

Code 3443



Global Unichip Corp.

2022 Annual Shareholders' Meeting

Meeting Handbook
(Translation)

May 19, 2022

Table of Contents

I. Meeting Procedure	1
II. Meeting Agenda	2
1. Call the Meeting to Order	3
2. Chairperson's Address	3
3. Report Items	3
4. Approval Items	6
5. Election	7
6. Other Business and Special Motion	8
III. Attachment	
Attachment 1: 2021 Annual Business Report	9
Attachment 2: Audit Committee's Review Report	18
Attachment 3: Independent Auditor's Report and 2021 Financial Statement	19
Attachment 4: Earnings Distribution Table	37
Attachment 5: Independent Director Candidates	38
IV. Appendix	
Appendix 1: Shareholders' Meeting Rules and Procedures	39
Appendix 2: Articles of Incorporation	43
Appendix 3: Rules for Election of Directors	50
Appendix 4: Shareholdings of Directors	52
Appendix 5: The Impact of this Stock Dividend Issuance on the Company's Business Performance, EPS, and Shareholders' ROI	52

Global Unichip Corp.

2022 Annual Shareholders' Meeting

Meeting Procedure

1. Call the Meeting to Order
2. Chairperson's Address
3. Report Items
4. Proposed Resolutions
5. Election
6. Other Business and Special Motion
7. Meeting Adjourned

Global Unichip Corp.
2022 Annual General Shareholders' Meeting
Meeting Agenda

(Translation)

Meeting type : Physical shareholders' meeting

Time: 9:30 a.m., May 19, 2022 (Thursday)

Location: 3F, No. 10, Lixing 6th Rd., Hsinchu Science Park

Attendants: All shareholders or their proxy holders

Chairperson: F.C. Tseng, Chair of the Company

1. Call the Meeting to Order

2. Chairperson's Address

3. Report Items

- (1) To report the business of 2021
- (2) To report 2021 employees' profit sharing and directors' compensation
- (3) Audit Committee's review report
- (4) To report corporate governance matters of 2021
 - 1. Communication report between the convener of the Audit Committee, the members of independent directors and the head of Internal Audit.
 - 2. The convener of the Compensation Committee reports the compensation received by the directors, including the compensation policy, the content and amount of individual compensation and their correlation with the performance evaluation results

4. Proposed Resolutions

- (1) To accept 2021 Business Report and Financial Statements
- (2) To accept Company's 2021 Earnings Distribution

5. Election

By-election of two independent directors

The term of office begins on May 19, 2022 and ends on May 13, 2023.

Voting of the above-mentioned approval items and by-election of the independent directors

6. Other Business and Special Motion

7. Meeting Adjourned

1. Call the Meeting to Order

2. Chairperson's Address

3. Report Items

Report No. 1

To report the business of 2021 (proposed by the Board of Directors)

Explanatory Notes:

2021 Annual Business Report of the Company is attached hereto as Attachment 1 (Please refer to pages 9~17).

Report No. 2

To report 2021 employees' profit sharing and directors' compensation (proposed by the Board of Directors)

Explanatory Notes:

1. The compensation of employees and directors of the Company in 2021 was approved by the Board of Directors on January 26, 2022. The above-mentioned compensation was paid in cash.
2. The cash bonuses and compensation of employees totaled NT\$543,546,374, including cash bonuses of NT\$271,773,187 approved and paid, and compensation of NT\$271,773,187 distributed to employees.
3. The compensation of the directors is NT\$27,722,185.
4. There was no difference between the estimated compensation and the distributed compensation for employees and directors.

Report No. 3

Audit Committee's review report (proposed by the Board of Directors)

Explanatory Notes:

The Audit Committee's review report is attached hereto as Attachment 2 (Please refer to page 18).

Report No. 4

To report corporate governance matters of 2021 (proposed by the Board of Directors)

Explanatory Notes:

1. Communication report between the convener of the Audit Committee, the independent director members and the head of Internal Audit:

In the quarterly Audit Committee meeting, the head of Internal Audit regularly reports to the Audit Committee the implementation of the audit plan, important findings and the progress of previously suggested improvement items, interacting face-to-face with independent directors. The head of Internal Audit reports to and communicates with the independent directors every month via a written monthly report. The key communications and interactions between the independent directors and the head of Internal Audit in the Audit Committee meeting are recorded in the meeting minutes. In addition, communication among independent directors, or between the head of Internal Audit and the members of the Audit Committee on audit and other matters related to the responsibilities of the Audit Committee will also be conducted via email. The convener of the Audit Committee maintains a good communication channel with independent directors and the head of Internal Audit.

2. The convener of the Compensation Committee reports the compensation received by the directors, including the compensation policy, the content and amount of individual compensation and their correlation with the performance evaluation results:

(1) The compensation, remuneration and travel expenses of the Company's directors shall be provided in accordance with the "Regulations on the Directors' Compensation, Remuneration and Travel Expenses" unless otherwise stipulated by laws and regulations and the Company's Articles of Incorporation. The total compensation of the directors shall be regulated in accordance with Article 26 of the Company's Articles of Incorporation, and shall not exceed 2% of the Company's profit for the current year. The compensation is paid based on the earnings

distribution approved by the shareholders' meeting. The compensation of independent directors and the additional compensation of directors serving as members of various functional committees shall be determined by the Board of Directors in accordance with industry standards.

- (2) The performance of the Company's Board of Directors, functional committees and individual directors is evaluated once a year in accordance with the "Regulations for the Performance Evaluation of the Board of Directors and Functional Committees". The proposed director's compensation has been reviewed by the Compensation Committee on January 26, 2022 and approved by the Board of Directors. It was proposed to distribute 1.3% of the Company's profit as the director's compensation, which is in line with industry standards. The distribution of the compensation is as follows: (Please refer to page 35~36 of the Annual Report)

4. Proposed Resolutions

Proposal No. 1

To accept 2021 Business Report and Financial Statements (proposed by the Board of Directors)

Explanatory Notes:

1. GUC's 2021 Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity and statement of cash flow were audited by independent auditors, Ming-Hui Chen and Su-Li Fang, of Deloitte Taiwan, and a report has been issued.
2. Please refer to Attachment 1 (pages 9-17) and Attachment 3 (pages 19-36) of this Handbook for the 2021 Annual Business Report and Financial Statements (including the Independent Auditor's Report).

Resolution:

Proposal No. 2

To accept Company's 2021 Earnings Distribution (proposed by

the Board of Directors)

Explanatory Notes:

1. The 2021 Earnings Distribution was approved by the Board of Directors and reviewed by the Audit Committee, and the Audit Committee's Review Report has been issued.
2. The Company proposes to distribute NT\$938,083,377 from the 2021 distributable earnings as shareholder dividends, all of which will be paid in cash. (Common stock cash dividends of NT\$7.0 per share). Cash dividends will be distributed in integers of NTD (rounded down to an integer) with fractions of NTD accounted for as other income of the Company.
3. Upon the approval of the General Shareholders' Meeting, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, and other relevant issues. In the event that the Company needs to cancel the shares or issue new shares due to the Company's repurchase of treasury shares or other reasons, which affects the total number of outstanding shares of the Company, it is proposed that the Chair of the Board be authorized to distribute the total earnings based on the ordinary shares resolved and adjust the shareholders' cash dividend distribution ratio based on the number of actual shares outstanding on the record date for distribution.
4. Please refer to Attachment 4 (page 37) of this Handbook for the 2021 Earnings Distribution Table.

Resolution:

5. Election

By-election of two independent directors (proposed by the Board of Directors)

Explanatory Notes:

1. In response to the initiative of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" that the consecutive term of independent directors should not exceed three terms, two

independent directors of the Company who have served for more than three terms have resigned as independent directors as of May 19, 2022.

2. In accordance with Article 16 of the Company's Articles of Incorporation, the Board of Directors has resolved that the number of directors for the Company is nine, of which five are independent directors. It is proposed to elect two independent directors through a by-election.
3. In accordance with Article 192-1 of the Company Act and Articles 16 and 16-1 of the Company's Articles of Association, the election of independent directors of the Company adopts the candidate nomination system. Independent directors shall be elected by shareholders from the nomination list. The Company held a Board of Directors meeting on January 26, 2022. The nomination list for independent directors was approved in the meeting with Jesse Ding and Tsui-Hui Huang as the candidates. For their education, experience, and other relevant information, please refer to Attachment 5 on page 38. The term of the independent directors via by-election is the same as that of the ninth board of directors, starting from May 19, 2022 until May 13, 2023.
4. Please refer to pages 50~51 of this Handbook (Appendix 3) for the Company's "Rules for Election of Directors".

