



Stock No. : 6182

Wafer Works Corporation

2025 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

Time: 9: 00 a.m., June 23, 2025

Convening method: Physical Shareholders Meeting

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

Table of Contents

一、Meeting Procedure-----	1
二、Meeting Agenda-----	2
三、Report Items-----	3
四、Ratification Items-----	13
五、Discussion Items-----	37
六、Provisional Motions-----	40

Appendices

一、Rules and Procedures of Shareholders' Meeting--	41
二、Articles of Incorporation (before amendment)--	50
三、Shareholdings of All Directors-----	56
四、Information on proposals from shareholders holding more than one percent of the Company's total issued shares-----	57

Wafer Works Corporation

2025 Annual Shareholders' Meeting

Meeting Agenda (Translation)

I. Report on the number of shares attended

II. Announcing the meeting

III. Chairman's Address

IV. Report Items

V. Ratification Items

VI. Discussion Items

VII. Provisional Motions

VIII. Meeting Adjournment

Wafer Works Corporation

2025 Annual Shareholders' Meeting

Meeting Agenda
(Translation)

Time: 9: 00 a.m., June 23, 2025

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

I. Chairman's Address

II. Report Items

- (1) To report the business of 2024
- (2) Audit Committee's review report of 2024
- (3) To report 2024 employees' profit sharing and directors' compensation
- (4) To report the Implementation of Investments in mainland China
- (5) To report the issuance of 8th unsecured convertible corporate bonds

III. Ratification Items

- (1) To accept 2024 Business Report and Financial Statements
- (2) To approve the proposal of 2024 earnings distribution

IV. Discussion Items

- (1) To revise the Articles of Incorporation.
- (2) To approve the removal of the noncompete clause for Directors.

V. Provisional Motions

VI. Meeting Adjournment

Report Items

1. To report the business of 2024.

Notes: Please refer to pages 4-5 of this Handbook for business report in 2024.

Business Report

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

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

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

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

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

1. Operational Efficiency

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

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

2. Technology Innovation and Product Advancement

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

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

3. Global Strategy and Diversification

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


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


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


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

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

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

Chairman: Ping-Hai, Chiao 

Manager: Hsien-Yuan, Chang 

Accounting Supervisor: Chia-Yu, Lu 

Report Items

2. Audit Committee's review report of 2024.

Notes: Please refer to page 7 of this Handbook for the Audit Report of the Audit Committee.

Wafer Works Corporation

Audit Committee's Review Report

The 2024 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

2025 Annual shareholder meeting of Wafer Works Corporation

Wafer Works Corporation

Convenor of Audit Committee: Feng-I, Lin



March 14, 2025

Report Items

3. To report 2024 employees' profit sharing and directors' compensation

Notes: 1. The company's profit in 2024 was NT\$16,601,774. 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 1.81% of directors' remuneration to NT\$300,000 and 6.02% of employees' remuneration to NT\$1,000,000, both of which are paid in cash.

Report Items

4. To report the Implementation of Investments in mainland China

Notes: Please refer to Pages 10-11 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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2024	Accumulated Inward Remittance of Earnings as of Dec. 31, 2024	Accumulated Investment in Mainland China as of Dec. 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Wafer Works (Shanghai) Co., Ltd. (Note10)	R&D, production and sales of semiconductor materials	\$3,035,036 (Note1,3)	Reinvesting in a Mainland company through reinvestment in an existing company in a third location.	\$510,951	\$-	\$-	\$510,951	\$520,724	42.87%	\$223,315 (Note3,4,12)	\$7,783,768 (Note3,4,12)	\$492,626	\$510,951	\$2,008,983	No maximum (Note5)
Wafer Works Epitaxial Corp.	R&D, production and sales of semiconductor materials	\$3,138,070 (Note3,6)	Reinvesting in a Mainland company through reinvestment in an existing company in a third location.	\$516,782	\$-	\$-	\$516,782	\$578,949	42.87%	\$578,949 (Note3,4,12)	\$1,994,990 (Note3,4,12)	\$-	\$516,782	\$600,856	
Wafer Works (Yangzhou) Corp.	R&D, production and sales of semiconductor materials	\$497,130 (Note3,7)	(Note2)	\$-	\$-	\$-	\$-	\$(46,546)	42.87%	\$(46,546) (Note3,4,12)	\$177,111 (Note3,4,12)	\$-	\$-	\$-	
Wafer Works (Zhengzhou) Corp.	R&D, production and sales of semiconductor materials	\$6,171,905 (Note3,8)	(Note 8)	\$-	\$-	\$-	\$-	\$81,941	42.87%	\$81,941 (Note3,4,12)	\$2,760,219 (Note3,4,12)	\$-	\$-	\$-	

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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2024	Accumulated Inward Remittance of Earnings as of Dec. 31, 2024	Accumulated Investment in Mainland China as of Dec. 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
HuaXin (Shanghai) Technology Co., Ltd.	Trading of semiconductor materials	\$30,211 (Note 10)	(Note 11)	\$30,211	\$-	\$-	\$30,211	\$(4,448)	100.00%	\$(4,448) (Note3,4,12)	\$(76,787) (Note3,4,12)	\$-	\$30,211	\$30,211	

Note 1: 48.0307% 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, 2024.

