



Stock No. : 6182

Wafer Works Corporation

2024 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

Time: 9: 00 a.m., June 21, 2024

Convening method: Physical Shareholders Meeting

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

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Wafer Works Corporation

2024 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. Election
- VIII. Other Matters
- IX. Provisional Motions
- X. Meeting Adjournment

Wafer Works Corporation

2024 Annual Shareholders' Meeting

Meeting Agenda
(Translation)

Time: 9: 00 a.m., June 21, 2024

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

I. Chairman's Address

II. Report Items

- (1) To report the business of 2023
- (2) Audit Committee's review report of 2023
- (3) To report 2023 employees' profit sharing and directors' compensation
- (4) To report the Implementation of Investments in mainland China
- (5) To report the declaration and commitments for the listing of Wafer Works (Shanghai) Co., Ltd., on the STAR Market

III. Ratification Items

- (1) To accept 2023 Business Report and Financial Statements
- (2) To approve the proposal of 2023 earnings distribution

IV. Discussion Items

To approve the issuance of employee restricted stock awards for year 2024

V. Election

The 11th Election of Directors

VI. Other Matters

Proposal of Release the Prohibition on Directors from Participation
in Competitive Business

VII. Provisional Motions

VIII. Meeting Adjournment

Report Items

1. To report the business of 2023.

Notes: Please refer to pages 5-6 of this Handbook for business report in 2023.

Business Report

Even though the global impact of COVID-19 pandemic gradually subsided in 2023, inflation, high interest policies, and geopolitical conflicts followed immediately; all of which greatly weakened the demand of the consumer market and slowed the inventory reduction progress in the semiconductor industry. According to statistics released by SEMI (Semiconductor Equipment and Materials International), in 2023, global semiconductor silicon wafer shipments reached 12,478 million square inches (MSI), a year-over-year reduction of 14.3%, and total sales reached US\$12.3 billion, a year-over-year reduction of 10.9%. As the industry contended with the challenges of the overall economic downturn, Wafer Works Corporation continued to develop various lightly and heavily doped wafers for use in power semiconductor components, concentrating on niche products as well as critical market expansion. Against a stiff headwind, the Company achieved consolidated revenue of NT\$10.048 billion, with basic earnings per share of NT\$1.05.

Looking ahead to 2024, after an extended period of adjustments, it is hoped that the global semiconductor industry's overall inventory will gradually return to a healthy level. Additionally, the explosive growth of AI applications and the formation of regional manufacturing centers are likely to further increase demand for the silicon wafer industry. Wafer Works Corporation will strengthen the experience and resource sharing among its subsidiaries to increase the Group's operational synergy, and it will actively deploy its 12-inch product lines and ramp-up production capacity to provide differentiated services for global customers.

The outlook for this year's operations is as follows:

1. **Business convergence:** In addition to maintaining our leading market share for discrete devices, Wafer Works will also target the high-end power management IC market and provide a competitive material plan to meet customers' application requirements. As the 12-inch wafer pilot production line receives approval from leading customers worldwide, it will boost our sales and increase our market share. In the future, the Group will serve international customers from Taiwan, whereas subsidiaries will deeply penetrate the mainland market, targeting critical market segments with products that are superior in both quality and price, creating a win-win collaboration.
2. **Development of key technology:** In order to expand the scope of product application,

the Company will continue to optimize its existing 12-inch N-type low-resistance heavily doped silicon wafer technology, while simultaneously developing applications for logic elements, memory, CMOS image sensors, IGBT, and other 12-inch P/N-type lightly doped silicon wafer manufacturing technology.

3. Increasing manufacturing effectiveness and quality: In addition to continuously promoting manufacturing line automation and producing a variety of reliably high-quality wafers, the Company will comprehensively review its production flow and project management strategies to increase product yield, achieve cost reductions, and improve production efficiency.
4. Positioning of new products: Wafer Works will cooperate with strategic partners to develop Gallium Nitride (GaN) application plans and specialized Silicon Carbide (SiC) substrate technology to seize business opportunities related to next-generation semiconductor materials.
5. Continuously promote sustainability: The Company will examine its production processes' energy consumption, as well as identify and eliminate possible source of pollution. Through improvements in key technology design, Wafer Works will increase its energy efficiency to improve energy saving and carbon reduction effectiveness. Moreover, the Company will actively promote corporate social responsibility and cooperate with supply chain partners in 1+N carbon management and sustainable operations.

We would like to express our gratitude to our shareholders for your long-term support of Wafer Works Corporation. Wafer Works is rooted in Taiwan and has expanded its foot print globally, while constantly implementing a philosophy of sustainable development. We provide excellent products, the most advanced technology, and localized services for our valuable customers. Furthermore, we emphasize core values of environmental protection and societal co-prosperity. We will strive to maximize benefits for our shareholders, and your feedback is sincerely appreciated.

Chairman: Ping-Hai, Chiao 

Manager: Hsien-Yuan, Chang 

Accounting Supervisor: Chia-Yu, Lu 

Report Items

2. Audit Committee's review report of 2023.

Notes: 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 2023 Business Report, the financial report (including individual and consolidated financial report) certified by certified public accountants Ching-Piao, Cheng and Chih-Ming, Chang of Ernst & Young, and the earnings distribution proposal prepared by the Board of Directors have been audited by the Audit Committee to be in compliance with laws and regulations and found the same have been complied with. Thus, a report is hereby reported to the shareholders as described above in compliance with Article 14-4 of the Securities and Exchange Act and the Company's relevant regulations. This report will be effective under the approval of your excellency.

To

2024 Annual shareholder meeting of Wafer Works Corporation

Wafer Works Corporation

Convenor of Audit Committee: Feng-I, Lin



March 15, 2024

Report Items

3. To report 2023 employees' profit sharing and directors' compensation

Notes:1. The company's profit in 2023 was NT\$806,440,424. 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 0.78% of directors' remuneration to NT\$6,300,000 and 5.58% of employees' remuneration to NT\$45,000,000, both of which are paid in cash.

Report Items

4. To report the Implementation of Investments in mainland China

Notes: 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 businesses and products	Total Amount of Pain-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2023	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2023	Accumulated Inward Remittance of Earnings as of Dec. 31, 2023
					Outflow	Inflow						
Wafer Works (Shanghai) Co., Ltd. (Note10)	R&D, production and sales of semiconductor materials	\$2,583,152 (Note1,3)	Reinvesting in a Mainland company through reinvestment in an existing company in a third location.	\$510,951	\$-	\$-	\$510,951	\$1,024,144	47.88%	\$490,371 (Note3,4,12)	\$5,525,659 (Note3,4,12)	\$117,468
Wafer Works Epitaxial Corp.	R&D, production and sales of semiconductor materials	\$2,115,796 (Note3,6)	Reinvesting in a Mainland company through reinvestment in an existing company in a third location.	\$516,782	\$-	\$-	\$516,782	\$864,712	47.88%	\$864,712 (Note3,4,12)	\$1,776,273 (Note3,4,12)	\$-
Wafer Works (Yangzhou) Corp.	R&D, production and sales of semiconductor materials	\$472,538 (Note3&7)	(Note2)	\$-	\$-	\$-	\$-	\$(28,258)	47.88%	\$(28,258) (Note3,4,12)	\$209,199 (Note3,4,12)	\$-
Wafer Works (Zhengzhou) Corp.	R&D, production and sales of semiconductor materials	\$4,421,912 (Note3,8)	(Note 8)	\$-	\$-	\$-	\$-	\$436,166	47.88%	\$436,166 (Note3,4,12)	\$2,357,230 (Note3,4,12)	\$-
HuaXin (Shanghai) Technology Co., Ltd.	Trading of semiconductor materials	\$30,211 (Note10)	(Note 12)	\$30,211	\$-	\$-	\$30,211	\$(3,104)	100.00%	\$(3,104) (Note3,4,12)	\$(70,065) (Note3,4,12)	\$-

Investee company	Accumulated Investment in Mainland China as of Dec. 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Wafer Works (Shanghai) Co., Ltd.	\$510,951	\$2,206,113	No maximum (Note5)
Wafer Works Epitaxial Corp.	\$516,782	\$562,736	
Wafer Works (Yangzhou) Corp.	\$-	\$-	
Wafer Works (Zhengzhou) Corp.	\$-	\$-	
HuaXin (Shanghai) Technology Co., Ltd.	\$30,211	\$30,211	

Note 1: 53.6413% shares of Wafer Works (Shanghai) Co., Ltd. owned by Silicon Technology Investment (Cayman) Corp. But 89.2615% 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, 2023.