Voting of the above-mentioned approval items and by-election of independent directors

6. Other Business and Special Motion

7. Meeting Adjourned

Attachement1

Business Report

In 2021, not only the technology industry but also many other sectors were all affected by the COVID-19 pandemic, to varying degrees. Facing cross-industry surges in demand for semiconductor chips around the world in the pandemic era, all industries have been affected by the chip shortages, and the semiconductor supply has therefore become a focus of attention for the world's great powers. Despite some constraints in the supply chain, with the benefit from the accelerated trends in digital transformation and strong demand for chips in the market, Global Unichip Corp. (GUC) still set an eye-catching record in 2021. Net consolidated operating revenue in 2021 was NT\$15.108 billion, for another record high following 2020's record. Consolidated EPS was NT\$10.9, also a record high.

2021 Business Achievements

(1) Business Plan Implementation Results

In 2021, demand for Application Specific Integrated Circuit (ASIC) chips continued to grow at a rapid pace. This was primarily attributed to the continuing increase in demand for ASICs from the world's major technology companies, and the thriving demand for chip independence in China. This, in turn, was because ASICs can strengthen technology companies' control over their products, and reinforce differentiation of end products and services. In addition, the pandemic has disrupted supply chains around the world and put many industrial sectors in difficult production situations. With the addition of chip shortages caused by decreased chip production capacity, the importance of the semiconductor industry has thus been highlighted. The worldwide chip shortage crisis has also prompted major technology companies, which have step by step invested in ASIC design in the past few years, to accelerate their R&D pace. Driven by strong market demand, GUC's revenue from design services and Turnkey revenue both increased in

2021. GUC's overall operational performance for 2021 saw record highs as a result.

In 2021, with respect to the business of design services (NRE), the growth trends in applications such as artificial intelligence (AI), 5G, networking, etc. brought great benefits; in addition to this, demand driven by major technology companies' accelerated investment in ASIC design meant that the annual growth rate in GUC's design service revenue was 2% for 2021, better than forecasts made at the beginning of the year. In regards to the Turnkey business, primarily due to demand growth from AI, BMC, Chromebooks, etc., revenue and NRE sales both hit record highs.

In terms of profit performance, the overall gross profit margin ratio in 2021 increased significantly over the previous year. This was primarily attributed to two favorable factors. One was the increased gross profit margin ratio in the NRE business; the other was the enhanced proportion of advanced packaging products in the Turnkey business. Coupled with effective overhead control, the growth rate of annual net profit was significantly higher than the revenue growth rate in 2021. Not only did 2021 see record high profits, but GUC also achieved the goal of profitable growth for two consecutive years.

GUC's excellent chip design/engineering services and leading IP position effectively shorten customers' time-to-market product timelines, thus helping customers get a head start. In 2021, GUC invested a great deal of R&D resources toward providing design service solutions for advanced processes, as well as advanced packaging technologies and related IP research and development. By doing this, we continued to win the trust of world-class customers. In terms of progress in advanced processes, 16nm and more advanced processes as a proportion of total revenue increased steadily compared over the previous year; the 7nm process, in particular, also increased significantly this year as a proportion of total revenue and increased to 14% of total Turnkey revenue.

The number of new NRE projects in 2021 and the number of projects being taped out this year were both greater than the forecasts made at the

beginning of the year. These projects' applications primarily focused on AI, 5G, and networking. Moreover, in response to the market's demand for Advanced Packaging Technology (APT), the GUC R&D team has been actively committed to the development of related niche Ips with close collaboration with important partners. By creating comprehensive solutions that help customers get head starts in the 2.5D/3D advanced packaging field, the GUC R&D team assists them in maintaining market-leading positions.

(2) Operating Revenue and Profitability Analysis

GUC's net consolidated operating revenue in 2021 was NT\$15.108 billion, showing an increase of 11% over the previous year's revenue of NT\$13.569 billion; net profit after tax was NT\$1.46 billion, demonstrating an increase of 72 % over the previous year; and EPS was NT\$ 10.9, for an increase of 72% over the previous year's EPS of NT\$ 6.34 . This was significantly higher than the annual revenue growth rate.

GUC's gross profit margin ratio in 2021 was 34.6%, demonstrating a significant increase compared to the ratio of 30.0% for the previous year. Such growth was primarily due to the increase of the gross profit margin ratios in the NRE business and the Turnkey business; the operating profit margin was 11.1%, while the margin for the previous year was 7.1%. The net profit margin in 2021 was 9.7%, indicating an increase of 3.4 percentage point compared to the margin of 6.3 % in the previous year.

(3) Overview of Technology Development

With the aim of maintaining a leading technology position, and to ensure stable growth of long-term revenues and profits, GUC maintains our commitment to innovation and our investment in R&D. Advanced processes as a proportion of the company's revenue continues to increase. In 2021, 16/12nm and 7nm processes accounted for 46 % of total revenue, and for 74 % of the NRE business' annual revenue. Moreover, by the end of 2021, our patent portfolio consists of 422 patents, demonstrating the achievements GUC has gained from active

investment in R&D, and effectively enhancing our core competitiveness. Major technical breakthroughs and innovation achievements in 2021 are as follows:

- Combined with TSMC InFO/CoWoS packaging technology, GUC has proposed the next-generation chip interconnection IP "GLink 2.0" in 5nm. The silicon has been verified in 3Q21 and is ready to provide customers with complete multi-chip interconnect solutions. GUC GLink IP receives "The Promising Product" of EE-Awards Asia.
- Combined with TSMC InFO/CoWoS packaging technology, GUC has taped out the next-generation chip interconnection 5nm IP "GLink 2.3" in 4Q21, and silicon verification is expected to be completed in 3Q22.
- GUC completed the tape-out of 5nm and 6nm GLink-3D IP testchip for 3D SoIC in 2Q21.
- GUC has successfully enabled the mass production of HBM2/CoWoS for 4 different customers with their large SoC design. The configuration ranges from 2 to 4 HBM2 memory dies, and the main applications are AI and HPC.
- GUC provides world's 1st 5nm silicon-proven 3.6G HBM2E (PHY & Controller) IP total solution. GUC's HBM2E solution has been adopted by customer SoCs in 5nm and 7nm and expected to be taped out in 1Q22.
- In combination of TSMC latest CoWoS-S and CoWoS-R packaging technology, GUC taped out world's 1st 7nm HBM3 CoWoS platform in 2Q21, including HBM3 7.2G, GLink, and 112G SerDes IP. The solution is expected to be silicon proven in 1Q22.
- GUC successfully developed customer switch ASIC chip for hyperscale datacenter in 7nm, which integrated more than 200 lanes of 112G-LR SerDes, and has been validated by customer in 4Q21.
- GUC successfully developed customer RFIC chip, which is embedded into RF antenna for 5G base station and small cell system, supporting 28GHz and 39GHz mmWave communication , and

enabled customer into mass production.

- GUC has successfully enabled customers to adopt 6nm ASIC design platform and assisted customers with production plan.
- Adopting TSMC advanced process solution, GUC has succeeded to integrate multiple customers' AI/HPC SoCs with 2.5D packaging technology for hyperscale data center applications, and had customers into mass production in 2021.
- GUC has collaborated with a 5G leading company on analog front-end (AFE) IP in 12nm, which supports both mmWave and sub-6GHz bands. The design has been silicon proven and adopted by a leading customer. The SoC has been silicon proven and ready for mass production.
- GUC completed 5nm TCAM tape-out in Oct'20, and silicon verification in 4Q21.
- GUC's industry-leading ultra-low-power design solution has been proven to significantly reduce AI SoC chip power consumption for edge computing, successfully enabling customers into mass production.
- Following a hyperscale data center AI chip customer and a renowned consumer electronics chip customer mass productions in 2020, GUC's industry-leading spec-in service has successfully assisted networking customer to complete SoC design and system bring up. The SoC is expected to go into production in 2022.
- GUC early adopted TSMC 3nm technology in 2021, completed v0.9 design flow and verification in 4Q21. Plan to start N3E development, and provide service for customer's product tape-out in 2023.
- GUC's successfully enabled customer's LiDAR SoC tapeout and silicon bring up for autonomous driving in 2021. The SoC is expected to enter mass production in 2024.