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 issuance of 8th unsecured convertible corporate bonds

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

2. In order to acquire R&D equipment and cover related capital expenditures, the board of directors approved the issuance of the eighth domestic unsecured convertible bonds to raise capital on July 11, 2024, which was approved by the Financial Supervisory Commission in letter JGZFFZ No. 11303510751 dated August 9, 2024 and agreed by the Taipei Exchange in letter ZGZZ No. 11300091602 dated September 23, 2024, and will be listed and traded on the OTC starting from September 27, 2024.

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

Types of corporate bonds	The eighth domestic unsecured convertible corporate bonds
Issue denomination	NT\$100,000
Issue value	NT\$102.2
Total issued denomination	NT\$1,500,000,000
Total issue amount	NT\$1,558,805,950
Coupon rate	0%
Issue period	2024/09/27-2029/09/27
Conversion period	2024/12/28-2029/08/18
Conversion premium rate	102%
Latest conversion price	NT\$33.5
Conditions of put option on bonds	According to the company's issuance method Article 19 shall apply.
Conditions of call option on bonds	According to the company's issuance method Article 18 shall apply.
Underwriting agency	960T Fubon Comprehensive Securities Co., Ltd.
Number of converted ordinary shares and unconverted amount as of the date of publication	0 ordinary shares have been converted. The unconverted amount is NTD1,500,000,000.

Ratification Items

(Proposed by the Board of Directors)

Case 1: To accept 2024 Business Report and Financial Statements.

Notes: 1. The Company's 2024 individual financial statements and consolidated financial statements have been compiled, which are attached to the "2024 Business Report" and passed by the board of directors on March 14, 2025.

2. Please refer to pages 4-5 and 14-34 of this handbook for the 2024 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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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\$4,080,113 thousand for the year ended December 31, 2024 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\$1,454,092 thousand, representing 7% of parent-company-only total assets, as of December 31, 2024 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, 2024 and 2023, 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\$192,175 thousand and NT\$191,912 thousand as of December 31, 2024 and 2023 representing 0.88% and 1.18% 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\$(12,476) thousand and NT\$1,424 thousand representing (81.53)% and 0.19% 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 2024 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 14, 2025
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, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$3,351,104	15	\$1,879,090	12
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	14,862	-	20,565	-
1170	Accounts receivable, net	4, 6(5)	556,883	3	491,396	3
1180	Accounts receivable - related parties	4, 6(5), 7	364,574	2	327,105	2
1200	Other receivables		49,288	-	19,697	-
1210	Other receivables-related parties	7	52,128	-	50,100	-
1310	Inventories, net	4, 6(6)	1,454,092	7	1,425,979	9
1410	Prepayments		295,322	1	213,946	1
1470	Other current assets		1,681	-	1,681	-
11XX	Total current assets		<u>6,139,934</u>	<u>28</u>	<u>4,433,724</u>	<u>27</u>
	Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income	4, 6(3)	108,600	-	45,500	-
1536	Financial assets measured at amortized cost	4, 6(4), 8	21,967	-	21,967	-
1551	Investments accounted for using the equity method	4, 6(7)	8,011,713	38	5,773,151	36
1600	Property, plant and equipment	4, 6(8), 7, 8, 9	6,882,334	31	5,535,494	34
1755	Right-of-use assets	4, 6(21)	227,118	1	222,735	2
1780	Intangible assets	4, 6(9)	4,286	-	6,120	-
1840	Deferred tax assets	4, 6(25)	37,873	-	37,873	-
1915	Prepayment for equipment		362,331	2	154,654	1
1920	Refundable deposits	9	77,768	-	77,768	-
1990	Other non-current assets	9	28,704	-	20,499	-
15XX	Total non-current assets		<u>15,762,694</u>	<u>72</u>	<u>11,895,761</u>	<u>73</u>
1XXX	Total Assets		<u>\$21,902,628</u>	<u>100</u>	<u>\$16,329,485</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, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10)	\$720,000	3	\$440,000	3
2120	Financial liabilities at fair value through profit or loss	4, 6(11)	2,464	-	-	-
2130	Contract liabilities	4, 6(19), 9	91,008	-	67,748	-
2170	Accounts payable		249,064	1	218,584	1
2180	Accounts payable - related parties	7	22,159	-	11,692	-
2200	Other payables	6(12)	521,206	3	578,524	3
2220	Other payable - related parties	7	298	-	234	-
2230	Current income tax liabilities	4	322,753	2	394,033	3
2281	Lease liability	4, 6(21)	20,261	-	18,051	-
2322	Current portion of long-term loans	6(15), 8	320,440	1	107,884	1
2399	Other current liabilities	6(13)	5,472	-	2,692	-
21XX	Total current liabilities		2,275,125	10	1,839,442	11
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss	4, 6(11)	18,000	-	-	-
2527	Contract liabilities	4, 6(19)	-	-	65,976	-
2530	Bonds Payable	4, 6(14)	1,644,969	8	292,695	2
2540	Long-term loans	6(15), 8	2,453,995	12	1,691,077	11
2570	Deferred tax liabilities	4, 6(25)	73,695	-	95,649	1
2581	Lease liability	4, 6(21)	209,110	1	207,459	1
2630	Long-term deferred revenue	6(13)	14,352	-	4,217	-
2640	Accrued pension liabilities	4, 6(16)	6,316	-	18,684	-
2645	Deposits received		11,400	-	48,108	-
2650	Credit balance in investments accounted for using the equity method	4, 6(7)	76,787	-	70,065	-
25XX	Total non-current liabilities		4,508,624	21	2,493,930	15
2XXX	Total liabilities		6,783,749	31	4,333,372	26
	Equity					
3100	Capital	6(17)				
3110	Common stock		5,732,436	26	5,418,836	33
3200	Capital surplus	6(17)	6,967,673	32	4,105,199	25
3300	Retained earnings	6(17)				
3310	Legal reserve		776,095	4	718,608	5
3320	Special reserve		408,286	2	265,458	2
3350	Unappropriated earnings		1,376,992	6	1,919,123	12
3400	Other components of equity		(142,603)	(1)	(431,111)	(3)
3XXX	Total equity		15,118,879	69	11,996,113	74
	Total liabilities and equity		\$21,902,628	100	\$16,329,485	100