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

Note 11: An investee company in which the Company holds a 100% equity interest through reinvestment using the Company's own funds.

Note 12: Transactions between consolidated entities are eliminated in the consolidated financial statements.

Report Items

5. To report the declaration and commitments for the listing of Wafer Works (Shanghai) Co., Ltd. (hereinafter referred to as “Wafer Works Shanghai”), on the STAR Market

Notes:

1. The subsidiary Wafer Works Shanghai applied for the initial public offering of RMB ordinary shares (A-shares) and was listed on the STAR Market. It was approved by the Listing Review Committee of the Shanghai Stock Exchange on August 15, 2023, and passed review by the China Securities Regulatory Commission on September 26, 2023 and was officially listed on the STAR Market on February 8, 2024.
2. Based on Shanghai Stock Exchange requirements, the Company and its subsidiaries (Silicon Technology Investment (Cayman) Corp. (hereinafter referred to as “STIC”) and Wafer Works Investment Corp. (hereinafter referred to as “WWIC”) are required during the issuance and listing stage to sign a “Declaration and Commitment Letter by Controlling Shareholders of Listed Companies on the Science and Technology Innovation Board”, the contents of which will not have a significant impact on the financial, business, or shareholder equity of the Company or its subsidiaries (STIC and WWIC). Please refer to page 14 of this handbook for the declaration and commitments to be made by the Company and its subsidiaries (STIC and WWIC).
3. Related declaration and commitments may be adjusted based on the implementation status of the listing plan, as well as the laws and regulations of Taiwan and the listing location.

Declaration and commitment to be issued by both the Company and its subsidiaries (STIC and WWIC):

Declaration and Commitment letter	Explanation	Evaluation of impact on financial, business, and shareholder equity of the Company and its subsidiaries (STIC and WWIC)
Declaration and Commitment Letter by Controlling Shareholders of Listed Companies on the Science and Technology Innovation	<ul style="list-style-type: none"> • Declaration that the data provided is true, accurate, and complete, without any false or hidden information. • Commitment to strictly abide by relevant regulations and business rules, and guarantee to act in accordance with the law without harming the rights and interests of shareholders. 	In response to Shanghai Stock Exchange regulations, the controlling shareholders are required to provide a declaration and commitment letter. This commitment should not have any adverse effects on the financial, business, or shareholder equity of the Company or its subsidiaries (STIC and WWIC).

Ratification Items

(Proposed by the Board of Directors)

Case 1: To accept 2023 Business Report and Financial Statements.

Notes: 1. The Company's 2023 individual financial statements and consolidated financial statements have been compiled, which are attached to the "2023 Business Report" and passed by the board of directors on March 15, 2024.

2. Please refer to pages 5-6 and 16-36 of this handbook for the 2023 business report, accountant's audit report and the above financial statements.

Resolutions:

AUDIT REPORT OF INDEPENDENT AUDITORS

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

Opinion

We have audited the accompanying parent-company-only balance sheets of Wafer Works Corp. (the “Company”) as of December 31, 2023 and 2022, 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, 2023 and 2022, 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the 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, 2023. 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.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$4,540,046 thousand for the year ended December 31, 2023 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Asia, Europe, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, and performance obligation for revenue recognition with sale agreement or orders, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 6 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\$1,425,979 thousand, representing 9% of parent-company-only total assets, as of December 31, 2023 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, 2023 and 2022, 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\$191,912 thousand and

NT\$190,540 thousand as of December 31, 2023 and 2022 representing 1.18% and 1.08% 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\$1,424 thousand and NT\$16,541 thousand representing 0.19% and 0.62% 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 2023 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.

/s/Cheng, Ching-Piao

/s/Chang, Chih-Ming

Ernst & Young
March 15, 2024
Taipei, Taiwan,
Republic of China

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 audit such parent-company-only 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, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2023		2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$1,879,090	12	\$3,236,935	19
1110	Financial assets at fair value through profit or loss	4, 6(2)	4,165	-	-	-
1136	Financial assets measured at amortized cost	4, 6(4), 8	20,565	-	14,695	-
1170	Accounts receivable, net	4, 6(5)	491,396	3	724,962	4
1180	Accounts receivable - related parties	4, 6(5), 7	327,105	2	556,484	3
1200	Other receivables		19,697	-	42,701	-
1210	Other receivables-related parties	7	50,100	-	49,449	-
1310	Inventories, net	4, 6(6)	1,425,979	9	1,654,778	9
1410	Prepayments		213,946	1	258,556	1
1470	Other current assets		1,681	-	1,681	-
11XX	Total current assets		<u>4,433,724</u>	<u>27</u>	<u>6,540,241</u>	<u>36</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss	4, 6(2), 6(13)	-	-	119	-
1517	Financial asset measured at fair value through other comprehensive income	4, 6(3)	45,500	-	-	-
1536	Financial assets measured at amortized cost	4, 6(4), 8	21,967	-	21,967	-
1551	Investments accounted for under the equity method	4, 6(7)	5,703,086	36	5,445,848	32
1600	Property, plant and equipment	4, 6(8), 7, 8, 9	5,535,494	34	5,082,672	29
1755	Right-of-use assets	4, 6(20)	222,735	2	230,575	2
1780	Intangible assets	4, 6(9)	6,120	-	10,956	-
1840	Deferred tax assets	4, 6(24)	37,873	-	37,873	-
1915	Prepayment for equipment		154,654	1	171,501	1
1920	Refundable deposits	9	77,768	-	71,840	-
1990	Other non-current assets	7, 9	20,499	-	48,904	-
15XX	Total non-current assets		<u>11,825,696</u>	<u>73</u>	<u>11,122,255</u>	<u>64</u>
1XXX	Total Assets		<u>\$16,259,420</u>	<u>100</u>	<u>\$17,662,496</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, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2023		2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10)	\$440,000	3	\$513,372	3
2130	Contract liabilities	4, 6(18)	67,748	-	44	-
2170	Accounts payable		218,584	1	413,380	2
2180	Accounts payable - related parties	7	11,692	-	27,316	-
2200	Other payables	6(11)	578,524	3	900,149	5
2220	Other payable - related parties	7	234	-	469	-
2230	Current income tax liabilities	4	394,033	3	572,408	3
2281	Lease liability	4, 6(20)	18,051	-	14,312	-
2322	Current portion of long-term loans	6(14), 8	107,884	1	329,507	2
2399	Other current liabilities	6(12)	2,692	-	1,905	-
21XX	Total current liabilities		<u>1,839,442</u>	<u>11</u>	<u>2,772,862</u>	<u>15</u>
	Non-current liabilities					
2527	Contract liabilities	4, 6(18)	65,976	-	177,430	1
2530	Bonds Payable	4, 6(13)	292,695	2	288,510	2
2540	Long-term loans	6(14), 8	1,691,077	11	1,207,199	8
2570	Deferred tax liabilities	4, 6(24)	95,649	1	-	-
2581	Lease liability	4, 6(20)	207,459	1	218,359	1
2630	Long-term deferred revenue	6(12)	4,217	-	2,724	-
2640	Accrued pension liabilities	4, 6(15)	18,684	-	29,694	-
2645	Deposits received		48,108	-	66,765	-
25XX	Total non-current liabilities		<u>2,423,865</u>	<u>15</u>	<u>1,990,681</u>	<u>12</u>
2XXX	Total liabilities		<u>4,263,307</u>	<u>26</u>	<u>4,763,543</u>	<u>27</u>
	Equity					
3100	Capital	6(16)				
3110	Common stock		5,418,836	33	5,409,336	31
3200	Capital surplus	6(16)	4,105,199	25	4,074,419	23
3300	Retained earnings	6(16)				
3310	Legal reserve		718,608	5	500,513	3
3320	Special reserve		265,458	2	326,457	2
3350	Unappropriated earnings		1,919,123	12	2,853,686	16
3400	Other components of equity		(431,111)	(3)	(265,458)	(2)
3XXX	Total equity		<u>11,996,113</u>	<u>74</u>	<u>12,898,953</u>	<u>73</u>
	Total liabilities and equity		<u>\$16,259,420</u>	<u>100</u>	<u>\$17,662,496</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, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(18), 7	\$4,540,046	100	\$6,614,737	100
5000	Operating costs	6(21), 7	(3,432,495)	(76)	(4,171,500)	(63)
5900	Gross profit from operations		1,107,551	24	2,443,237	37
5930	Unrealized gross profit (loss) from sales		-	-	(5,000)	-
5950	Gross profit from operations		1,107,551	24	2,438,237	37
6000	Operating expenses	6(21)				
6100	Selling		(140,716)	(3)	(207,854)	(3)
6200	General and administrative		(293,244)	(6)	(319,212)	(5)
6300	Research and development		(419,617)	(9)	(267,632)	(4)
6450	Expected credit gains (losses)	6(19)	-	-	1,414	-
	Operating expenses total		(853,577)	(18)	(793,284)	(12)
6900	Operating income		253,974	6	1,644,953	25
7000	Non-operating income and expenses	6(22)				
7100	Interest income		31,459	1	18,625	-
7010	Other income		19,585	-	5,557	-
7020	Other gains and losses	7	(510)	-	482,312	7
7050	Finance costs		(56,221)	(1)	(53,373)	(1)
7060	Share of profit or loss of subsidiaries, associates and joint ventures		506,854	11	582,546	9
	Non-operating income and expense total		501,167	11	1,035,667	15
7900	Income before income tax		755,141	17	2,680,620	40
7950	Income tax benefit	4, 6(24)	(186,386)	(4)	(515,681)	(7)
8200	Net income		568,755	13	2,164,939	33
8300	Other comprehensive income (loss)	6(23)				
8310	Item that not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		6,112	-	16,016	-
8316	Unrealized gains or losses on financial assets at fair value through other comprehensive income		(47,922)	(1)	(51,819)	(1)
8360	Items that may be reclassified subsequently to profit or loss					
8370	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(94,906)	(2)	112,818	2
	Total other comprehensive income (loss), net of tax		(136,716)	(3)	77,015	1
8500	Total comprehensive income (loss)		\$432,039	10	\$2,241,954	34
9750	Earnings per share - basic (in NT\$)	6(25)	\$1.05		\$4.00	
9850	Earnings per share - diluted (in NT\$)	6(25)	\$1.05		\$3.95	