Overview of 2022 Business Plan

The development model in which the world's major technology companies accelerate development of exclusive ASIC chips to differentiate themselves from other competitors was very prominent in 2021. In order to effectively overcome the technical hurdles of advanced processes and system-in-a-package (SiP) modules, it is foreseeable that the world's major technology companies will continue to expand their chip design outsourcing. This trend will become a source of growth momentum for chip design service companies in the future. Take AI applications as an example. As AI and high-performance computing (HPC) have become indispensable computing functions in data centers, the GPU solutions that have previously dominated AI computing in data centers are no longer the only solution. The world's major companies have begun to adopt the ASIC design approach on advanced technology, and introduce it into data centers to optimize service performance and cost efficiency. In addition, the importance of SiP modules is also gradually coming to light. The combination of advanced processes and the development of advanced packaging has made 3D ICs and heterogeneous integration one of the most important development directions in the post-Moore's Law era. With the aim of grasping this market trend, and to improve our competitive advantages in chip design services, GUC will continue to invest R&D resources into advanced processes and IPs related to SiP modules. By doing this, we will in turn continue to increase our market share and maintain our leading advantages.

(1) Sales Forecast

Looking ahead to 2022, with continually accelerating momentum toward digital transformation, chip design projects commissioned by major world companies will continue to roll in. Major brand customers also continue to have a strong demand for advanced process technologies. Thus, we expect that business opportunities in the global ASIC market will continue, and that GUC's business growth will also continue. Moreover, advanced processes will continue to expand as a

proportion of our sales. Benefitting from division of professions, the position of Taiwan's semiconductor industry will be further enhanced within the global market, and all the supply chain will benefit. By grasping such opportunities for business growth, GUC will continue to invest in advanced technologies, provide customers with greater added value, keep working with customers in market deployment, and effectively create competitive advantages from differentiation.

(2) Important Production and Marketing Policies

GUC will remain committed to reinforcing the strength of R&D in 2022. In addition to continuing improvements to provide customers with even more excellent design services, through our industry-leading chip design capabilities in advanced processes and our IP deployment in advanced packaging technologies, GUC will have even greater competitiveness in undertaking customer projects. By carefully selecting design service projects with potential for mass production, and focusing more on enhancement of the company's design value, we will keep improving long-term profitability.

Not only do ASICs related to AI and 5G/networking require advanced processes, but many of them also require advanced packaging technologies. In addition to assisting our major partners in continuously promoting advanced processes, GUC also actively invests in the IPs required for advanced processes. The development of such IPs precisely aligns with the needs of customers in the fields of AI and 5G/networking. While we develop new applications related to AI and 5G/networking, stable revenue/profits are still maintained through our existing customers and our long-term collaboration with them. We will keep strengthening existing core customers' stickiness and hold fast to the promise of not competing with customers; these efforts will serve as the cornerstone of the company's long-term business growth.

The company's development strategies and the impacts of the external competitive environment, regulatory environment, and overall future economic environment

The spread of the COVID-19 pandemic has created serious impacts on the global economy and business activities. However, in addition to focusing on product technology development and seeking profitable growth, GUC remain committed to carrying out sound corporate governance, and we actively attach importance to the interests of all stakeholders. Through the operations of the Corporate Social Responsibility Committee, GUC fulfills our corporate social responsibilities and carries out corporate governance, in order to do our part in efforts for society and the environment. Moreover, GUC has voluntarily compiled our annual Corporate Social Responsibility Report since 2011. By specifically disclosing how the company responds to stakeholders' major concerns on topics such as the economy, environment, society, corporate governance, etc., we effectively enhance the company's information transparency. On the topic of corporate governance implementation, the company has been included in the top 5% of companies listed in the Corporate Governance Evaluation conducted by Taiwan Stock Exchange for seven consecutive years. With respect to substantive measures in corporate social responsibility practice, GUC continues to invest a great deal of R&D resources to improve product energy efficiency; propose improvement plans for energy savings and carbon reductions; upgrade our requirements for the green supply chain; and to improve waste management. We expect to invest more resources in 2022 to improve substantive development in topics of concern, to encourage employees to actively participate and show their enthusiasm to assist the company in fulfilling our corporate social responsibilities, and to thus realize the philosophy of "What we take from society, we give back to society".

Looking ahead to 2022, GUC will keep working with our world-class customers and partners by continuously investing in advanced process technologies, and will focus on the development of key IPs in response to the market environment and competition. We are confident in our mid- and long-term operating goals. Our ongoing innovation and accumulated technological energy will effectively help us achieve the goals of attaining technology leadership and increased profits in key areas, while also grasping critical opportunities for next-stage growth.

Finally, we would like to express our thanks again to all customers, suppliers, shareholders, and the general public for your long-term support and trust in GUC, and to all employees for their commitment to the company' s operations. We sincerely ask that you keep working with us to create extraordinary value for our customers, shareholders, employees, and society as a whole.

Finally, we wish you good health, and the best in all things!

Chair: F.C. Tseng Manager: Sean Tai, Daniel Chien Chief Accountant: Blithe Chiang

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Annual Business Report, Financial Statements and Earnings Distribution Table. Among which, the Financial Statements have been audited by the CPAs of Deloitte Taiwan and the Independent Auditors' Report relating to the Financial Statements has been issued.

The aforementioned Annual Business Report and Earnings Distribution Table have been reviewed and considered to be complied with relevant rules by the Audit Committee of the Company according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. We hereby produce this report for your review.

The above is respectfully submitted to the

2022 Annual General Shareholders' Meeting of Global Unichip Corp.

Audit Committee Convener : Benson Liu

January 26, 2022

Attachment 3

Independent Auditors' Report (Consolidated Financial Statements)

The Board of Directors and Shareholders
Global Unichip Corp.

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the consolidated financial statements for the year ended December 31, 2021. 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.

Valuation of inventory

Due to the current rapid changes in technology and the high level of competition in the business environment, the prices of products are fluctuating quickly; consequently, the changes in the net realizable value of inventory could have a material impact on the financial statements. As of December 31, 2021 the carrying amount of inventory was NT\$2,788,572 thousand, which accounted for 19% of the total assets in the consolidated balance sheet. Please refer to Notes 4, 5 and 8 to the consolidated financial statements for the details of the information and accounting policy about inventory. The Company's primary business is rendering of services and producing and selling of products in the semiconductor industry. The rapid technological changes in the semiconductor industry require management to timely estimate possible loss on inventory that is expected to be scrapped or disposed of according to the Company's inventory control and accounting policy and the clients' demands. As uncertainty exists in management's judgment when determining loss on inventory, the valuation of inventory has been identified as a key audit matter.

Our key audit procedures performed in respect of this area included the following:

1. We obtained an understanding of the design of the key controls over the valuation of inventory.
2. We obtained the inventory aging report, and we verified the accuracy and completeness of the report by agreeing the age interval, quantity, and amount to the supporting documents of inbound inventory. We assessed the reasonableness of allowance for inventory loss by recalculating the amount in accordance with the stated valuation policy for the inventory.
3. We performed a retrospective review of past estimates to determine the reasonableness of the past judgments with reference to actual amounts of inventory loss.

Other Matter

We have also audited the parent company only financial statements of Global Unichip Corp. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the 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 Company's ability to continue as a going concern, 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence on the financial information of components constituting the Company 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 statements 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 the consolidated financial statements for the year ended December 31, 2021, and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Hui Chen and Su-Li Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

January 26, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China 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.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020		LIABILITIES AND EQUITY	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 5,587,232	38	\$ 3,896,753	40	Contract liabilities (Note 16)	\$ 5,313,950	36	\$ 2,381,778	24
Financial assets at fair value through profit or loss (Note 7)	2,130,000	14	730,000	7	Accounts payable	1,240,392	8	682,090	7
Accounts receivable, net (Notes 6 and 16)	1,507,550	10	1,137,071	12	Payables to related parties (Note 27)	609,293	4	379,010	4
Receivables from related parties (Note 27)	5,500	-	37,371	-	Accrued employees' compensation and remuneration to directors (Note 23)	299,495	2	145,634	1
Inventories (Note 8)	2,788,572	19	1,674,466	17	Payables on machinery and equipment	3,820	-	4,171	-
Other financial assets	782	-	383	-	Current tax liabilities (Note 21)	219,949	2	95,526	1
Other current assets (Notes 12 and 27)	<u>1,607,981</u>	<u>11</u>	<u>742,068</u>	<u>8</u>	Lease liabilities - current (Notes 10, 24 and 27)	61,223	-	53,693	1
					Accrued expenses and other current liabilities (Notes 13 and 27)	<u>1,454,671</u>	<u>10</u>	<u>1,150,230</u>	<u>12</u>
Total current assets	<u>13,627,617</u>	<u>92</u>	<u>8,218,112</u>	<u>84</u>	Total current liabilities	<u>9,202,793</u>	<u>62</u>	<u>4,892,132</u>	<u>50</u>
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Property, plant and equipment (Note 9)	564,391	4	778,354	8	Deferred income tax liabilities (Note 21)	91,547	1	63,100	1
Right-of-use assets (Note 10)	260,357	2	238,263	3	Lease liabilities - non-current (Notes 10, 24 and 27)	210,004	2	189,398	2
Intangible assets (Note 11)	317,888	2	443,885	5	Other long-term payables (Note 13)	53,687	-	74,921	1
Deferred income tax assets (Note 21)	14,374	-	20,285	-	Net defined benefit liabilities (Note 14)	33,388	-	36,320	-
Refundable deposits (Note 27)	50,832	-	24,713	-	Guarantee deposits (Note 24)	<u>2,911</u>	<u>-</u>	<u>2,957</u>	<u>-</u>
Pledged time deposits (Note 28)	<u>22,200</u>	<u>-</u>	<u>22,200</u>	<u>-</u>					
Total non-current assets	<u>1,230,042</u>	<u>8</u>	<u>1,527,700</u>	<u>16</u>	Total non-current liabilities	<u>391,537</u>	<u>3</u>	<u>366,696</u>	<u>4</u>
					Total liabilities	<u>9,594,330</u>	<u>65</u>	<u>5,258,828</u>	<u>54</u>
					EQUITY (Note 15)				
					Share capital	1,340,119	9	1,340,119	14
					Capital surplus	32,641	-	32,618	-
					Retained earnings				
					Appropriated as legal reserve	910,172	6	825,628	8
					Appropriated as special reserve	22,153	-	20,745	-
					Unappropriated earnings	2,996,715	20	2,290,027	24
					Others	<u>(38,471)</u>	<u>-</u>	<u>(22,153)</u>	<u>-</u>
					Total equity	<u>5,263,329</u>	<u>35</u>	<u>4,486,984</u>	<u>46</u>
TOTAL	<u>\$14,857,659</u>	<u>100</u>	<u>\$ 9,745,812</u>	<u>100</u>	TOTAL	<u>\$14,857,659</u>	<u>100</u>	<u>\$ 9,745,812</u>	<u>100</u>