(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, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(19), 7	\$4,080,113	100	\$4,540,046	100
5000	Operating costs	6(22), 7	(3,312,396)	(81)	(3,432,495)	(76)
5900	Gross profit from operations		767,717	19	1,107,551	24
6000	Operating expenses	6(22)				
6100	Selling		(119,406)	(3)	(140,716)	(3)
6200	General and administrative		(299,992)	(7)	(293,244)	(6)
6300	Research and development		(505,403)	(12)	(419,617)	(9)
6450	Expected credit gains (losses)	6(20)	-	-	-	-
	Operating expenses total		(924,801)	(22)	(853,577)	(18)
6900	Operating income (loss)		(157,084)	(3)	253,974	6
7000	Non-operating income and expenses	6(23)				
7100	Interest income		30,476	1	31,459	1
7010	Other income		13,017	-	19,585	-
7020	Other gains and losses	7	12,647	-	(510)	-
7050	Finance costs		(76,846)	(2)	(56,221)	(1)
7060	Share of profit or loss of subsidiaries, associates and joint ventures		193,092	5	506,854	11
	Non-operating income and expense total		172,386	4	501,167	11
7900	Income before income tax		15,302	1	755,141	17
7950	Income tax expenses	4, 6(25)	(11,269)	-	(186,386)	(4)
8200	Net income		4,033	1	568,755	13
8300	Other comprehensive income (loss)	6(24)				
8310	Item that not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		6,843	-	6,112	-
8316	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(31,679)	(1)	(47,922)	(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		335,937	8	(94,906)	(2)
	Total other comprehensive income (loss), net of tax		311,101	7	(136,716)	(3)
8500	Total comprehensive income (loss)		\$315,134	8	\$432,039	10
9750	Earnings per share - basic (in NT\$)	6(26)	\$0.01		\$1.05	
9850	Earnings per share - diluted (in NT\$)	6(26)	\$0.01		\$1.05	

(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, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars)

	Items	Capital	Capital Surplus	Retained earnings			Other components of equity			Total equity
		Common stock		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	
Code		3100	3200	3310	3320	3350	3410	3420	3490	3XXX
A1	Balance as of January 1, 2023	\$5,409,336	\$4,074,419	\$500,513	\$326,457	\$2,853,686	\$(190,427)	\$(75,031)	\$-	\$12,898,953
	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
	Appropriation and distribution of 2023 earnings									
B1	Legal reserve			57,487		(57,487)				-
B3	Special reserve				142,828	(142,828)				-
B5	Cash dividends - common shares					(352,783)				(352,783)
C5	Embedded conversion options derived from convertible bonds		203,927							203,927
C7	Changes in subsidiaries, associates, and joint ventures accounted for under equity method		2,109,648							2,109,648
D1	Net income for 2024					4,033				4,033
D3	Other comprehensive income (loss), net of tax, for 2024.					6,843	335,937	(31,679)		311,101
D5	Total comprehensive income (loss)	-	-	-	-	10,876	335,937	(31,679)	-	315,134
E1	Capital increase by cash	300,000	505,028							805,028
T1	Restricted Employee Stock and Other	13,600	43,871			91			(15,750)	41,812
Z1	Balance as of December 31, 2024	\$5,732,436	\$6,967,673	\$776,095	\$408,286	\$1,376,992	\$50,604	\$(154,632)	\$(38,575)	\$15,118,879