(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, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Capital			Retained earnings			Other components of equity			Total equity
		Common stock	Bond conversion entitlement certificates	Capital Surplus	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)	Unearned Employee Compensation Expense	
		3100	3130	3200	3310	3320	3350	3410	3420	3490	3XXX
A1	Balance as of January 1, 2022	\$5,408,984	\$352	\$4,147,189	\$393,239	\$383,893	\$1,452,830	\$(303,245)	\$(23,212)	\$-	\$11,460,030
B1	Appropriation and distribution of 2021 earnings										
B1	Legal reserve				107,274		(107,274)				-
B3	Special reserve					(57,436)	57,436				-
B5	Cash dividends - common shares						(730,261)				(730,261)
D1	Net income for 2022						2,164,939				2,164,939
D3	Other comprehensive income (loss), net of tax, for 2022						16,016	112,818	(51,819)		77,015
D5	Total comprehensive income (loss)	-	-	-	-	-	2,180,955	112,818	(51,819)	-	2,241,954
I1	Conversion of convertible bonds	352	(352)								-
M5	Difference between consideration given / received and carrying amount of interest in subsidiaries acquired / disposed of			(72,770)							(72,770)
Z1	Balance as of December 31, 2022	5,409,336	-	4,074,419	500,513	326,457	2,853,686	(190,427)	(75,031)	-	12,898,953
B1	Appropriation and distribution of 2022 earnings										
B1	Legal reserve				218,095		(218,095)				-
B3	Special reserve					(60,999)	60,999				-
B5	Cash dividends - common shares						(1,352,334)				(1,352,334)
D1	Net income for 2023						568,755				568,755
D3	Other comprehensive income (loss), net of tax, for 2023.						6,112	(94,906)	(47,922)		(136,716)
D5	Total comprehensive income (loss)	-	-	-	-	-	574,867	(94,906)	(47,922)	-	432,039
T1	Restricted Employee Stock and Other	9,500		30,780						(22,825)	17,455
Z1	Balance as of December 31, 2023	\$5,418,836	\$-	\$4,105,199	\$718,608	\$265,458	\$1,919,123	\$(285,333)	\$(122,953)	\$(22,825)	\$11,996,113

(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, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$755,141	\$2,680,620	B00010	Proceeds from disposal of financial assets at fair value through other comprehensive income	(45,500)	-
A20000	Adjustments:			B00040	Disposal (acquisition) of financial assets at amortized cost	(5,870)	(19,689)
A20010	Profit or loss not effecting cash flows:			B01800	Acquisition of investment accounted for under equity method	-	(112,947)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(4,046)	1,994	B02700	Acquisition of property, plant and equipment	(1,126,062)	(1,705,167)
A21200	Interest income	(31,459)	(18,625)	B02800	Proceeds from disposal of property, plant and equipment	148	218
A20900	Interest expense	56,221	53,373	B03700	Decrease (increase) in refundable deposits	(5,928)	(44,995)
A20100	Depreciation expense	541,473	531,141	B04500	Acquisition of intangible assets	(334)	(9,385)
A20200	Amortization expense	5,170	4,527	B07100	Decrease (increase) in prepayment for equipment	16,847	44,064
A20300	Expected credit losses (gain on recovery)	-	(1,414)	BBBB	Net cash provided by (used in) investing activities	(1,166,699)	(1,847,901)
A21900	Cost of share based payment	17,455	-				
A22400	Share of profit or loss of subsidiaries, associates and joint ventures	(506,854)	(582,546)	CCCC	Cash flows from investing activities:		
A22500	Gains on disposal of property, plant and equipment	1,458	2,154	C00100	Increase (decrease) in short-term loans	(73,372)	222,289
A23700	Impairment loss (reversal gain) on non-financial assets	(1,603)	(2,196)	C01600	Increase in long-term loans	294,610	35,200
A24000	Unrealized (gains) losses	-	5,000	C01700	Repayment of long-term loans	(30,625)	(206,800)
A29900	Loss (gain) on government grants	(1,231)	(769)	C03000	Increase (decrease) in guarantee deposits received	(18,657)	(29,226)
A29900	Recognition of long-term prepayments for materials to loss	-	183,302	C04020	Payments of lease liabilities	(21,691)	(10,651)
A29900	Recognition of contract liabilities to income	-	(433,826)	C04500	Payment of cash dividends	(1,352,334)	(730,261)
A30000	Changes in operating assets and liabilities:			CCCC	Net cash provided by (used in) financing activities	(1,202,069)	(719,449)
A31150	Accounts receivables	233,566	58,058				
A31160	Accounts receivable - related parties	229,379	64,038	EEEE	Net Increase (decrease) in cash and cash equivalents	(1,357,845)	(625,098)
A31180	Other receivables	22,340	(18,877)	E00100	Cash and cash equivalents at beginning of period	3,236,935	3,862,033
A31190	Other payable - related parties	(651)	21,481	E00200	Cash and cash equivalents at end of period	\$1,879,090	\$3,236,935
A31200	Inventories	228,799	(456,898)				
A31230	Prepayment	73,015	20,842				
A32125	Contract liabilities	(43,750)	(92,661)				
A32150	Accounts payable	(194,796)	51,676				
A32160	Accounts payable - related parties	(15,624)	(115,248)				
A32180	Other payables	(170,928)	152,949				
A32190	Other payables - related parties	(235)	(2,813)				
A32230	Other current liabilities	(47)	(417)				
A32240	Net defined benefit liability (asset)	(4,898)	(4,566)				
A33000	Cash generated from operations	1,187,895	2,100,299				
A33100	Interest received	32,123	17,555				
A33200	Dividend received	106,788	-				
A33300	Interest paid	(46,771)	(42,840)				
A33500	Income tax paid	(269,112)	(132,762)				
AAAA	Net cash provided by (used in) operating activities	1,010,923	1,942,252				

(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, 2023 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

A handwritten signature in black ink, appearing to read "Ping-Hai Chiao". The signature is written in a cursive style with a large initial "P".