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

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
NET REVENUE (Notes 16 and 27)	\$ 15,107,915	100	\$ 13,569,441	100
COST OF REVENUE (Notes 23 and 27)	<u>9,877,961</u>	<u>65</u>	<u>9,498,564</u>	<u>70</u>
GROSS PROFIT	<u>5,229,954</u>	<u>35</u>	<u>4,070,877</u>	<u>30</u>
OPERATING EXPENSES				
Sales and marketing (Notes 23 and 27)	279,373	2	266,020	2
General and administrative (Notes 23 and 27)	478,707	3	336,914	3
Research and development (Notes 23 and 27)	2,817,903	19	2,504,010	18
Expected credit impairment gain (Note 6)	<u>(19,921)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>3,556,062</u>	<u>24</u>	<u>3,106,944</u>	<u>23</u>
INCOME FROM OPERATIONS	<u>1,673,892</u>	<u>11</u>	<u>963,933</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 17)	14,082	-	12,353	-
Other income (Notes 10 and 18)	90,505	1	67,683	-
Other gains and losses (Note 19)	(32,551)	-	(38,781)	-
Finance costs (Notes 20 and 27)	<u>(4,623)</u>	<u>-</u>	<u>(3,625)</u>	<u>-</u>
Total non-operating income and expenses	<u>67,413</u>	<u>1</u>	<u>37,630</u>	<u>-</u>
INCOME BEFORE INCOME TAX	1,741,305	12	1,001,563	7
INCOME TAX EXPENSE (Note 21)	<u>281,156</u>	<u>2</u>	<u>151,556</u>	<u>1</u>
NET INCOME	<u>1,460,149</u>	<u>10</u>	<u>850,007</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 14)	2,551	-	(4,569)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations (Note 15)	<u>(16,318)</u>	<u>-</u>	<u>(1,408)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(13,767)</u>	<u>-</u>	<u>(5,977)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,446,382</u>	<u>10</u>	<u>\$ 844,030</u>	<u>6</u>
EARNINGS PER SHARE (Note 22)				
Basic earnings per share	<u>\$ 10.90</u>		<u>\$ 6.34</u>	
Diluted earnings per share	<u>\$ 10.86</u>		<u>\$ 6.32</u>	

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

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	<u>Share Capital - Common Stock</u>			<u>Retained Earnings</u>				<u>Others Foreign Currency</u>	
	<u>Share (In Thousands)</u>	<u>Amount</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriat ed Earnings</u>	<u>Total</u>	<u>Translation Reserve</u>	<u>Total Equity</u>
BALANCE, JANUARY 1, 2020	134,011	\$ 1,340,119	\$ 32,578	\$ 762,708	\$ 8,636	\$ 2,189,678	\$ 2,961,022	\$ (20,745)	\$ 4,312,974
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	62,920	-	(62,920)	-	-	-
Special reserve	-	-	-	-	12,109	(12,109)	-	-	-
Cash dividends to shareholders - NT\$5.00 per share	-	-	-	-	-	(670,060)	(670,060)	-	(670,060)
Total	-	-	-	62,920	12,109	(745,089)	(670,060)	-	(670,060)
Dividends from claims extinguished by prescription	-	-	40	-	-	-	-	-	40
Net income in 2020	-	-	-	-	-	850,007	850,007	-	850,007
Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	-	(4,569)	(4,569)	(1,408)	(5,977)
Total comprehensive income (loss) in 2020	-	-	-	-	-	845,438	845,438	(1,408)	844,030
BALANCE, DECEMBER 31, 2020	134,011	1,340,119	32,618	825,628	20,745	2,290,027	3,136,400	(22,153)	4,486,984
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	84,544	-	(84,544)	-	-	-
Special reserve	-	-	-	-	1,408	(1,408)	-	-	-
Cash dividends to shareholders - NT\$5.00 per share	-	-	-	-	-	(670,060)	(670,060)	-	(670,060)
Total	-	-	-	84,544	1,408	(756,012)	(670,060)	-	(670,060)
Dividends from claims extinguished by prescription	-	-	23	-	-	-	-	-	23
Net income in 2021	-	-	-	-	-	1,460,149	1,460,149	-	1,460,149
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	-	2,551	2,551	(16,318)	(13,767)
Total comprehensive income (loss) in 2021	-	-	-	-	-	1,462,700	1,462,700	(16,318)	1,446,382
BALANCE, DECEMBER 31, 2021	<u>134,011</u>	<u>\$ 1,340,119</u>	<u>\$ 32,641</u>	<u>\$ 910,172</u>	<u>\$ 22,153</u>	<u>\$ 2,996,715</u>	<u>\$ 3,929,040</u>	<u>\$ (38,471)</u>	<u>\$ 5,263,329</u>

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

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,741,305	\$ 1,001,563
Adjustments for:		
Depreciation	370,430	370,910
Amortization	301,169	306,821
Expected credit impairment gain	(19,921)	-
Gain on financial assets at fair value through profit or loss	(3,792)	(2,802)
Finance costs	4,623	3,625
Interest income	(14,082)	(12,353)
Loss (gain) on foreign exchange, net	9,212	(8,000)
Gain on lease modification	(462)	-
Changes in operating assets and liabilities:		
Contract assets	-	324,965
Accounts receivable (including related parties)	(318,687)	225,520
Inventories	(1,114,106)	104,018
Other current assets	(699,980)	(168,215)
Contract liabilities	2,932,172	1,272,736
Accounts payable (including related parties)	620,178	(483,462)
Accrued employees' compensation and remuneration to directors	153,861	64,943
Accrued expenses and other current liabilities	389,029	376,015
Net defined benefit liabilities	(381)	(353)
Cash generated from operations	4,350,568	3,375,931
Income tax paid	(119,647)	(86,009)
Net cash generated from operating activities	<u>4,230,921</u>	<u>3,289,922</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at fair value through profit or loss	(3,930,000)	(3,610,000)
Property, plant and equipment	(91,832)	(161,391)
Intangible assets	(290,024)	(322,203)
Proceeds from disposal of:		
Financial assets at fair value through profit or loss	2,533,792	2,882,802
Refundable deposits paid	(30,209)	(8,435)
Refundable deposits refunded	2,364	4,577
Interest received	<u>13,683</u>	<u>12,312</u>
Net cash used in investing activities	<u>(1,792,226)</u>	<u>(1,202,338)</u>

(Continued)

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Guarantee deposits received	\$ 67	\$ 51
Guarantee deposits refunded	(33)	(21)
Repayment of the principal portion of lease liabilities	(59,088)	(57,495)
Cash dividends paid	(670,060)	(670,060)
Interest paid	(4,623)	(3,625)
Dividends from claims extinguished by prescription reclassified to capital surplus	<u>23</u>	<u>40</u>
Net cash used in financing activities	<u>(733,714)</u>	<u>(731,110)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(14,502)</u>	<u>(1,349)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,690,479	1,355,125
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,896,753</u>	<u>2,541,628</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,587,232</u>	<u>\$ 3,896,753</u>

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

Independent Auditors' Report

(Parent Company Only Financial Statements)

The Board of Directors and Shareholders
Global Unichip Corp.