(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, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$15,302	\$755,141	B00010	Proceeds from disposal of financial assets at fair value through other comprehensive income	(63,100)	(45,500)
A20000	Adjustments:			B00040	Acquisition of financial assets at amortized cost	-	(5,870)
A20010	Profit or loss not effecting cash flows:			B00050	Disposal of financial assets at amortized cost	5,703	-
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	13,829	(4,046)	B02700	Acquisition of property, plant and equipment	(1,887,189)	(1,126,062)
A21200	Interest income	(30,476)	(31,459)	B02800	Proceeds from disposal of property, plant and equipment	428	148
A20900	Interest expense	76,846	56,221	B03700	Decrease (increase) in refundable deposits	-	(5,928)
A20100	Depreciation (Including right of use assets)	597,020	541,473	B04500	Acquisition of intangible assets	(2,630)	(334)
A20200	Amortization	4,464	5,170	B07100	Decrease (increase) in prepayment for equipment	(207,677)	16,847
A21900	Cost of share based payment	56,932	17,455	BBBB	Net cash provided by (used in) investing activities	(2,154,465)	(1,166,699)
A22400	Share of profit or loss of subsidiaries, associates and joint ventures	(193,092)	(506,854)				
A22500	Loss (gain) on disposal of property, plant and equipment	(428)	1,458	CCCC	Cash flows from investing activities:		
A23700	Impairment loss (reversal gain) on non-financial assets	-	(1,603)	C00100	Increase (decrease) in short-term loans	280,000	(73,372)
A29900	Gain on government grants	(2,940)	(1,231)	C01200	Issuance of corporate bonds	1,554,776	-
A30000	Changes in operating assets and liabilities:			C01600	Increase in long-term loans	1,096,740	294,610
A31150	Accounts receivables	(65,487)	233,566	C01700	Repayment of long-term loans	(110,025)	(30,625)
A31160	Accounts receivable - related parties	(37,469)	229,379	C03000	Increase (decrease) in guarantee deposits received	(36,708)	(18,657)
A31180	Other receivables	(30,145)	22,340	C04020	Payments of lease liabilities	(25,389)	(21,691)
A31190	Other payable - related parties	(2,028)	(651)	C04500	Payment of cash dividends	(352,783)	(1,352,334)
A31200	Inventories	(28,113)	228,799	C04600	Capital increase by cash	789,908	-
A31230	Prepayment	(92,169)	73,015	CCCC	Net cash provided by (used in) financing activities	3,196,519	(1,202,069)
A32125	Contract liabilities	(42,716)	(43,750)				
A32150	Accounts payable	30,480	(194,796)	EEEE	Net Increase (decrease) in cash and cash equivalents	1,472,014	(1,357,845)
A32160	Accounts payable - related parties	10,467	(15,624)	E00100	Cash and cash equivalents at beginning of period	1,879,090	3,236,935
A32180	Other payables	(95,986)	(170,928)	E00200	Cash and cash equivalents at end of period	\$3,351,104	\$1,879,090
A32190	Other payables - related parties	64	(235)				
A32230	Other current liabilities	(35)	(47)				
A32240	Net defined benefit liability (asset)	(5,525)	(4,898)				
A33000	Cash generated from operations	178,795	1,187,895				
A33100	Interest received	31,030	32,123				
A33200	Dividend received	337,642	106,788				
A33300	Interest paid	(53,108)	(46,771)				
A33500	Income tax paid	(64,399)	(269,112)				
AAAA	Net cash provided by (used in) operating activities	429,960	1,010,923				

(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, 2024 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', written in a cursive style.

Ping-Hai, Chiao

Chairman

March 14, 2025

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, 2024 and 2023, 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, 2024 and 2023, 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 2024 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\$8,721,123 thousand for the year ended December 31, 2024 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.

