition or transfer of shares, the deed shall set forth the rights and obligations of the company participating in the merger, demerger, acquisition or transfer of shares, and shall set forth the following.
 - (1) Handling of breach of contract.
 - (2) The principles of handling treasury stock issued or repurchased by a company that has been dissolved or divided as a result of a merger.
 - (3) The number of treasury shares that a participating company may legally buy back after the base date for calculating the conversion ratio and the principles for handling such shares.
 - (4) How to deal with the increase or decrease in the number of participating entities or companies.
 - (5) Estimated plan implementation progress and expected completion schedule.
 - (6) When the plan is overdue and not completed, the relevant handling procedures such as the scheduled date of the shareholders meeting shall be convened according to the law.
 7. If any party to a merger, demerger, acquisition or transfer of shares intends to merge, demerge, acquire or transfer shares with another company after the information has been made public, the participating company shall be exempted from convening a shareholders' meeting to resolve the matter again, unless the number of participants has been reduced and the shareholders' meeting has resolved and authorized the board of directors to change the authority of the merger, demerger, acquisition or transfer of shares, and the

procedures or legal acts that have been completed in the original merger, demerger, acquisition or transfer of shares shall be repeated by all participating companies.

8. If a company participating in a merger, demerger, acquisition or transfer of shares is not a public company, the public company shall enter into an agreement with it and follow the provisions of Article 13, Items 3, 4 and 7.

Article 14: Information Disclosure Procedures

1. Items and standards to be declared shall be announced.
 - (1) To acquire or dispose of real estate or its right-to-use assets from a related party, or to acquire or dispose of assets other than real estate or its right-to-use assets with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more. However, the purchase and sale of domestic bonds, bonds with buy-back or sell-back conditions are not subject to this limitation.
 - (2) Carrying out merger, split, acquisition or share transfer.
 - (3) Losses from derivative transactions reach the maximum amount of losses on all or individual contracts as specified in the prescribed treatment procedures.
 - (4) Acquisition or disposal of equipment or right-to-use assets for business use, where the counterparty is not a related party, and the amount of the transaction meets one of the following requirements :
 1. The paid-in capital is less than NT\$10 billion, and the transaction amount is more than NT\$500 million.
 2. The paid-in capital is over NT\$10 billion, and the transaction amount is over NT\$1 billion.
 - (5) Acquisition or disposal of real estate or its right to use assets for construction purposes by a company in the construction business, where the counterparty is not a related party and the transaction amount reaches NT\$500 million or more; among which, if the paid-in capital amounts to NT\$10 billion or more and the disposal of real estate for construction projects completed by the company, where the counterparty is not a related party, the transaction amount reaches NT\$1 billion or more.
 - (6) The Company expects to invest more than NT\$500 million in the acquisition of real estate through self-commissioned construction, land-leased construction, joint construction and subdivision, joint construction and subdivision, and joint construction and subdivision sales, and the counterparties are not related parties.
 - (7) Assets transactions other than the preceding six subparagraphs,

financial institutions disposing of creditor's rights, or investment in the mainland area, and the transaction amount exceeds 20% of the company's paid-in capital or NT\$300 million or more. However, the following circumstances are not subject to this limitation :

1. Buy and sell domestic government bonds.
2. For those who are specialized in investment, they may buy and sell marketable securities on domestic and overseas stock exchanges or securities dealers' offices, or subscribe for ordinary corporate bonds and general financial bonds not involving equity interests (excluding subordinated bonds) in the domestic primary market, or subscribe for or buy back securities investment trusts or futures trusts, or securities dealers acting as advisors to OTC companies for underwriting business and recommending securities dealers to subscribe for marketable securities in accordance with Taipei Exchange regulations.
3. Trading of bonds with buy-back or sell-back conditions, subscription or repurchase of money market funds issued by domestic securities investment trusts; acquisition or disposal of various types of open-end funds or capital and interest-protected financial instruments issued by commercial banks with maturities of three months or less; and information on derivative transactions reported by the tenth day of each month.

(8) The calculation method of the transaction amount in the aforesaid subparagraph 4 is as follows, and the term within one year is based on the date of the actual occurrence of the transaction, and is retrospectively calculated for one year, and the part that has been announced in accordance with the regulations is exempted from recalculation.

1. The amount of each transaction.
2. Accumulate the amount of transactions with the same counterparty to acquire or dispose of the same subject matter within one year.
3. The accumulated amount of acquisition or disposal (acquisition and disposal are accumulated separately) within one year of the real estate or its right-to-use assets of the same development plan.
4. The accumulated amount of the same securities acquired or disposed of (acquired and disposed of separately) within one year.