Ping-Hai, Chiao

Chairman

March 15, 2024

AUDIT REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors and Shareholders of
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, 2023 and 2022, 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, 2023 and 2022, 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 2023 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.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT\$10,047,814 thousand for the year ended December 31, 2023 is a significant account to the Company's consolidated financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Asia and Europe, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, and performance obligation for revenue recognition with sale agreement or orders, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 6 to the consolidated financial statements.

We determine that provision against inventory is also one of the key audit matters. The Company and its subsidiaries' inventory in amount of NT\$2,779,309 thousand, representing 10% of consolidated total assets, as of December 31, 2023 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. We have also 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, 2023 and 2022. 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\$388,754 thousand and NT\$529,520 thousand, representing 1.47% and 1.84% of

the total consolidated assets, as of December 31, 2023 and 2022 respectively. And the related net revenues of NT\$1,277,086 thousand and NT\$1,816,629 thousand, representing 12.71% and 14.33% 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 based on these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 2023 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, 2023 and 2022 and for the years then ended.

/s/Cheng, Ching-Piao

/s/Chang, Chih-Ming

Ernst & Young
March 15, 2024
Taipei, Taiwan,
Republic of China

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 audit 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, 2023 and 2022
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2023		As of December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$3,835,472	15	\$5,423,876	19
1110	Financial assets at fair value through profit or loss	4, 6(2)	4,165	-	-	-
1136	Financial assets measured at amortized cost	4, 6(4), 8	315,799	1	203,775	1
1150	Notes receivable, net	4, 6(5), 8	5,107	-	21,815	-
1170	Accounts receivable, net	4, 6(6)	1,493,580	6	2,452,105	9
1200	Other receivables		28,167	-	88,535	-
1310	Inventories, net	4, 6(7)	2,779,309	10	3,089,355	11
1410	Prepayments	6(8)	271,756	1	338,561	1
1470	Other current assets		19,469	-	41,907	-
	Total current assets		<u>8,752,824</u>	<u>33</u>	<u>11,659,929</u>	<u>41</u>
15xx	Non-current assets					
1510	Financial assets at fair value through profit or loss	4, 6(2), 6(15)	-	-	119	-
1517	Financial asset at fair value through OCI	4, 6(3)	109,694	-	112,141	-
1536	Financial assets measured at amortized cost	4, 6(4), 8	21,967	-	21,967	-
1600	Property, plant and equipment, net	4, 6(9), 8, 9	15,568,341	59	15,310,321	53
1755	Right-of-use assets, net	4, 6(22), 8	928,129	4	1,035,899	4
1780	Intangible assets, net	4, 6(10)	48,412	-	56,389	-
1840	Deferred tax assets	4, 6(26)	42,547	-	43,433	-
1915	Prepayment for equipment	9	853,324	4	400,119	2
1920	Refundable deposits	9	85,039	-	79,222	-
1990	Other non-current assets	9	20,499	-	48,904	-
	Total non-current assets		<u>17,677,952</u>	<u>67</u>	<u>17,108,514</u>	<u>59</u>
	Total Assets		<u>\$26,430,776</u>	<u>100</u>	<u>\$28,768,443</u>	<u>100</u>

(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, 2023 and 2022
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2023		As of December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	6(11), 8	\$961,218	4	\$999,704	3
2130	Contract liability	6(20), 9	431,022	2	47	-
2170	Accounts payable		356,353	1	806,031	3
2200	Other payables	6(12)	872,343	3	1,316,480	5
2230	Current income tax liabilities	4	420,857	2	629,560	2
2322	Current portion of long-term loans	6(16), 8	1,572,524	6	1,092,611	4
2281	Lease liability	4, 6(22)	69,735	-	64,352	-
2399	Other current liabilities	6(13)	4,244	-	4,697	-
	Total current liabilities		<u>4,688,296</u>	<u>18</u>	<u>4,913,482</u>	<u>17</u>
25xx	Non-current liabilities					
2527	Contract liability	6(20), 9	65,976	-	708,608	2
2530	Bonds payable	4, 6(15)	292,695	1	288,510	1
2540	Long-term loans	6(16), 8	2,320,146	9	3,239,631	11
2570	Deferred tax liability	4, 6(26)	95,649	-	-	-
2581	Lease liability	4, 6(22)	381,870	2	447,953	2
2630	Long-term deferred revenue	4, 6(14)	356,759	1	357,556	1
2640	Accrued pension liabilities	4, 6(17)	18,684	-	29,694	-
2645	Deposits received		48,108	-	66,765	-
	Total non-current liabilities		<u>3,579,887</u>	<u>13</u>	<u>5,138,717</u>	<u>17</u>
	Total liabilities		<u>8,268,183</u>	<u>31</u>	<u>10,052,199</u>	<u>34</u>
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(18)				
3110	Common stock		5,418,836	21	5,409,336	19
3200	Capital surplus	6(18)	4,105,199	16	4,074,419	14
3300	Retained earnings					
3310	Legal reserve		718,608	3	500,513	2
3320	Special reserve		265,458	1	326,457	1
3350	Unappropriated earnings		1,919,123	7	2,853,686	11
3400	Other components of equity		(431,111)	(2)	(265,458)	(1)
31xx	Equity attributable to the parent company		<u>11,996,113</u>	<u>46</u>	<u>12,898,953</u>	<u>46</u>
36xx	Non-controlling Interests	6(18)	6,166,480	23	5,817,291	20
	Total equity		<u>18,162,593</u>	<u>69</u>	<u>18,716,244</u>	<u>66</u>
	Total liabilities and equity		<u>\$26,430,776</u>	<u>100</u>	<u>\$28,768,443</u>	<u>100</u>

(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, 2023 and 2022

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

Code	Items	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(20)	10,047,814	100	12,677,431	100
5000	Operating costs	6(7), 6(23)	(6,801,309)	(68)	(7,510,616)	(59)
5900	Gross profit		3,246,505	32	5,166,815	41
6000	Operating expenses	6(23)				
6100	Sales and marketing		(172,396)	(2)	(239,906)	(2)
6200	General and administrative		(774,326)	(8)	(753,895)	(6)
6300	Research and development		(934,600)	(9)	(838,440)	(7)
6450	Expected credit gains (losses)	6(21)	618	-	(820)	-
	Total operating expenses		(1,880,704)	(19)	(1,833,061)	(15)
6900	Operating income		1,365,801	13	3,333,754	26
7000	Non-operating incomes and expenses	6(24)				
7100	Interest incomes		63,749	1	34,819	-
7010	Other incomes		253,826	2	102,646	1
7020	Other gains or losses		5,346	-	496,221	4
7050	Finance costs		(238,020)	(2)	(261,058)	(2)
	Total non-operating incomes and expenses		84,901	1	372,628	3
7900	Income before income tax		1,450,702	14	3,706,382	29
7950	Income tax expenses	4, 6(26)	(342,430)	(3)	(703,091)	(5)
8200	Net income		1,108,272	11	3,003,291	24
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		6,112	-	16,016	-
8316	Unrealized gains or losses on financial assets at fair value through other comprehensive income (loss)		(47,922)	-	(51,819)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		(204,915)	(2)	201,719	1
	Total other comprehensive income (loss), net of tax		(246,725)	(2)	165,916	1
8500	Total comprehensive income (loss)		861,547	9	3,169,207	25
8600	Net income attributable to:					
8610	Stockholders of the parent		568,755	6	2,164,939	17
8620	Non-controlling Interests		539,517	5	838,352	7
			1,108,272	11	3,003,291	24
8700	Total comprehensive income (loss) attributable to:					
8710	Stockholders of the parent		432,039	5	2,241,954	18
8720	Non-controlling Interests		429,508	4	927,253	7
			861,547	9	3,169,207	25
9750	Earnings per share-basic (in NTD)	6(27)	\$1.05		\$4.00	
9850	Earnings per share-diluted (in NTD)	6(27)	\$1.05		\$3.95	