Provision against inventory

We determine that provision against inventory is also one of the key audit matters. The Company and its subsidiaries' inventory in amount of NT\$2,756,057 thousand, representing 8% of consolidated total assets, as of December 31, 2024 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, 2024 and 2023. 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\$348,392 thousand and NT\$388,754 thousand, representing 1.01% and 1.47% of the total consolidated assets, as of December 31, 2024 and 2023 respectively. And the related net revenues of NT\$863,793 thousand and NT\$1,277,086 thousand, representing 9.90% and 12.71% 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 2024 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, 2024 and 2023 and for the years then ended.

/s/Cheng, Ching-Piao

/s/Chang, Chih-Ming

Ernst & Young
March 14, 2025
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, 2024 and 2023
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$7,878,232	23	\$3,835,472	15
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	1,713,301	5	315,799	1
1150	Notes receivable, net	4, 6(5)	25,938	-	5,107	-
1170	Accounts receivable, net	4, 6(6)	1,658,564	5	1,493,580	6
1200	Other receivables		59,368	-	28,167	-
1310	Inventories, net	4, 6(7)	2,756,057	8	2,779,309	10
1410	Prepayments	6(8)	362,914	1	271,756	1
1470	Other current assets		53,250	-	19,469	-
	Total current assets		<u>14,507,624</u>	<u>42</u>	<u>8,752,824</u>	<u>33</u>
15xx	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(3)	151,161	-	109,694	-
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	17,409,088	50	15,568,341	59
1755	Right-of-use assets, net	4, 6(23), 8	905,716	3	928,129	4
1780	Intangible assets, net	4, 6(10)	43,947	-	48,412	-
1840	Deferred tax assets	4, 6(27)	46,018	-	42,547	-
1915	Prepayment for equipment	9	1,305,271	5	853,324	4
1920	Refundable deposits	9	85,429	-	85,039	-
1990	Other non-current assets	9	28,704	-	20,499	-
	Total non-current assets		<u>19,997,301</u>	<u>58</u>	<u>17,677,952</u>	<u>67</u>
	Total Assets		<u>\$34,504,925</u>	<u>100</u>	<u>\$26,430,776</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, 2024 and 2023
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	6(11)	\$765,608	2	\$961,218	4
2120	Financial liabilities at fair value through profit or loss	6(12)	2,464	-	-	-
2130	Contract liability	6(21), 9	429,026	1	431,022	2
2170	Accounts payable		427,414	1	356,353	1
2200	Other payables	6(13)	844,093	3	872,343	3
2230	Current income tax liabilities	4	345,567	1	420,857	2
2322	Current portion of long-term loans	6(17), 8	882,748	3	1,572,524	6
2281	Lease liability	4, 6(23)	78,754	-	69,735	-
2399	Other current liabilities	6(14), 6(15)	7,382	-	4,244	-
	Total current liabilities		<u>3,783,056</u>	<u>11</u>	<u>4,688,296</u>	<u>18</u>
25xx	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss	6(12)	18,000	-	-	-
2527	Contract liability	6(21), 9	-	-	65,976	-
2530	Bonds payable	4, 6(16)	1,644,969	5	292,695	1
2540	Long-term loans	6(17), 8	2,554,333	7	2,320,146	9
2570	Deferred tax liability	4, 6(27)	73,695	-	95,649	-
2581	Lease liability	4, 6(23)	336,471	1	381,870	2
2630	Long-term deferred revenue	4, 6(15)	383,504	1	356,759	1
2640	Accrued pension liabilities	4, 6(18)	6,316	-	18,684	-
2645	Deposits received		11,400	-	48,108	-
	Total non-current liabilities		<u>5,028,688</u>	<u>14</u>	<u>3,579,887</u>	<u>13</u>
	Total liabilities		<u>8,811,744</u>	<u>25</u>	<u>8,268,183</u>	<u>31</u>
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(19)				
3110	Common stock		5,732,436	17	5,418,836	21
3200	Capital surplus	6(19)	6,967,673	20	4,105,199	16
3300	Retained earnings					
3310	Legal reserve		776,095	2	718,608	3
3320	Special reserve		408,286	1	265,458	1
3350	Unappropriated earnings		1,376,992	4	1,919,123	7
3400	Other components of equity		(142,603)	-	(431,111)	(2)
31xx	Equity attributable to the parent company		<u>15,118,879</u>	<u>44</u>	<u>11,996,113</u>	<u>46</u>
36xx	Non-controlling Interests	6(19)	10,574,302	31	6,166,480	23
	Total equity		<u>25,693,181</u>	<u>75</u>	<u>18,162,593</u>	<u>69</u>
	Total liabilities and equity		<u>\$34,504,925</u>	<u>100</u>	<u>\$26,430,776</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, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(21)	\$8,721,123	100	\$10,047,814	100
5000	Operating costs	6(7), 6(24)	(6,612,467)	(76)	(6,801,309)	(68)
5900	Gross profit		2,108,656	24	3,246,505	32
6000	Operating expenses	6(24)				
6100	Sales and marketing		(159,994)	(2)	(172,396)	(2)
6200	General and administrative		(762,659)	(9)	(774,326)	(8)
6300	Research and development		(946,751)	(11)	(934,600)	(9)
6450	Expected credit gains (losses)	6(22)	(855)	-	618	-
	Total operating expenses		(1,870,259)	(22)	(1,880,704)	(19)
6900	Operating income		238,397	2	1,365,801	13
7000	Non-operating incomes and expenses	6(25)				
7100	Interest incomes		138,399	2	63,749	1
7010	Other incomes		115,305	1	253,826	2
7020	Other gains or losses		43,148	-	5,346	-
7050	Finance costs		(171,080)	(2)	(238,020)	(2)
	Total non-operating incomes and expenses		125,772	1	84,901	1
7900	Income before income tax		364,169	3	1,450,702	14
7950	Income tax expenses	4, 6(27)	(70,324)	(1)	(342,430)	(3)
8200	Net income		293,845	2	1,108,272	11
8300	Other comprehensive income (loss)	6(26)				
8310	Item that not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		6,843	-	6,112	-
8316	Unrealized gains or losses on financial assets at fair value through other comprehensive income (loss)		(31,679)	-	(47,922)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		844,124	10	(204,915)	(2)
	Total other comprehensive income (loss), net of tax		819,288	10	(246,725)	(2)
8500	Total comprehensive income (loss)		\$1,113,133	12	\$861,547	9
8600	Net income attributable to:					
8610	Stockholders of the parent		\$4,033	-	\$568,755	6
8620	Non-controlling Interests		289,812	3	539,517	5
			\$293,845	3	\$1,108,272	11
8700	Total comprehensive income (loss) attributable to:					
8710	Stockholders of the parent		\$315,134	3	\$432,039	5
8720	Non-controlling Interests		797,999	9	429,508	4
			\$1,113,133	12	\$861,547	9
9750	Earnings per share-basic (in NTD)	6(28)	\$0.01		\$1.05	
9850	Earnings per share-diluted (in NTD)	6(28)	\$0.01		\$1.05	