Opinion

We have audited the accompanying parent company only financial statements of Global Unichip Corp. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventory

Due to the current rapid changes in technology and the high level of competition in the business environment, the prices of products are fluctuating quickly; consequently, the changes in the net realizable value of inventory could have a material impact on the parent company only financial statements. As of December 31, 2021 the carrying amount of inventory was NT\$2,788,572 thousand, which accounted for 19% of the total assets in the parent company only balance sheet. Please refer to Notes 4, 5 and 8 to the parent company only financial statements for the details of the information and accounting policy about inventory. The Company's primary business is rendering of services and producing and selling of products in the semiconductor industry. The rapid technological changes in the semiconductor industry require management to timely estimate possible loss on inventory that is expected to be scrapped or disposed of according to the Company's inventory control and accounting policy and the clients' demands. As uncertainty exists in management's judgment when determining loss on inventory, the valuation of inventory has been identified as a key audit matter.

Our key audit procedures performed in respect of this area included the following:

1. We obtained an understanding of the design of the key controls over the valuation of inventory.
2. We obtained the inventory aging report, and we verified the accuracy and completeness of the report by agreeing the age interval, quantity, and amount to the supporting documents of inbound inventory. We assessed the reasonableness of allowance for inventory loss by recalculating the amount in accordance with the stated valuation policy for the inventory.
3. We performed a retrospective review of past estimates to determine the reasonableness of the past judgments with reference to actual amounts of inventory loss.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers 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 Company's ability to continue as a going concern, 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 auditors' 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 disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of components constituting the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 statements 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 the parent company only financial statements for the year ended December 31, 2021, and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Hui Chen and Su-Li Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

January 26, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

GLOBAL UNICHIP CORP.

PARENT COMPANY ONLY BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020		LIABILITIES AND EQUITY	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 5,009,975	34	\$ 3,443,560	37	Contract liabilities (Note 17)	\$ 5,313,950	36	\$ 2,346,503	25
Financial assets at fair value through profit or loss (Note 7)	2,130,000	14	730,000	8	Accounts payable	1,235,347	8	674,746	7
Accounts receivable, net (Notes 6 and 17)	1,507,550	10	1,135,929	12	Payables to related parties (Note 28)	609,293	4	164,360	2
Receivables from related parties (Note 28)	5,500	-	37,371	-	Accrued employees' compensation and remuneration to directors (Note 24)	299,495	2	145,634	2
Inventories (Note 8)	2,788,572	19	1,457,605	15	Payables on machinery and equipment	3,820	-	4,171	-
Other financial assets	686	-	316	-	Current tax liabilities (Note 22)	217,182	2	92,619	1
Other current assets (Notes 13 and 28)	<u>1,571,723</u>	<u>11</u>	<u>709,814</u>	<u>8</u>	Lease liabilities - current (Notes 11, 25 and 28)	33,229	-	34,718	-
Total current assets	<u>13,014,006</u>	<u>88</u>	<u>7,514,595</u>	<u>80</u>	Accrued expenses and other current liabilities (Notes 14 and 28)	<u>1,463,008</u>	<u>10</u>	<u>1,162,253</u>	<u>12</u>
NON-CURRENT ASSETS					Total current liabilities	<u>9,175,324</u>	<u>62</u>	<u>4,625,004</u>	<u>49</u>
Investments accounted for using equity method (Note 9)	643,921	5	488,190	5	NON-CURRENT LIABILITIES				
Property, plant and equipment (Note 10)	546,301	4	759,457	8	Deferred income tax liabilities (Note 22)	91,332	1	62,521	1
Right-of-use-assets (Note 11)	157,592	1	183,867	2	Lease liabilities - non-current (Notes 11, 25 and 28)	126,736	1	150,874	1
Intangible assets (Note 12)	317,888	2	443,866	5	Other long-term payables (Note 14)	53,687	-	74,921	1
Deferred income tax assets (Note 22)	14,229	-	20,008	-	Net defined benefit liabilities (Note 15)	33,388	-	36,320	-
Refundable deposits (Note 28)	30,427	-	7,289	-	Guarantee deposits (Note 25)	<u>2,768</u>	<u>-</u>	<u>2,848</u>	<u>-</u>
Pledged time deposits (Note 29)	<u>22,200</u>	<u>-</u>	<u>22,200</u>	<u>-</u>	Total non-current liabilities	<u>307,911</u>	<u>2</u>	<u>327,484</u>	<u>3</u>
Total non-current assets	<u>1,732,558</u>	<u>12</u>	<u>1,924,877</u>	<u>20</u>	Total liabilities	<u>9,483,235</u>	<u>64</u>	<u>4,952,488</u>	<u>52</u>
TOTAL	<u>\$ 14,746,564</u>	<u>100</u>	<u>\$ 9,439,472</u>	<u>100</u>	EQUITY (Note 16)				
					Share capital	1,340,119	9	1,340,119	14
					Capital surplus	32,641	-	32,618	1
					Retained earnings				
					Appropriated as legal reserve	910,172	6	825,628	9
					Appropriated as special reserve	22,153	-	20,745	-
					Unappropriated earnings	2,996,715	21	2,290,027	24
					Others	<u>(38,471)</u>	<u>-</u>	<u>(22,153)</u>	<u>-</u>
					Total equity	<u>5,263,329</u>	<u>36</u>	<u>4,486,984</u>	<u>48</u>
					TOTAL	<u>\$ 14,746,564</u>	<u>100</u>	<u>\$ 9,439,472</u>	<u>100</u>

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

GLOBAL UNICHIP CORP.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
NET REVENUE (Notes 17 and 28)	\$ 14,983,822	100	\$ 13,448,967	100
COST OF REVENUE (Notes 24 and 28)	<u>9,827,087</u>	<u>66</u>	<u>9,729,398</u>	<u>72</u>
GROSS PROFIT	<u>5,156,735</u>	<u>34</u>	<u>3,719,569</u>	<u>28</u>
OPERATING EXPENSES				
Sales and marketing (Notes 24 and 28)	293,913	2	276,807	2
General and administrative (Notes 24 and 28)	469,480	3	329,057	2
Research and development (Notes 24 and 28)	2,858,203	19	2,220,774	17
Expected credit impairment gain (Note 6)	<u>(19,921)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>3,601,675</u>	<u>24</u>	<u>2,826,638</u>	<u>21</u>
INCOME FROM OPERATIONS	<u>1,555,060</u>	<u>10</u>	<u>892,931</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 18)	11,815	-	10,810	-
Other income (Notes 11 and 19)	33,861	-	7,777	-
Other gains and losses (Note 20)	(30,863)	-	(37,435)	-
Finance costs (Notes 21 and 28)	(1,951)	-	(2,154)	-
Share of profit of subsidiaries	<u>144,055</u>	<u>1</u>	<u>106,971</u>	<u>-</u>
Total non-operating income and expenses	<u>156,917</u>	<u>1</u>	<u>85,969</u>	<u>-</u>
INCOME BEFORE INCOME TAX	1,711,977	11	978,900	7
INCOME TAX EXPENSE (Note 22)	<u>251,828</u>	<u>1</u>	<u>128,893</u>	<u>1</u>
NET INCOME	<u>1,460,149</u>	<u>10</u>	<u>850,007</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 15)	2,551	-	(4,569)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations (Note 16)	<u>(16,318)</u>	<u>-</u>	<u>(1,408)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(13,767)</u>	<u>-</u>	<u>(5,977)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,446,382</u>	<u>10</u>	<u>\$ 844,030</u>	<u>6</u>
EARNINGS PER SHARE (Note 23)				
Basic earnings per share	<u>\$ 10.90</u>		<u>\$ 6.34</u>	
Diluted earnings per share	<u>\$ 10.86</u>		<u>\$ 6.32</u>	