(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, 2023 and 2022
(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			Other components of equity					Total
		Common stock	Bond conversion entitlement certificates		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)	Unearned Employee Compensation Expense			
3100	3130	3200	3310	3320	3350	3410	3420	3490	31xx	36xx	3xxx		
A1	Balance as of January 1, 2022	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
	Appropriation and distribution of 2021 earnings												
B1	Legal reserve				107,274		(107,274)				-		-
B3	Special reserve					(57,436)	57,436				-		-
B5	Cash dividends-common shares						(730,261)				(730,261)		(730,261)
D1	Net income for 2022						2,164,939				2,164,939	838,352	3,003,291
D3	Other comprehensive income (loss), net of tax, for 2022						16,016	112,818	(51,819)		77,015	88,901	165,916
D5	Total comprehensive income (loss)	-	-	-	-	-	2,180,955	112,818	(51,819)	-	2,241,954	927,253	3,169,207
I1	Shares from bonds converted	352	(352)								-		-
M5	Difference between consideration and carrying amount of subsidiaries acquires or disposed			(72,770)							(72,770)	(218,294)	(291,064)
O1	Non-controlling interests increase (decrease)											(112,840)	(112,840)
Z1	Balance as of December 31, 2022	5,409,336	-	4,074,419	500,513	326,457	2,853,686	(190,427)	(75,031)	-	12,898,953	5,817,291	18,716,244
	Appropriation and distribution of 2022 earnings												
B1	Legal reserve				218,095		(218,095)				-		-
B3	Special reserve					(60,999)	60,999				-		-
B5	Cash dividends-common shares						(1,352,334)				(1,352,334)		(1,352,334)
D1	Net income for 2023						568,755				568,755	539,517	1,108,272
D3	Other comprehensive income (loss), net of tax, for 2023						6,112	(94,906)	(47,922)		(136,716)	(110,009)	(246,725)
D5	Total comprehensive income (loss)	-	-	-	-	-	574,867	(94,906)	(47,922)	-	432,039	429,508	861,547
O1	Non-controlling interests increase (decrease)											(80,319)	(80,319)
T1	Restricted Employee Stock and Other	9,500		30,780						(22,825)	17,455		17,455
Z1	Balance as of December 31, 2023	5,418,836	-	4,105,199	718,608	265,458	1,919,123	(285,333)	(122,953)	(22,825)	11,996,113	6,166,480	18,162,593

(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, 2023 and 2022
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$1,450,702	\$3,706,382	B00010	Proceeds from disposal of financial assets at fair value through other comprehensive income or loss	(45,500)	-
A20000	Adjustments:			B00040	Disposal (acquisition) of financial assets at amortized cost	(112,024)	(140,161)
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(2,246,270)	(3,428,934)
A20100	Depreciation (Including right of use assets)	1,653,037	1,603,359	B02800	Proceeds from disposal of property, plant and equipment	17,392	19,052
A20200	Amortization	12,927	11,275	B03700	Decrease (increase) in refundable deposits	(5,817)	(45,173)
A20300	Expected credit losses (gain on recovery)	(618)	820	B04500	Acquisition of intangible assets	(5,574)	(17,628)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(4,046)	1,994	B07100	Decrease (increase) in prepayments for equipment	(453,205)	634,809
A20900	Interest expense	238,020	261,058	B09900	Disposal of right-of-use asset	24,341	-
A21200	Interest income	(63,749)	(34,819)	B09900	Other investing activities	64,773	22,048
A21900	Share-based payment	73,352	5,540	BBBB	Net cash provided by (used in) investing activities	(2,761,884)	(2,955,987)
A22500	Loss (gain) on disposal of property, plant and equipment	1,408	8,484				
A23800	Impairment loss (reversal gain) on non-financial assets	11,841	(2,196)	CCCC	Cash flows from financing activities:		
A29900	Loss (gain) on government grants	(63,458)	(63,177)	C00100	Increase in short-term loans	(38,486)	(976,827)
A29900	Recognition of long-term prepayments for materials to loss	-	183,302	C01600	Issuance of corporate bonds	381,314	123,388
A29900	Recognition of Contract liabilities to income	-	(433,826)	C01700	Increase in long-term loans	(774,445)	(720,704)
A29900	Loss on disposal of right-of-use asset	545	-	C03000	Increase in guarantee deposits received	(18,657)	(29,226)
A30000	Changes in operating assets and liabilities:			C04020	Payments of lease liabilities	(82,094)	(66,386)
A31130	Notes receivable	16,708	197,986	C04500	Cash dividends	(1,488,550)	(848,641)
A31150	Accounts receivable	959,248	(51,065)	C05800	Increase (decrease) in non-controlling interests	-	(291,064)
A31180	Other receivable	59,704	(50,038)	CCCC	Net cash provided by (used in) financing activities	(2,020,918)	(2,809,460)
A31200	Inventories	310,046	(729,605)				
A31230	Prepayment	95,210	76,891	DDDD	Effect of exchange rate changes on cash and cash equivalents	(100,884)	172,689
A31240	Other current assets	22,438	522,011				
A32125	Contract liabilities	(211,657)	310,572	EEEE	Increase (decrease) in cash and cash equivalents	(1,588,404)	(312,699)
A32150	Accounts payable	(449,678)	134,784	E00100	Cash and cash equivalents at beginning of period	5,423,876	5,736,575
A32180	Other payable	(205,702)	149,714	E00200	Cash and cash equivalents at end of period	\$3,835,472	\$5,423,876
A32230	Other current liabilities	(1,287)	650				
A32240	Accrued pension liabilities	(4,898)	(4,566)				
A33000	Cash generated from operations	3,900,093	5,805,530				
A33100	Interest received	63,840	33,787				
A33300	Interest paid	(217,774)	(240,013)				
A33500	Income tax paid	(450,877)	(319,245)				
AAAA	Net cash provided by (used in) operating activities	3,295,282	5,280,059				

(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 2023 earnings distribution.

Notes: 1. The company's beginning balance is NT\$1,344,255,821 and the net profit after tax in 2023 is NT\$568,754,616, plus other comprehensive gains and losses (re-measurement of welfare plan) of NT\$6,112,098 and NT\$57,486,671 deducted from the 10% statutory surplus reserve set aside in accordance with the Company Law, and NT\$142,827,510 deducted from the special surplus reserve in accordance with the law. The accumulated distributable surplus totals NT\$1,718,808,354; It is planned to distribute a shareholder dividend of NT\$352,783,425, which will be paid in cash, that is, a cash dividend of NT\$0.65 per share; After distribution, the undistributed surplus balance is NT\$1,366,024,929.

2. In this distribution case, the surplus of 2023 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. Attached please find the earnings distribution table as following:

Wafer Works Corporation
2023 Earnings Distribution Table

Items	Unit: NTD Amount
Beginning balance	1,344,255,821
Plus: Other comprehensive profit and loss (to determine the re-measurement of welfare plan -2023)	6,112,098
Plus: net profit after tax this year	568,754,616
Less: set aside statutory surplus reserve	(57,486,671)
Less: set aside special surplus reserve	(142,827,510)
Available distribution surplus	1,718,808,354
Distribution items:	
Dividends-cash	(352,783,425)
Ending undistributed surplus	1,366,024,929

Chairman:  Manager:  Accounting supervisor: 

Resolutions:

Discussion Items

(Proposed by the Board of Directors)

Case: To approve the issuance of employee restricted stock awards for year 2024.