2. Time limit for making announcements and declarations

If the company acquires or disposes of assets with items that should be announced in this article and the transaction amount reaches the standard for announcement and declaration in this article, it shall make announcement and declaration within two days from the day when the fact occurs.

3. Announcement declaration procedure

- (1) The company shall make announcements and declarations of relevant information on the website designated by the securities regulatory authority.
 - (2) The company shall, on a monthly basis, enter the information reporting website designated by the securities regulatory authority before the tenth day of each month in accordance with the prescribed format of the company and its non-domestic subsidiaries engaged in derivatives transactions as of the end of the previous month.
 - (3) If there is an error or omission in the items that should be announced in accordance with the regulations and should be corrected, the Company shall re-announce and report all items within two days from the date of knowledge.
 - (4) When acquiring or disposing of assets, the Company shall keep the relevant deeds, minutes, docket, valuation reports, and opinions of accountants, attorneys, or securities underwriters at the Company for at least five years, unless otherwise required by other laws.
 - (5) If any of the following circumstances apply after the Company has announced and reported a transaction in accordance with the provisions of this Article, the Company shall report the relevant information on the designated website of the competent securities authority within two days from the date of occurrence of the fact.
 1. The relevant contract signed in the original transaction has been changed, terminated or cancelled.
 2. The merger, split, acquisition or share transfer is not completed according to the schedule of the contract.
 3. Changes in the original announcement and declaration.
4. **Announcement Format**
 The announcement format of the matters and contents to be announced in accordance with the Procedures shall be in accordance with the format prescribed by the competent securities authorities.

Article 15: The Company's subsidiaries shall comply with the following regulations.

1. In accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies", the subsidiaries shall establish procedures for the acquisition or disposal of assets, and the same shall apply when the regulations are amended.
2. If a subsidiary has not yet established "Procedures for Acquisition or Disposal of Assets", it should follow the Company's relevant regulations when acquiring or disposing of assets.
3. If a subsidiary, which is not a public company, acquires or disposes of assets up to the announcement and reporting standards set forth in Article 14, the parent company shall also file the announcement and reporting on behalf of the subsidiary.
4. In the announcement and reporting standards for subsidiaries, the term "20% of the Company's paid-in capital or 10% of the Company's total assets" refers to the parent company's paid-in capital or total assets.

Article 16: Penalties

Any employee of the Company who undertakes to acquire and dispose of assets in violation of the provisions of this handling procedure shall be subject to regular reporting and evaluation in accordance with the Company's Personnel Management Regulations and Employee Handbook, and shall be punished according to the severity of the situation.

Article 17: Implementation and Amendment

1. The Company's "Procedures for the Acquisition or Disposal of Assets" shall be approved by the Board of Directors and submitted to the shareholders' meeting for approval, and the same applies to any amendment. If a director expresses dissent and there is a record or written statement of dissent, the Company shall send the information of the director's dissent to the Audit Committee.
2. The opinions of independent directors shall be fully considered when the Procedure for Handling Acquisition or Disposal of Assets is submitted to the board of directors for discussion. If the independent directors have objections or reservations, they shall be recorded in the minutes of the board of directors.
3. The establishment or amendment of the "Procedures for the Acquisition or Disposal of Assets" shall be approved by at least one-half of all members of the Audit Committee and submitted to the Board of Directors for resolution.
4. If the preceding item is not approved by more than one-half of all members of the Audit Committee, it may be approved by more than two-thirds of all directors and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting.
5. All members of the Audit Committee referred to in Item 3 and all directors referred to in the preceding item shall be counted as those who are actually in office.

Article 18: Resolution of the Board of Directors on Acquisition or Disposal of Assets

1. If the Company acquires or disposes of assets that should be approved by the Board of Directors in accordance with the prescribed procedures or other legal requirements, the Company shall send the information of the directors' dissenting opinions to the Audit Committee if the directors express dissenting opinions with records or written statements.
2. When submitting the transaction of acquiring or disposing assets to the board of directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of independent directors shall be fully considered. If the independent directors have objections or reservations, they shall record them in the minutes of the board of directors.
3. Significant asset or derivative transactions shall be approved by at least one-half of all Audit Committee members and submitted to the Board of Directors for resolution, in accordance with Article 17, Paragraphs 4 and 5.
4. The Board of Directors may authorize within certain limits the Chairman of the Board of Directors to decide on the following transactions between the Company and its parent company, subsidiaries or subsidiaries in which the Company directly or indirectly holds 100% of the outstanding shares or

capital stock, and then submit them to the most recent Board of Directors for ratification.