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

GLOBAL UNICHIP CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	<u>Share Capital - Common Stock</u>			<u>Retained Earnings</u>				<u>Others Foreign Currency</u>	
	<u>Share (In Thousands)</u>	<u>Amount</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriat ed Earnings</u>	<u>Total</u>	<u>Translation Reserve</u>	<u>Total Equity</u>
BALANCE, JANUARY 1, 2020	134,011	\$ 1,340,119	\$ 32,578	\$ 762,708	\$ 8,636	\$ 2,189,678	\$ 2,961,022	\$ (20,745)	\$ 4,312,974
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	62,920	-	(62,920)	-	-	-
Special reserve	-	-	-	-	12,109	(12,109)	-	-	-
Cash dividends to shareholders - NT\$5.00 per share	-	-	-	-	-	(670,060)	(670,060)	-	(670,060)
Total	-	-	-	62,920	12,109	(745,089)	(670,060)	-	(670,060)
Dividends from claims extinguished by prescription	-	-	40	-	-	-	-	-	40
Net income in 2020	-	-	-	-	-	850,007	850,007	-	850,007
Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	-	(4,569)	(4,569)	(1,408)	(5,977)
Total comprehensive income (loss) in 2020	-	-	-	-	-	845,438	845,438	(1,408)	844,030
BALANCE, DECEMBER 31, 2020	134,011	1,340,119	32,618	825,628	20,745	2,290,027	3,136,400	(22,153)	4,486,984
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	84,544	-	(84,544)	-	-	-
Special reserve	-	-	-	-	1,408	(1,408)	-	-	-
Cash dividends to shareholders - NT\$5.00 per share	-	-	-	-	-	(670,060)	(670,060)	-	(670,060)
Total	-	-	-	84,544	1,408	(756,012)	(670,060)	-	(670,060)
Dividends from claims extinguished by prescription	-	-	23	-	-	-	-	-	23
Net income in 2021	-	-	-	-	-	1,460,149	1,460,149	-	1,460,149
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	-	2,551	2,551	(16,318)	(13,767)
Total comprehensive income (loss) in 2021	-	-	-	-	-	1,462,700	1,462,700	(16,318)	1,446,382
BALANCE, DECEMBER 31, 2021	<u>134,011</u>	<u>\$ 1,340,119</u>	<u>\$ 32,641</u>	<u>\$ 910,172</u>	<u>\$ 22,153</u>	<u>\$ 2,996,715</u>	<u>\$ 3,929,040</u>	<u>\$ (38,471)</u>	<u>\$ 5,263,329</u>

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

GLOBAL UNICHIP CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,711,977	\$ 978,900
Adjustments for:		
Depreciation	329,553	337,384
Amortization	301,150	306,747
Expected credit impairment gain	(19,921)	-
Gain on financial assets at fair value through profit or loss	(3,792)	(2,802)
Finance costs	1,951	2,154
Interest income	(11,815)	(10,810)
Share of profit of subsidiaries	(144,055)	(106,971)
Loss (gain) on foreign exchange, net	9,212	(8,000)
Gain on lease modification	(6)	-
Changes in operating assets and liabilities:		
Contract assets	-	324,965
Accounts receivable (including related parties)	(319,829)	226,662
Inventories	(1,330,967)	320,879
Other current assets	(713,413)	(186,373)
Contract liabilities	2,967,447	1,237,461
Accounts payable (including related parties)	857,038	(745,588)
Accrued employees' compensation and remuneration to directors	153,861	64,943
Accrued expenses and other current liabilities	385,343	373,484
Net defined benefit liabilities	(381)	(353)
Cash generated from operations	4,173,353	3,112,682
Income tax paid	(92,674)	(68,486)
Net cash generated from operating activities	<u>4,080,679</u>	<u>3,044,196</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at fair value through profit or loss	(3,930,000)	(3,610,000)
Investments accounted for using equity method	(27,994)	-
Property, plant and equipment	(81,133)	(154,261)
Intangible assets	(290,024)	(322,203)
Proceeds from disposal of:		
Financial assets at fair value through profit or loss	2,533,792	2,882,802
Refundable deposits paid	(25,199)	(3,140)
Refundable deposits refunded	1,943	3,450
Interest received	<u>11,444</u>	<u>10,824</u>
Net cash used in investing activities	<u>(1,807,171)</u>	<u>(1,192,528)</u>

(Continued)

GLOBAL UNICHIP CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (35,105)	\$ (34,821)
Cash dividends paid	(670,060)	(670,060)
Interest paid	(1,951)	(2,154)
Dividends from claims extinguished by prescription reclassified to capital surplus	<u>23</u>	<u>40</u>
Net cash used in financing activities	<u>(707,093)</u>	<u>(706,995)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,566,415	1,144,673
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,443,560</u>	<u>2,298,887</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,009,975</u>	<u>\$ 3,443,560</u>

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

Attachment 4

Global Unichip Corp.
2021 Profit Distribution Table
December 31, 2021

	Unit: NTD
Retained earnings at the beginning of the period	1,534,015,649
2021 Net profit	1,460,149,049
Plus: Actuarial gain of defined benefit plan	2,550,254
The net profit after tax of the current period with the amount for items other than the net profit after tax of the current period are included in the undistributed earnings of the current year	
	1,462,699,303
Less: Appropriation for legal reserve	(146,269,931)
Less: Appropriation for special reserve	(16,318,476)
2021 Distributable earnings	1,300,110,896
Earnings available for distribution by the end of 2021	2,834,126,545
Items of distribution:	
—Shareholders' cash dividend - Distributable earnings for 2021	(938,083,377)
Total distribution (NT\$7 per share)	(938,083,377)
Undistributed earnings at the end of the period	1,896,043,168

Chair: F.C. Tseng
Chiang

Manager: Sean Tai, Daniel Chien

Chief Accountant: Blithe

Attachment 5

List of Independent Candidates

Title	Name	Shareholdings (share)	Education & Experience
Independent Director	Jesse Ding	0	<p>Eduation & Major Past Position:</p> <ul style="list-style-type: none"> ● One year doctoral program at Wharton College, University of Pennsylvania ● MBA, University of Detroit ● BA, National Taiwan University(Accounting) ● President & CEO, Entie Commercial Bank ● President, Taipei Fubon Bank <p>Current Position:</p> <ul style="list-style-type: none"> ● Chair of Entie Commercial Bank ● Independent Director, DACIN Construction Co., Ltd
Independent Director	Huang, Tsui-Hui	0	<p>Eduation & Major Past Position :</p> <ul style="list-style-type: none"> ● M.B.A. at Cornell University, U.S.A. ● B.A. in Business from National Taiwan University ● Chair of Taiwan Venture Capital Association ● Chair and President of Hotung Venture Capital Group ● Member of President's Council of Cornell University ● Chair of the International Business Committee of Taiwan Securities Association ● Board Director of Taipei Exchange ● Vice Chair of The Children Charity Association <p>Current Position:</p> <ul style="list-style-type: none"> ● Honorary Chair of Taiwan Venture Capital Association ● Chair and CEO of Hotung Venture Capital Group ● Member of President's Council of Cornell Women ● Director of Taiwan Women on Boards Association

Appendix 1

Global Unichip Corp. Rules and Procedures of Shareholders' Meeting

1. Unless otherwise provided for in applicable laws or regulation, shareholders' meetings of the Company shall be conducted in accordance with the rules and procedures specified herein.
2. Attending shareholders or their proxies shall submit a sign-in card . The total shares represented by shareholders present in person or by proxy should be determined based on the submitted sign-in cards.
3. Attendance and voting rights at shareholders' meetings shall be calculated based on the numbers of shares represented.
4. The venue of shareholders' meetings shall be on the Company's premises or at another place convenient for shareholders to attend and suitable for such a meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m.
5. If a shareholders' meeting is convened by the Board of Directors, the Chair of the Board of Directors shall be the chairperson presiding at the meeting. If the Chair of the Board of Directors is on leave or unable to perform his duties for any other reason, the Vice Chair shall preside at the meeting on the Chair's behalf. If the Vice Chair is also on leave or unable to perform his duties for any other reason, the Chair of the Board of Directors shall appoint a Managing Director to act on his behalf. If there are no Managing Directors, the Chair shall appoint a Director to act on his behalf. If the Chair does not make such a designation, the Managing Directors or Directors shall select one person from among themselves to serve as the chair.
The Chairperson in the preceding paragraph shall be a member of the Board of Directors, and they shall have served on the Board of Directors for a minimum of six months, and be well versed in the Company's financial and operational status. The same shall apply if the Chairperson is the representative of a juristic person.
If the shareholders' meeting is convened by any other person entitled to convene the meeting other than the Board of Directors, such person shall be the chairperson of the meeting.
When there are two or more such convening parties, they shall mutually select a Chairperson from among themselves.
6. The Company may appoint designated counsel, certified public accountants, or other relevant persons to attend the shareholders' meeting. Staff handling administrative affairs of a shareholders' meeting shall wear identification badges or armbands.
7. The Company's shareholders' meetings must be videotaped or audio recorded and kept for at least one year.

8. The chairperson shall call the meeting to order at the appointed time. However, if the attending shareholders do not represent more than one-half of the total number of issued shares, the chairperson may postpone the meeting time. No more than two such postponements, for a combined total of no more than one hour shall be made. If after two postponements the attending shareholders still represent less than one-half of the total number of issued shares but represent more than one-third of the total issued shares, provisional resolutions may be adopted in accordance with Article 175, Paragraph 1 of the Company Act. Such provisional resolutions shall be handled in accordance with the relevant provisions of the Company Act.