- 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 2,500,000 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) Issuance period: Within two years after receiving the notice of effective registration from the competent authorities, the new shares shall be issued in one batch or in installments as required by actual needs. The Board of Directors shall authorize the President to determine the actual issuance date and relevant operation details.
 - (3) Qualifications of employees and the number of shares to be allocated:
 1. The eligible employees are limited to the senior executives of the Company, the domestic or foreign companies controlled by the Company, and the Company's subordinate companies who are incumbent full-time regular employees on the restricted stock awards date and have attained a required level of performance. The criteria of the said controlled or subordinate companies shall be determined in accordance with the Company Act, Article 369-2; 369-3; 369-9, Paragraph 2; and Article 369-11 as required by Financial Supervisory Commission's order No. Chin-Kuan-Cheng-Fa-Tzu No.1070121068. The qualified senior executives shall be those directors with the grade of 10th senior level or above, or those who have a significant impact on the Company's operating decisions or play a key role in future core technology and strategic development.
 2. The new shares to be actually acquired by the qualified senior executives shall be allocated by referring to factors including the Company's operating outcome and the employee's seniority, job rank, job performance evaluation, overall contribution, special

achievements, etc., and the President shall put forth the proposed allocation to the Board of Directors for approval. However, the employees who are directors or managerial personnel shall first be reviewed by the Remuneration Committee, whereas those who are not directors or managerial personnel shall first be reviewed by the Audit Committee.

3. For the employee stock option certificates issued by the Company, in accordance with the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”, Article 56-1, Paragraph 1, the total shares to be cumulatively subscribed by an individual subscriber plus the restricted stock awards cumulatively acquired by the subscriber shall not exceed 0.3% of the total number of issued shares; whereas, by adding the employee stock option certificates issued in accordance with the said Article 56, Paragraph 1, the total shares to be cumulatively subscribed by an individual subscriber shall not be over 1% of the total number of issued shares.

(4) Issue conditions:

1. Estimated issue price: Free issue, with an issue price of NT\$0 per share.
 2. Vested conditions: After being awarded restricted shares for employees, if the senior executive is still incumbent in the following expiration year(s), has not breached the Company’s labor contract or work rules, and concurrently meets the personal performance indexes and corporate operating objectives established by the company, 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. Personal performance indexes: Includes annual income, annual before-tax net profit, key technology/product development, customer satisfaction, etc.; these are performance indexes of varying weights defined by senior executives’ respective duties.
 4. Corporate operating objectives: The operating objectives adopted by the Board of Directors in the previous year.
 5. 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 excellent talent, reinforce the connection between employee rewards and the Company’s financial performance, 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 NTD40.91 for the common shares of up to 2,500,000 shares and February 2024 (2/1-2/29), and using the valuation model, the total amount that may be expensed is estimated to be NTD102,275,000, and the apportioned expensing amounts for 2025, 2026 and 2027 are NTD40,910,000, NTD30,682,500 and NTD30,682,500, respectively, with an EPS impact of NT\$0.075, NT\$0.056 and NT\$0.056 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 42-47 of this Handbook for the Company's 2024 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 2024

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) The incentive plan is applicable to the senior executives of the Company, the domestic or foreign companies controlled by the Company or the Company's subordinate companies, who are incumbent full-time regular employees on the restricted stock awards date and have attained a required level of performance. The criteria of the said controlled or subordinate companies shall be determined in accordance with the Company Act, Article 369-2; 369-3; 369-9, Paragraph 2; and Article 369-11 as required by Financial Supervisory Commission's order No. Chin-Kuan-Cheng-Fa-Tzu No.1070121068. The qualified senior executives shall be the directors with the grade of 10th senior level or above, or those who have a significant impact on the Company's operating decisions or play a key role in future core technology and strategic development.
- (2) The new shares to be actually acquired by the qualified senior executives shall be allocated by referring to factors including the Company's operating outcome and the employee's seniority, job rank, job performance evaluation, overall contribution, special achievements, etc., and the President shall put forth the proposed allocation to the Board of

Directors for approval. However, the employees who are directors or managerial personnel shall first be reviewed by the Remuneration Committee, whereas those who are not directors, or managerial personnel shall first be reviewed by the Audit Committee.

- (3) For the employee stock option certificates issued by the Company, in accordance with the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”, Article 56-1, Paragraph 1, the total shares to be cumulatively subscribed by an individual subscriber plus the restricted stock awards cumulatively acquired by the subscriber shall not exceed 0.3% of the total number of issued shares, whereas, by adding the employee stock option certificates issued in accordance with the said Article 56, Paragraph 1, the total shares to be cumulatively subscribed by an individual subscriber shall not be over 1% of the total number of issued shares.

Article 4 Estimated Total Issue Amount

No more than 2,500,000 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:
1. After being awarded restricted shares for employees, if the senior executive is still incumbent in the following expiration year(s), has not breached the Company's labor contract or work rules, and concurrently meets the personal performance indexes and corporate operating objectives established by the Company, 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%
 2. Personal performance indexes: Includes annual income, annual before-tax net profit, key technology/product development, customer satisfaction, etc.; these are performance indexes of varying weights defined according to senior executives' respective duties.
 3. Corporate operating objectives: The operating objectives adopted by the Board of Directors in the previous year.
- (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. The same shall apply in case of any revision before actual insurance. 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.

Election

(Proposed by the Board of Directors)

Case : The 11th Election of Directors.

- Notes: 1. The term of the Company's 10th Board of Directors will expire on July 22, 2024. 7 to 11 directors shall be appointed according to the Articles of Incorporation of the Company. 9 directors (including 4 independent directors) will be elected for the 11th Board of Directors at the regular shareholders' meeting in 2024. The directors will serve for a term of three years from June 21, 2024 to June 20, 2027
2. According to the Articles of Incorporation of the Company, election of the Company's directors shall be conducted under the candidate nomination system. They are elected by shareholders from the list of candidates. For relevant information, please refer to Page 49-51 of the Handbook.

Voting Results:

Wafer Works Corporation

List of Director (Including Independent Director) Candidates

No.	Name	Account / ID No.	Shareholdings	Education and major work Experience (Including Current position)	Remarks
1	Ping-Hai, Chiao	181	12,072,954	<p>Education: MS Chemical Engineering, San Jose State University</p> <p>Work experience: Chairman of the Board of Directors, Solargiga Energy Holdings Limited Founder and President of Helitek Sr. Manager of Lite-on Semiconductor Corp. PE Manager of Siltec</p> <p>Current position: Chairman and CEO of Wafer Works Corporation President of Helitek Company Ltd. Chairman of Heli-Vantech Corp. Director of Silicon Technology Investment (Cayman) Corp. Director of Wafer Works (Shanghai) Co., Ltd. Director of Wafer Works Epitaxial Corp. Director of Wafer Works Investment Corp. Director of Wafermaster Investment Corp.</p>	Director Candidate
2	Nan-Yang, Wu	E12142* ***	0	<p>Education: Master Degree, Stanford University</p> <p>Work experience: President of Central Technology Venture Capital, Inc. President of Legend Technology Venture Capital Investment Corp. Team Leader of Optoelectronic Laboratory, ITRI</p> <p>Current position: Director of Edison Opto Corporation Director of Guangdong Jinko Electronics Co., Ltd. Director of Advanced Photoelectronic Technology Ltd. (Hong Kong).</p>	Director Candidate
3	Hua Eng Wire & Cable Co., LTD. Representative: Hsiu-Mei, Liu	22	5,699,013	<p>Education: MS Accounting, Long Island University, New York</p> <p>Work experience: Vice President of Management Division of Hue Eng Wire & Cable Co., Ltd.</p> <p>Current position: Director of China Ecotek Corporation Director of Co-Tech Development Corp. Director of Bionime Corporation</p>	Director Candidate
4	Chung-Hou, Tai	25	1,518,162	<p>Education: MS Management Science, Tamkang University BS Electric and Control Engineering, NCTU</p> <p>Work experience: Chairman of Investar Corporation Co-founder of Acer Corp.</p> <p>Current position: Chairman of Investar Corporation Director of Digitimes Inc. Independent Director of Asustek Computer Incorporation Director of Chief Telecom Inc. Director of Fullerton Technology Co., Ltd. Director of 21Vianet Group Inc. Director of Lumens Digital Optics Inc.</p>	Director Candidate