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

Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(Amounts Expressed In Thousands of New Taiwan Dollars)

	Items	Equity attributable to shareholders of the parent									Non-controlling Interests	Total equity
		Capital		Retained earnings			Other components of equity			Total		
		Common stock	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			
Code		3100	3200	3310	3320	3350	3410	3420	3490	31xx	36xx	3xxx
A1	Balance as of January 1, 2023	\$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
	Appropriation and distribution of 2023 earnings											
B1	Legal reserve			57,487		(57,487)				-		-
B3	Special reserve				142,828	(142,828)				-		-
B5	Cash dividends-common shares					(352,783)				(352,783)		(352,783)
C5	Embedded conversion options derived from convertible bonds		203,927							203,927		203,927
D1	Net income for 2024					4,033				4,033	289,812	293,845
D3	Other comprehensive income (loss), net of tax, for 2024					6,843	335,937	(31,679)		311,101	508,187	819,288
D5	Total comprehensive income (loss)	-	-	-	-	10,876	335,937	(31,679)	-	315,134	797,999	1,113,133
E1	Capital increase by cash	300,000	505,028							805,028		805,028
M7	Change in ownership interest of subsidiaries		2,109,648							2,109,648	4,096,872	6,206,520
O1	Non-controlling interests increase (decrease)										(487,049)	(487,049)
T1	Restricted Employee Stock and Other	13,600	43,871			91			(15,750)	41,812		41,812
Z1	Balance as of December 31, 2024	\$5,732,436	\$6,967,673	\$776,095	\$408,286	\$1,376,992	\$50,604	\$(154,632)	\$(38,575)	\$15,118,879	\$10,574,302	\$25,693,181