If during the process of the meeting the number of issued shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairperson may submit the provisional resolutions to the meeting for approval in accordance with Article 174 of the Company Act.

9. The agenda of the shareholders' meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The meeting shall proceed in accordance with the agenda unless otherwise resolved at the meeting. In addition to the resolutions listed on the agenda, other resolutions proposed by shareholders, amendments to or alternatives to the original resolutions shall be seconded by other shareholders.
10. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting that is convened by any person other than the Board of Directors entitled to convene a meeting.

Unless otherwise resolved at the meeting, the chairperson cannot announce adjournment of the meeting before all the items (including extemporaneous motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairperson and continue the meeting in the same or another place after the meeting is adjourned unless the chairperson violates the rules of procedure and declares the meeting adjourned, in which case the meeting may continue to be held with the consent of more than half of the voting rights of the shareholders present.
11. The shareholders present have the obligation to abide by the rules of the meeting, obey the resolutions, and maintain the order of the meeting.
12. Any legal entity designated as proxy by a shareholder to be present at the meeting may appoint only one representative to attend the meeting.
13. Unless otherwise permitted by the chair, each shareholder shall not speak more than twice on the same discussion item and each speech may not exceed five minutes. If a shareholder violates the rules outlined in the preceding paragraph or exceeds the scope of the discussion item, the chair may stop the shareholder's speech. If one refuses to accept the correction from the chair and disrupts the order of the meeting, the chair may instruct

disciplinary officers (or security personnel) to help maintain order at the meeting place.

If a legal entity is a shareholder and designates two or more representatives to attend the meeting, only one representative can speak for each discussion item.

After the speech of a shareholder, the chair may respond in person or designate another person to respond.

14. The chair may announce to end the discussion of any resolution and call for a vote if the chair deems it appropriate.
15. The chair shall appoint persons responsible for monitoring and counting ballots. However, the persons responsible for monitoring ballots must be shareholders. Vote-tallying for Shareholders' Meeting resolutions and election proposals shall be handled in an open manner at the Shareholders' Meeting venue; the results thereof shall, upon completion of tallying, be immediately announced at the Shareholders' Meeting venue. Such an announcement shall include the full tally of the number of share votes and be recorded in the meeting minutes.
16. During the meeting, the chairperson may, at their discretion, set time for intermission. In the event of a force majeure, the chairperson may decide to suspend the meeting temporarily, and announce a time for the meeting to resume as appropriate or resume the meeting within five days without the need for notice and announcement when approved by the shareholders' meeting.
17. Unless otherwise stipulated by the Company Act and the Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting. When voting, if there is no objection after consultation by the chairperson, it will be deemed as passed, and its effect is the same as that of voting.
All shareholders are entitled to one vote for every share held.
18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the sequence of voting. If any one of them has been adopted, the other proposals will then be deemed vetoed, and no further voting shall be required.
19. The chair may instruct disciplinary officers (or security personnel) to help maintain order at the meeting place. Such disciplinary officers (or security personnel) shall wear arm bands which identify their roles as a "Disciplinary Officers".
20. Matters not stipulated in the rules and procedures herein shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.

21. The Rules and Procedures of Shareholder's Meeting shall take effect after approval by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 2

Articles Of Incorporation of Global Unichip Corp.

Section I - General Provisions

Article 1

The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 創意電子股份有限公司 in the Chinese language, and Global Unichip Corporation in the English language.

Article 2

The scope of business of the Company shall be as follows:

CC01080 Electronic Parts and Components Manufacturing

A. Engage in research & development, production, testing , and sales of:

i. Embedded memory and logic components for various applications ICs;

ii. Cell libraries for various applications ICs; and

iii. EDA tools for various applications ICs.

B. Provide technological support and consulting services related to the aforementioned products.

Article 3

The Company may provide endorsement and guarantee and act as a guarantor.

Article 4

The Company may, by a resolution adopted by the Board of Directors, becomes a shareholder of limited liability in other companies, the total amount of its investments in such other companies shall not be subject to the restriction of not exceed forty percent of the amount of its own paid-up capital as provided for in Article 13 of the Company Act of the Republic of China. However, the total amount of its investments in such other companies shall not exceed to one half of its paid-in capital. The aforesaid resolution shall be adopted by a majority of directors at a meeting attended by two-thirds or more of the total number of directors.

Article 5

The Company shall have its head office established in Hsinchu Science Park, Hsinchu, Taiwan, Republic of China, and shall, upon the resolutions of the Board of Directors and approval of competent authorities, be free to set up representative and branch offices at various locations.

Section II - Capital Stock

Article 6

The total capital stock of the Company shall be in the amount of 1,800,000,000 New Taiwan Dollars, divided into 180,000,000 shares (of which 15,000,000 shares should be reserved for issuance of employee share subscription warrants), at par value of ten New Taiwan Dollars each. The Company may, by a resolution adopted by the Board of Directors, and issues the total authorized number of shares in installments.

Article 6 -1

Where the Company issues employee stock warrants, if the exercise price is lower than the closing price for the Company's common shares, the Company is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares. The Company is allowed to register multiple issues over a period of 1 year from the date of the shareholders resolution.

To transfer shares to employee at the price less than the average actual share repurchase price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 7

The share certificates of the Company shall all be name-bearing share certificates and issued in accordance with the Company Act and relevant rules and regulations of the Republic of China.

In compliance with the relevant provisions of the Company Act, rules and regulations of the Republic of China, the Company may be exempted from printing any share certificate for the shares issued.

Article 8

All transfer of stocks, pledge of rights, reporting of loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transactions conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

Article 9

Alteration of entries in the shareholders' roster shall be suspended within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Section III – Shareholders' Meeting

Article 10

Shareholders' meeting of the Company is in two types, namely:

- (1) Regular shareholders' meeting and
- (2) Special shareholders' meeting.

Regular shareholders' meeting shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special shareholders' meeting shall be convened in accordance with the relevant laws, rules, and regulations of the Republic of China.

Article 11

The shareholders' meeting shall be presided over by the chair of the Board of Directors of the Company. In his/her absence, either the vice chair of the Board of Directors or one of the directors shall preside; whereas for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairperson of that meeting provided, however, that if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among themselves.

Article 12

A notice stating date, venue, and agenda to convene a regular shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. In the case of a special shareholders' meeting, a meeting notice shall be given to each shareholders no later than 15 days prior to the scheduled meeting date.

Article 13

If a shareholder is unable to attend the shareholders' meeting, he/she may appoint a proxy to attend it on his/her behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy in accordance with relevant laws, rules, and regulations of the Republic of China.

Article 14

Each share of stock shall be entitled to one vote.

Article 15

The resolutions at a shareholders' meeting shall, unless required otherwise by the Company Act of the Republic of China, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced by attending shareholders after solicitation by the chairperson.

According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the

relevant laws and regulations.

Section IV –Directors and Supervisors

Article 16

The Company shall have seven to nine directors. The Board of Directors is authorized to determine the number of directors.

The term of office for directors shall be three (3) years, and all directors shall be elected by the shareholders' meeting from among the persons with disposing capacity and shall be eligible for re-election. The Company may purchase insurance for its directors or officers to protect them against potential liabilities arising from their exercise of director or officer duties.

The aforesaid Board of Directors shall consist of at least three independent directors.

Article 16-1

In the process of electing directors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect. The directors shall be elected by adopting candidates' nomination system as specified in Article 192-1 of the Company Act of Republic of China. The nomination and announcement through a public notice of directors shall comply with the relevant regulation of the Company Act of Republic of China and the Securities and Exchange Act of Republic of China. Election of independent directors and directors shall take place at the same time but the number of independent directors and directors elected shall be counted respectively.

Article 16-2

In compliance with Article 14-4 of the Securities and Exchange Act of Republic of China, the Company shall establish an audit committee, which shall consist of the entire number of independent directors. The audit committee or the members of audit committee shall be delegated the power as set forth in the provisions regarding supervisors in the Company Act of Republic of China, the Securities and Exchange Act of Republic of China, and other laws and regulations.

Article 17

The Board of Directors shall elect a chair of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chair of the board. The chair of the Board of Directors shall externally represent the company.

Article 18

Unless otherwise provided for in the Company Act of the Republic of China, meetings of the Board of Directors shall be convened by the chair of the Board of Directors and the resolutions of the Board of Directors shall be adopted by a majority vote of the directors present at the meeting attended by a majority of the directors.