				<p>Director of Global Testing Corporation Director of Wafer Works (Shanghai) Co., Ltd. Director of IC Broadcasting Co., Ltd.</p>	
5	<p>GRAND SEA INVESTMENTS LIMITED Representative: Zhen-Tu, Liu</p>	84111	1,599,484	<p>Education: Ph.D. Business Administration, Nova Southeastern University, USA Work experience: CFO of USI Group President of Harbinger Venture Capital President of Liancheng Venture Capital Director of MITAC International Corp. Director of Getac Director of UPC Technology Corporation Director of HanTech Venture Capital Corporation Supervisor of Synnex Technology International Corporation Current position: Independent Director of MOSEL VITELIC INC.</p>	Director Candidate
6	Yong-Song, Tsai	A10463* *** (Note)	0	<p>Education: MS International Business Management, NTU MS Materials Science and Engineering, The Ohio State University, USA Work experience: Vice President of Walden International Taiwan Co., Ltd. Current position: Partner of Asia Parker Capital Limited Independent Director of Silergy Corp.</p>	Candidates for Independent Directors
7	Feng-I, Lin	V10103* ***	0	<p>Education: MS Economics, Nankai University, Tianjin BA Accounting, Soochow University Work experience: Director and Vice President of Want Want China Holdings Limited Current position: Independent Director of Grape King Bio Ltd. Independent Director of Sunjuice Holdings Co., Limited Director of Shanghai Karon Eco-Valve Manufacturing Co., Ltd.</p>	Candidates for Independent Directors
8	De-Wai, Chou	J12098* ***	0	<p>Education: Ph.D. Finance and MS Business Administration, Drexel University, Lebow School of Business, Philadelphia, USA Work experience: Director of LUNGTEH SHIPBUILDING CO., LTD. (Representative of National development fund) Dean of School of Management, National Taiwan Normal University Independent director of Nanoplus Ltd. CEO of Double Master Degree Program in International Business Management, National Taiwan Normal University Science and technology technician of the Ministry of Science and Technology Visiting Scholar of University of Washington Director of the Institute of Management, National Taiwan Normal University Current position: Graduate Institute of Management of National Taiwan Normal University Supervisor of Taiwan Association of Board Governance Supervisor of Taiwan Institute of Directors</p>	Candidates for Independent Directors

				Executive Director of Chinese United Family Office Associates	
9	Rui-Hua, Hong	108453	14,210	<p>Education:</p> <p>Doctor of Electrical Engineering, National Sun Yat-sen University (Directly pursue a PhD)</p> <p>Bachelor of Electrical Engineering, National Cheng Kung University</p> <p>Work experience:</p> <p>Department Director of Electronics, National Yang Ming Chiao Tung University</p> <p>Dean of the Institute of Innovation Industry Promotion, National Chung Hsing University</p> <p>Current position:</p> <p>Lecture professor of National Yang Ming Chiao Tung University</p> <p>Independent Director of Apex International Co., Ltd.</p>	Candidates for Independent Directors

(Note) Reason why independent director candidate Yong-Song, Tsai, who has already served on the Company's Board for three terms, is nominated:

Due to his business, financial, market investment, and other rich practical experience, Mr. Tsai is able to provide critical advice to the Company. Thus, the Company still requires his critical expertise, and that he give the Board of Directors oversight and provide it with expert advice.

Other Matters

(Proposed by the Board of Directors)

Case: Proposal of Release the Prohibition on Directors from Participation in Competitive Business

Notes:1. Pursuant to Article 209 of the Company Act “If a director is engaged in activities which are within the business scope of the company, either for his/her own sake or on behalf of others, the director shall explain to the shareholders’ meeting the major contents of such activities and obtain approval accordingly.”

2. A situation may arise where a director of the Company invests in or manages any other company whose business scope is the same as or similar to that of the Company, and where the director serves in the same position as a director of that other company. In accordance with applicable laws, it is proposed that if a newly elected director of the Company or his representative is involved in the aforementioned situation, he/she shall be exempted from non-compete restrictions under the condition that such involvements do not compromise the Company's interests. The proposal is subject to approval at the shareholders' meeting. For the new directors of the Company who also serve in other companies, please refer to Page 53 of the Handbook.

Resolutions:

List of the Directors of Wafer Works Corporation Who Serve in Other Companies Concurrently

Title	Name	Concurrent position in other companies
Director	Ping-Hai, Chiao	President of Helitek Company Ltd. Chairman of Heli-Vantech Corp. Director of Silicon Technology Investment (Cayman) Corp. Director of Wafer Works (Shanghai) Co., Ltd. Director of Wafer Works Epitaxial Corp. Director of Wafer Works Investment Corp. Director of Wafermaster Investment Corp.
Director	Nan-Yang, Wu	Director of Edison Opto Corporation Director of Guangdong Jinko Electronics Co., Ltd. Director of Advanced Photoelectronic Technology Ltd. (Hong Kong).
Director	Hua Eng Wire & Cable Co., LTD Representative: Hsiu-Mei, Liu	Director of China Ecotek Corporation Director of Co-Tech Development Corp. Director of Bionime Corporation
Director	Chung-Hou, Tai	Chairman of Investar Corporation Director of Digitimes Inc. Independent Director of Asustek Computer Incorporation Director of Chief Telecom Inc. Director of Fullerton Technology Co., Ltd. Director of 21Vianet Group Inc. Director of Lumens Digital Optics Inc. Director of Global Testing Corporation Director of Wafer Works (Shanghai) Co., Ltd. Director of IC Broadcasting Co., Ltd
Director	GRAND SEA INVESTMENTS LIMITED Representative: Zhen-Tu, Liu	Independent Director of MOSEL VITELIC INC.
Independent director	Yong-Song, Tsai	Partner of Asia Parker Capital Limited Independent Director of Silergy Corp.
Independent director	Feng-I, Lin	Independent Director of Grape King Bio Ltd. Independent Director of Sunjuice Holdings Co., Limited Director of Shanghai Karon Eco-Valve Manufacturing Co., Ltd.
Independent director	Rui-Hua, Hong	Independent Director of Apex International Co., Ltd.

Provisional Motions

Meeting Adjournment

Appendix I: Rules and Procedures of Shareholders' Meeting

Amendments by Shareholders' meeting on 6/21/2022

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 in compliance.

Article 2

Unless 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 convention and meeting of shareholders meeting)

Unless stipulated by laws and regulations, the shareholders' meeting of the Company shall be convened by the Board of Directors.

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.

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 21 days of the general shareholders' meeting or the 15 days 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. 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 Mainland China 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. Fifteen days before the meeting of the shareholders' meeting, the Company shall 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.

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:

1. When an entity shareholders' meeting is held, it shall be distributed at the meeting of the shareholders' meeting.
2. When video-assisted meeting of shareholders' meeting is held, it shall be distributed at the meeting of shareholders' meeting site and transmitted to the video conference platform by electronic files.
3. When the video meeting of shareholders' meeting is held, it should be transmitted to the video conference platform by electronic files.

The notice and announcement shall specify the reasons for convening; If the notice is approved by the counterpart, it may be done electronically.

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 extemporary 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 extemporary 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 meeting of 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 meeting of 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 entrust one person, which shall be delivered to the Company five days prior to the meeting of shareholders' meeting, and 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, 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.

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 a.m. or later than 3: 00 p.m.

When the Company holds the video shareholders' meeting, it shall not be restricted by the venue mentioned in the preceding paragraph.

Article 6 (Preparation of signature book and other documents)

The Company shall specify the registration time, registration place and other matters needing attention of the accepting shareholders, solicitors and entrusted agents (hereinafter referred to as shareholders) in the meeting notice.

The registration time for accepting shareholders referred to in the preceding paragraph shall be handled at least 30 minutes before the meeting starts; the place for reporting

shall be clearly marked, and appropriate and competent personnel should be sent to handle it; 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.

Shareholders shall attend the shareholders' meeting with the attendance card, attendance sign-in card or other attendance 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. 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.

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.

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.