(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, 2024 and 2023
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$364,169	\$1,450,702	B00010	Proceeds from disposal of financial assets at fair value through other comprehensive income or loss	(63,100)	(45,500)
A20000	Adjustments:			B00040	Acquisition of financial assets at amortized cost	(1,397,502)	(112,024)
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(3,050,461)	(2,246,270)
A20100	Depreciation (Including right of use assets)	1,842,259	1,653,037	B02800	Proceeds from disposal of property, plant and equipment	4,114	17,392
A20200	Amortization	12,354	12,927	B03700	Decrease (increase) in refundable deposits	(390)	(5,817)
A20300	Expected credit losses (gain on recovery)	855	(618)	B04500	Acquisition of intangible assets	(5,773)	(5,574)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	13,829	(4,046)	B07100	Decrease (increase) in prepayments for equipment	(451,947)	(453,205)
A20900	Interest expense	171,080	238,020	B09900	Disposal of right-of-use asset	-	24,341
A21200	Interest income	(138,399)	(63,749)	B09900	Other investing activities	76,302	64,773
A21900	Share-based payment	78,887	73,352	BBBB	Net cash provided by (used in) investing activities	(4,888,757)	(2,761,884)
A22500	Loss (gain) on disposal of property, plant and equipment	3,114	1,408				
A23800	Impairment loss (reversal gain) on non-financial assets	5,428	11,841	CCCC	Cash flows from financing activities:		
A29900	Gain on government grants	(80,146)	(63,458)	C00100	Increase (decrease) in short-term loans	(195,610)	(38,486)
A29900	Loss on disposal of right-of-use asset	-	545	C01200	Issuance of corporate bonds	1,554,776	-
A30000	Changes in operating assets and liabilities:			C01600	Issuance of corporate bonds	1,096,740	381,314
A31130	Notes receivable	(20,831)	16,708	C01700	Increase in long-term loans	(1,650,049)	(774,445)
A31150	Accounts receivable	(166,185)	959,248	C03000	Increase in guarantee deposits received	(36,708)	(18,657)
A31180	Other receivable	(31,755)	59,704	C04020	Payments of lease liabilities	(89,526)	(82,094)
A31200	Inventories	23,252	310,046	C04500	Cash dividends	(352,783)	(1,352,334)
A31230	Prepayment	(95,870)	95,210	C04600	Capital increase by cash	789,908	-
A31240	Other current assets	(33,781)	22,438	C05800	Increase (decrease) in non-controlling interests	5,697,516	(136,216)
A32125	Contract liabilities	(67,972)	(211,657)	CCCC	Net cash provided by (used in) financing activities	6,814,264	(2,020,918)
A32150	Accounts payable	71,061	(449,678)				
A32180	Other payable	(75,980)	(205,702)	DDDD	Effect of exchange rate changes on cash and cash equivalents	427,376	(100,884)
A32230	Other current liabilities	323	(1,287)				
A32240	Accrued pension liabilities	(5,525)	(4,898)	EEEE	Increase (decrease) in cash and cash equivalents	4,042,760	(1,588,404)
A33000	Cash generated from operations	1,870,167	3,900,093	E00100	Cash and cash equivalents at beginning of period	3,835,472	5,423,876
A33100	Interest received	140,190	63,840	E00200	Cash and cash equivalents at end of period	\$7,878,232	\$3,835,472
A33300	Interest paid	(147,786)	(217,774)				
A33500	Income tax paid	(172,694)	(450,877)				
AAAA	Net cash provided by (used in) operating activities	1,689,877	3,295,282				

(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 2024 earnings distribution.

- Notes: 1. The company's beginning balance is NT\$1,366,024,929 and the net profit after tax in 2024 is NT\$4,032,411, Add back the employee restricted stock awards to adjust NT\$91,000 and plus other comprehensive gains and losses (re-measurement of welfare plan) of NT\$6,843,394 and NT\$1,096,681 deducted from the 10% statutory surplus reserve set aside in accordance with the Company Law, and NT\$232,537,181 returned to the special surplus reserve in accordance with the law. The accumulated distributable surplus totals NT\$1,608,432,234.
2. Based on the prudent principle of sustainable business operations and taking into account capital expenditure needs, the Company intends not to distribute dividends.
3. Attached please find the earnings distribution table as following:

Wafer Works Corporation
2024 Earnings Distribution Table

Items	Unit: NTD Amount
Beginning balance	1,366,024,929
Plus: employee restricted stock awards adjusted	91,000
Plus: other comprehensive profit and loss (to determine the re-measurement of welfare plan -2024)	6,843,394
Plus: net profit after tax this year	4,032,411
Less: set aside statutory surplus reserve	(1,096,681)
Plus: revolving special surplus reserve	232,537,181
Ending undistributed surplus	1,608,432,234

Chairman:  Manager:  Accounting supervisor: 

Resolutions:

Discussion Items

(Proposed by the Board of Directors)

Case1: To revise the Articles of Incorporation.

- Notes: 1. According to Article 14, Paragraph 6 of the Securities and Exchange Act listed OTC companies should stipulate in their articles of association that a certain percentage of annual profits should be appropriated to adjust salaries or allocate remuneration to entry-level employees.
2. Considering the significant fluctuations in industry characteristics and economic cycles, in order to maintain the company's competitiveness and differentiate salary compensation, it is proposed to adopt the distribution of "employee remuneration" to share the company's operational results with entry-level employees.
3. It is proposed that at least 35% of employee remuneration should be allocated to entry-level employees.
4. A comparison table of articles before and after the amendment of the Articles of Incorporation is hereby prepared. Please refer to pages 38 of this Handbook.