- (1) Acquisition or disposal of equipment or right-to-use assets for business use.
- (2) Acquisition or disposal of real estate right-to-use assets for business use.

Article 19: Supplementary Provisions

If there are any matters not covered by this procedure, they shall be handled in accordance with the relevant laws and regulations.

Annex I

Matters to be entered in the valuation report are as follows

1. Matters to be recorded as stipulated in the technical rules for real estate valuation.
2. Matters related to professional appraisers and appraisers.
 - (1) The name of the professional appraiser, its capital, organizational structure, and composition of personnel.
 - (2) The name, age, and academic and work experience (with proof) of the appraiser, the number of years and period of employment in appraisal work, and the number of appraisal cases undertaken.
 - (3) The relationship between the professional appraiser, the appraisers and the appraisers commissioned.
 - (4) A statement that "the matters contained in the appraisal report are not false or concealed".
 - (5) The date the appraisal report was issued.
3. The basic information of the subject matter of the survey shall include at least the name of the subject matter and its nature, location, area, and other information.
4. Comparative examples of real estate transactions in the subject area.
5. If the appraisal category adopts the limited price, specific price or special price, the limited, specific or special condition and whether it meets the condition at present, as well as the reason and rationality of the difference from the normal price, and whether the limited price, specific price or special price is sufficient as a reference for the buying and selling price.
6. In the case of a joint construction contract, the reasonable allocation ratio between the two parties shall be stated.
7. Estimation of land value-added tax.
8. Has a difference of 20 percent or more between professional appraisers' estimates of prices on the same date been handled in accordance with Article 41 of the Real Estate Appraisers Law?
9. Attachments include details of the appraisal of the subject property, ownership registration information, transcript of the cadastral map, sketch of the urban plan, location map of the subject property, proof of land zoning, and photographs of the subject property in its current condition.

Appendix IV: Shareholdings of All Directors

Director Information of Wafer Works Corporation

Number of shares held by individuals and all directors as of April 23, 2022 as recorded in the shareholders' register:

- The statutory minimum number of shares required to be held by all directors: 17,309,879 shares.

Title	Name	Date of election	Term of office	Number of shares held at the time of election		Register of Shareholders as of 2022 Number of shares held by shareholders on April 23	
				Number of shares	Percentage % (Note 1)	Number of shares	Percentage % (Note 2)
Chairman	Ping-Hai, Chiao	2021.07.23	3 years	11,500,849	2.25	12,072,954	2.23
Director	Nan-Yang, Wu	2021.07.23	3 years	0	0.00	0	0.00
Director	Zhen-Tu, Liu	2021.07.23	3 years	124	0.00	124	0.00
Director	Hua Eng Wire&Cable Co., LTD. Representative: Min-Shiang, Lin 111.1.10 dismissed Reassigned representative: Hsiu-Mei, Liu 111.2.1 new appointment	2021.07.23	3 years	4,493,217	0.88	4,699,013	0.87
Director	Chung-Hou, Tai	2021.07.23	3 years	1,526,162	0.30	1,523,162	0.28
Director	Hitech Holding (BVI) Corp. Representative: Chun-Lin, Chen	2021.07.23	3 years	3,545,887	0.69	3,545,887	0.66
Independent Director	Yong-Song, Tsai	2021.07.23	3 years	0	0.00	0	0.00
Independent Director	Feng-I, Lin	2021.07.23	3 years	0	0.00	0	0.00
Independent Director	De-Wei, Chou	2021.07.23	3 years	0	0.00	0	0.00
Total				21,066,239	4.12	21,841,140	4.04

Note 1: Total shares issued on July 23, 2021: 510,898,436 common shares.

Note 2: Total shares issued on April 23, 2022: 540,933,730 common shares.

Appendix V: Information on proposals from shareholders holding more than one percent of the Company's total issued shares

1. Pursuant to Article 172-1 of the Company Law, shareholders holding at least 1% of the Company's outstanding shares may propose in writing to the Company a motion for the 2022 Annual General Meeting of Shareholders. The proposal period is from April 15, 2022 to April 25, 2022.
2. Proposal from shareholders holding more than one percent of the total issued shares of the Company at the 2022 Annual General Meeting of Shareholders: None.

Thank you for attending the annual shareholders'
meeting!

We welcome your comments any time!

MEMO

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