Article 6-1 (Call video conference of shareholders' meeting, matters to be included in the call notice)

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:

1. Shareholders' participation in video conferences and methods of exercising their rights.
2. The ways to deal with the obstacles caused by natural disasters, incidents or other force majeure, including at least the following:
 - (1) 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.
 - (2) Shareholders who have not registered to participate in the original shareholders'

meeting by video shall not participate in the postponed or resumed meeting.

(3) 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.

(4) In the event that all the motions have been announced, but no extemporary motion has been made, should be handled this way.

3. Hold the video shareholders' meeting, the rules should specify the appropriate alternative measures for shareholders who have difficulty in participating in the shareholders' meeting by video.

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 standing and business operation situation of the Company.

At the shareholders' meeting convened by the Board of Directors, the Chairman should personally preside over the meeting, and there should be directors 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 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.

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.

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.

If the shareholders' meeting is held by video conference, the Company should record and video the background operation interface of the video conference platform.

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 the video conference platform, 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; If the shareholders' meeting is held by video conference, the Company shall also announce the meeting aborted on the video conference platform of shareholders' meeting.

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, 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.

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 extemporar 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 a 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 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.

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.

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.

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 extemporary 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 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 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.

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.

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.

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.

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.

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.

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 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.

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.

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 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.

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 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.

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)

When handling the shareholders' meeting meeting staff 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 the 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 extemporary 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 (Disclosure of Information in Video Conference)

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.

Article 20 (Location of the Chairman and Recording personnel of the Video Shareholders' Meeting)

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.

Article 21 (Handling of Disconnection)

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 services immediately before and during the meeting to help deal with the technical problems of communication.

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. 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.

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 number of shares, voting rights and voting rights of shareholders attending the postponed or resumed meeting.

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.

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.

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.

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 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.

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.

Article 22 (Handling of digital drop)

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.

Article 23

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

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 the Company is Wafer Works Corporation.
- Article 2 The Company's businesses are as follows:
 CC01080 Electronics Components Manufacturing
 C801990 Other Chemical Materials Manufacturing
 CB01010 Mechanical Equipment Manufacturing
 F401010 International Trade
- Research, design, manufacturing, and sale of the following products:
1. Silicon semiconductor materials
 2. Epitaxy semiconductor materials
 3. Compound semiconductor materials
 4. Concurrently provide technical consultation, services, and engage in import and export commerce related to the previous products
- Article 3 The Company has its head office in Hsinchu Science Park, and if necessary, it may set up branch companies or factories in other places at home and overseas 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 Procedures for Endorsement & Guarantee 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 at NT\$7 billion only, and it is

divided into 700 million 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.

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 10-1 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. 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.

- 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 has seven to eleven 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.
- 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 the 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 legal reserve and set aside special reserve or turn-around special 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 distributions.

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 , and the twenty-first amendment on June 21, 2022, and the twenty-second amendment on June 19, 2023.

Appendix III: Rules for Election of Directors

Rules for Election of Directors for Wafer Works Corporation

Amendments by shareholders' meeting on 6/27/2018

Article 1: Election of the Company's directors shall be subject to the Procedures.

Article 2: The directors of the Company shall be elected using the cumulative single-registered method. When electing the directors, each share is entitled to elect the same number of directors to be elected. The votes may be focused on one candidate or allocated separately to multiple candidates. The candidates who receive more votes representing the voting rights will be elected.

The Company's directors shall be elected by nomination in accordance with Article 192-1 of the Company Act.

For the election of the Company's directors, shareholders may select to exercise their voting rights electronically or in person.

The shareholders who select to exercise their voting rights electronically shall vote on the electronic voting platform designated by the Company.

Article 3: When the voting begins, the chairman shall appoint vote monitoring and counting personnel to take charge of relevant tasks. The vote monitoring personnel shall be shareholders. The ballot box shall be prepared by the Board of Directors. It shall be opened and examined in public by vote monitoring personnel.

Article 4: Except as otherwise specified by the laws, the directors of the Company shall be elected at the shareholders' meeting from persons of adequate capacity. The candidates who receive more votes representing the voting rights will be elected as independent and non-independent directors according to the Articles of Incorporation and the seats adopted by the Board of Directors.

Independent and non-independent directors shall be elected at the same time, but the votes and elected seats shall be counted separately. Where two or more candidates receive the same number of votes beyond the allowed

number of directors, the winner shall be determined by drawing lots. The lots shall be drawn by the chairman for each of the absentees.

The votes referred to in Paragraph 1 shall be calculated based on the votes cast at the shareholders' meeting plus those cast electronically.

As for the electronic voting result under the preceding item, an institution meeting the requirements of Article 44-6 of the Regulations Governing the Administration of Shareholder Services of Public Companies shall be authorized to confirm the identity of the shareholders and their voting rights and carry out the statistical verification prior to the shareholders' meeting.

Article 5: The Board of Directors shall prepare ballots in a number corresponding to the directors to be elected. Number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. The attendance card number printed on the ballot may be used in lieu of recording the name of the voter.

Article 6: The voters shall provide related information based on the list of candidates on the shareholders' meeting agenda. Each ballot shall be filled out with only one candidate. If the candidate is a shareholder, the voter shall state the account name and number. If the candidate is not a shareholder, the name and identity document number of the candidate shall be detailed. If the candidate is a government or corporation, the account name under the full name of the government or corporation or the name of their respective representatives shall be provided in the candidate's column on the ballot. If there is more than one representative, the names of these representatives shall be provided. The stamp may be used as a substitute for the information of the candidate that shareholders must provide under the preceding item.

Article 7: In case of voting at the shareholders' meeting, a ballot shall be null and void in one of the following circumstances:

- I. Those who do not use the electoral ballots stipulated in these regulations.
- II. The candidate indicated is not nominated or the number of candidates exceeds the number of directors to be elected.
- III. Other information is provided in addition to the information required in the preceding article and assigned number of voting rights.
- IV. Ballots are not dropped into the ballot box.

- V. Blank ballots are not completed by a voter and are blank.
- VI. The information provided pursuant to the preceding article does not conform to the information of the nominated candidate.
- VII. The writing is unclear and indecipherable.
- VIII. The name of the indicated candidate and related information or the assigned number of voting rights is altered.
- IX. The account name (name) of the indicated candidate is the same as another shareholder and the account number or ID document number of this shareholder is not provided for identification.
- X. When the total assigned number of voting rights exceeds the number of voting rights held by the voters. In case of exercising voting rights electronically, ballots shall be validated null and void according to the regulations of the competent authority.

Article 8: The ballots shall be opened and counted on-the-spot upon completion of the voting and the result shall be announced by the chairman on-the-spot.

Article 9: The Company shall issue the election winning notice to the elected directors.

Article 10: Any matters not addressed in the Procedures shall be subject to the Company Act, the Articles of Incorporation and the relevant regulations.

Article 11: The Procedures and the amendments thereto shall come into enforcement after being approved at the shareholders' meeting.

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, 2024 as recorded in the shareholders' register:

- The statutory minimum number of shares required to be held by all directors: 17,367,799 shares.

Title	Name	Date of election	Term of office	Number of shares held at the time of election		Register of Shareholders as of 2024 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	2.22
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: Hsiu-Mei, Liu	2021.07.23	3 years	4,493,217	0.88	5,699,013	1.05
Director	Chung-Hou, Tai	2021.07.23	3 years	1,526,162	0.30	1,518,162	0.28
Director	Hitech Holding (BVI) Corp. Representative: Chun-Lin, Chen	2021.07.23	3 years	3,545,887	0.69	3,545,887	0.65
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-Wai, Chou	2021.07.23	3 years	0	0.00	0	0.00
Total				21,066,239	4.12	22,836,140	4.2

Note 1: Total shares issued on April 30, 2021: 510,898,436 common shares.

Note 2: Total shares issued on April 23, 2024: 542,743,730 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 2024 Annual General Meeting of Shareholders. The proposal period is from April 15, 2024 to April 24, 2024.
2. Proposal from shareholders holding more than one percent of the total issued shares of the Company at the 2024 Annual General Meeting of Shareholders: None.

Thank you for attending the annual general
meeting.

Your comments and suggestions are always
welcome.

MEMO

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