Resolutions:

WAFER WORKS CORPORATION

Comparison Table of amendments to the Articles of Incorporation

Clauses before amendment	Clauses after amendment	Reason for amendment
<p>Article 29</p> <p>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.</p> <p>However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance.</p> <p>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.</p>	<p>Article 29</p> <p>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.</p> <p>However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance, <u>further allocation shall be calculated based on the remaining balance.</u></p> <p><u>In the preceding section of the total amount of employee remuneration, among which not less than 35% as profit sharing bonuses to entry-level employees.</u></p> <p>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.</p>	<p>According to Article 14, Paragraph 6 of the Securities and Exchange Act and the definition of the entry-level employees approved by the Board of Directors.</p>
<p>Article 33</p> <p>The Articles of Incorporation was established on July 21, 1997. The first amendment was on August 24, 1997....<u>The Twenty-second amendment was on June 19, 2023.</u></p>	<p>Article 33</p> <p>The Articles of Incorporation was established on July 21, 1997. The first amendment was on August 24, 1997....<u>The Twenty-third amendment was on June 24, 2025.</u></p>	<p>Adding the date of the 23rd amendment.</p>

Discussion Items

(Proposed by the Board of Directors)

Case2: To approve the removal of the noncompete clause for Directors.

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

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

Title	Name	Concurrently having duties of other companies as well	Main business
Director	Grand Sea Investments Limited. Representative: Zhen-Tu, Liu	Independent Director of Protrade Applied Materials Corp.	Agency and sales of rubber, plastics, and chemical materials.
Director	Chung-Hou, Tai	Representative/Director of Xuyang Wealth Management Consultancy	Focused on providing clients with professional financial and business strategy consulting, leveraging the founder's extensive experience to help clients achieve their goals.
		Representative/Director of Heyang Investment Co., Ltd.	General investment business
		Representative/Director of Zettabyte Holdings, Inc.	Computer software services business, focusing on driving innovation and technological breakthroughs, dedicated to solving complex challenges on a global scale.
		Director of Evest Corporation	Complete solutions for the integration of manufacturing process and packaging. Dedicated to the offering of semiconductor and electronics assembly equipment.

Resolutions:

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 extemporaneous 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 extemporaneous 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 extemporaneous 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 (before amendment)

Chapter I General Provisions

- Article 1 The Company is organized and established in accordance with the Company Law on joint stock limited companies, and is named "Wafer Works Corporation".
The English name of 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: Shareholdings of All Directors

Director Information of Wafer Works Corporation

Number of shares held by individuals and all directors as of April 25, 2025 as recorded in the shareholders' register:

- The statutory minimum number of shares required to be held by all directors: 18,366,839 shares.

Title	Name	Date of election	Term of office	Number of shares held at the time of election		Register of Shareholders as of 2025 Number of shares held by shareholders on April 25	
				Number of shares	Percentage % (Note 1)	Number of shares	Percentage % (Note 2)
Chairman	Ping-Hai, Chiao	2024.06.21	3 years	12,072,954	2.22	12,646,405	2.20
Director	Nan-Yang, Wu	2024.06.21	3 years	0	0.00	0	0.00
Director	Hua Eng Wire&Cable Co., LTD. Representative: Hsiu-Mei, Liu	2024.06.21	3 years	5,699,013	1.05	5,951,040	1.04
Director	Chung-Hou, Tai	2024.06.21	3 years	1,518,162	0.28	1,518,162	0.26
Director	Grand Sea Investments Limited. Representative: Zhen-Tu, Liu	2024.06.21	3 years	1,599,484	0.29	1,670,218	0.29
Independent Director	Yong-Song, Tsai	2024.06.21	3 years	0	0.00	0	0.00
Independent Director	Feng-I, Lin	2024.06.21	3 years	0	0.00	0	0.00
Independent Director	De-Wai, Chou	2024.06.21	3 years	0	0.00	0	0.00
Independent Director	Rui-Hua, Hong	2024.06.21	3 years	14,210	0.00	34,838	0.01
Total				20,903,823	3.84	21,820,663	3.80

Note 1: Total shares issued on April 23, 2024: 542,743,730 common shares.

Note 2: Total shares issued on April 25, 2025: 573,963,730 common shares.

Appendix IV: 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 2025 Annual General Meeting of Shareholders. The proposal period is from April 17, 2025 to April 28, 2025.
2. Proposal from shareholders holding more than one percent of the total issued shares of the Company at the 2025 Annual General Meeting of Shareholders: None.

Thank you for attending the annual general meeting.
Your comments and suggestions are always welcome.

MEMO

Wafer Works Corporation
No.100, Longyuan 1st Rd.,
Longtan Dist.,
Taoyuan City 32542, Taiwan R.O.C.
Tel 886-3-4815001
Fax 886-3-4815002
<http://www.waferworks.com>