Article 19

The chair of the Board of Directors shall preside over all meetings of the Board of Directors. In case the chair of the Board of Directors is absent or cannot exercise his/her power and authority for any cause, the vice chair of the Board of Directors or any one of the directors shall act on his/her behalf in accordance with Article 208 of the Company Act of the Republic of China. Each director shall attend the meeting of the Board of Directors in person and a director may appoint another director to attend the meeting of the Board of Directors in his/her behalf at his/her absence. A director may accept the appointment to act as proxy of one other director only. The meeting of the Board of Directors may be conducted via visual communication network, and any director's participation in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 20

The Board of Directors is authorized to determine the compensation for the directors, taking into account the standards of the industry within the Republic of China and overseas.

Section V- Executives Officers

Article 21

The Company may appoint a president, vice president(s) or such other officers to meet the Company's operational or managerial needs. Appointment, discharge, and the remuneration of such executive officers shall be decided in accordance with the Article 29 of the Company Act of Republic of China. Notwithstanding the foregoing, the appointment, discharge, and the remuneration of the president, vice president(s), Chief Financial Officer, and Accounting Controller shall further be proposed by chair of the Board of Directors and approved by a majority of the directors of the Company. The assistant vice president(s) shall further be proposed by president and approved by chair of the Board of Directors and a majority of the directors of the Company.

Article 22

The officer of the Company shall not concurrently act as an officer of another company, nor shall he/she operate, for the benefit of his/her own or others, any business which is the same as that of the Company, unless otherwise concurred in by the Company pursuant to the resolution adopted by a majority vote of the directors at a meeting of the Board of Directors attended by a majority of the

directors of the Company.

Article 23

The president of the Company shall conduct business operation of the Company in accordance with relevant rules and regulations of the Republic of China, Articles of Incorporation of the Company, and the resolutions of shareholders' meeting or Board of Directors' meeting.

Section VI-Financial Reports

Article 24

The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year.

Article 25

The Board of Directors shall, at the end of each fiscal year, submit the following items to the shareholders' meeting for their approval:

- a. The annual business report;
- b. The financial statements; and
- c. The surplus earnings distribution or loss make-up proposal.

Article 26

When allocating the net profits for each fiscal year, the Company shall set aside not less than two percent of the profit distributable as bonus to employees and not more than two percent of the profit distributable as bonus to directors. Directors who also serve as executive officers of this Company are not entitled to receive bonus to directors. However, the Company's accumulated losses shall have been covered.

The Company may have the profit distributable as employees' compensation distributed in the form of shares or in cash. There may have certain qualification requirements set for employees entitled to receive such compensation.

The net profit for each fiscal year distributable set out in the preceding paragraph is the net income before tax set aside the employees' and board of directors' compensation.

Article 27

The Company shall not pay dividends or bonuses when there is no surplus profit. When distributing the surplus profits for each fiscal year, the Company shall first offset its losses of previous years and set aside the items below in the following order:

- a. Legal reserve at ten percent of the remaining profits except when the accumulated legal capital reserve has equaled the total capital of the Company;
- b. Special reserve in accordance with the relevant laws or regulations or the

resolution of the shareholders' meeting;

c. Any balance remaining may be distributed to the shareholders pro rata based on the number of shares held in accordance with the resolution of the shareholders' meeting.

Where there is no surplus profit for distribution in one year; or the profit of such year is far less than the profit actually distributed by the Company in the previous year; or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the competent authorities.

Article 28

Only the shareholders recorded in the shareholders' roster at the target date fixed by the Company for distribution of dividends and bonus are entitled to the allocation of dividends and bonus.

Article 29

The Company's profit distribution, the proportion of cash dividends shall not be lower than sixty percent of the total dividends, depending on future expansion plans and cash needs.

Section VII- Supplementary Provisions

Article 30

In regard to all matters not provided for in these Articles of Incorporation, the Company Act of the Republic of China and relevant rules and regulations of the Republic of China shall govern.

Article 31

These Articles of Incorporation are agreed to and signed on December 11, 1997 by all the promoters in the promoters meeting of the Company, and these Articles shall take effect from the date of approval of registration by the competent authority. The first Amendment was approved by the shareholders' meeting on April 14, 1998, the second Amendment on October 20, 1998, the third Amendment on August 8, 2001, the fourth Amendment on July 30, 2002, the fifth Amendment on July 30, 2002, the sixth Amendment on December 18, 2002, the seventh Amendment on January 23, 2003, and the eighth Amendment on May 31, 2005, the ninth Amendment on January 10, 2006, the tenth Amendment on June 30, 2006, the eleventh Amendment on May 24, 2007, the twelfth Amendment on June 3, 2009, the thirteenth Amendment on June 4, 2010, the fourteen Amendment on June 20, 2013, and the fifteen Amendment on May 26, 2016.

Appendix 3

Global Unichip Corp. Rules for Election of Directors

1. The directors of this Company shall be elected in accordance with the rules specified herein.
2. Election of directors of this Company shall be held at the shareholders' meeting.
3. All persons with the ability to act may be elected as directors of the Company in accordance with the rules specified herein.
- 3-1. The election of the Company's directors shall be conducted in accordance with the candidate nomination system specified in Article 192-1 of the Company Act. Among which, the election of independent directors shall be handled in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
4. In the election of the Company's directors, each voter will be identified by his/her attendance card number as printed on his/her ballot. In the election of the Company's directors, each share shall have voting rights equivalent to the number of directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates. Independent directors and non-independent directors shall be held together; provided, however, that the number of independent directors and non-independent directors elected shall be calculated separately.
5. In the election of the Company's directors, candidates who acquire more votes shall win the seats of non-independent directors or independent directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the chair shall draw lots on behalf of the candidate who is not present.
6. At the beginning of the election, the chair shall appoint several persons each to check and record the ballots.
7. The ballot box used for voting shall be prepared by the Board of Directors and checked in public by the person who checks the ballots before voting.
8. The ballots shall be distributed according to the attendance card number of the shareholder. Each ballot shall contain the votes that the shareholder is entitled to in the election.
9. If the candidate is a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number. If the candidate is not a shareholder of this Company, voters shall fill in the

“candidate” column with the candidate's name and the candidate's ID number. For domestic natural persons, the identification document is their original National ID card. For foreign natural persons, the identification document is their original passport. The number of their identification document is the ID number of their ballot. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) shall be filled in the column. If there are several representatives, each of the representatives' names must be filled in.

10. Ballots shall be deemed void under the following conditions:
 - (1) Ballots not prepared in accordance with the rules specified herein;
 - (2) Those who put a blank ballot into the ballot box;
 - (3) The handwriting on the ballots is too illegible as to be identified;
 - (4) If the candidate is a shareholder of this Company, any one of the name, the shareholder's number of the candidate and the number of voting rights filled in the ballot is missing or altered, or the name or shareholder's number of the candidate filled in the ballot is inconsistent with the shareholders' register; If the candidate is not a shareholder of this Company, any one of the name, the ID number of the candidate, and the number of voting rights filled in the ballot is missing or altered, or the name or ID number of the candidate filled in the ballot is incorrect;
 - (5) Ballots with other written characters or symbols in addition to the name, shareholder's number or ID number of the candidate and the number of voting rights.
11. The ballots shall be counted immediately when the voting is completed and the results of the election shall be announced by the chair at the meeting.
12. Matters not stipulated in the rules herein shall be handled in accordance with the Articles of Incorporation of the Company, the Company Act and relevant laws and regulations.
13. The Rules for Election of Directors shall take effect after approval by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 4

Shareholdings of Directors

Book closure date : March 21, 2022

Position	Name	No. of shares held as of the book closure date	Percentage of shares held as of the book closure date
Chair	Taiwan Semiconductor Manufacturing Co., Ltd. Legal representative: F.C. Tseng	46,687,859	34.84%
Director	Taiwan Semiconductor Manufacturing Co., Ltd. Legal representative: Sean Tai		
Director	Taiwan Semiconductor Manufacturing Co., Ltd. Legal representative: Wendell Huang		
Director	Taiwan Semiconductor Manufacturing Co., Ltd. Legal representative: Cliff Hou		
Independent director	Benson Liu	0	0%
Independent director	Wen-Yeu Wang	0	0%
Independent director	Chein-Wei Jen	0	0%
Independent director	Peter Wu	0	0%
Independent director	Kenneth Kin	0	0%
Shareholdings of all directors (not including independent directors)		46,687,859	34.84%
Minimum No. of shares required to be held by all directors (not including independent directors)		8,040,714	6%

Note : The total No. of shares issued by the Company: 134,011,911 shares

Appendix 5

The Impact of this Stock Dividend Issuance on the Company's Business Performance, EPS, and Shareholders' ROI :

It is not applicable since the Company did not issue stock dividends for this year.