

Global Unichip Corp. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Global Unichip Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Global Unichip Corp. and its subsidiaries (collectively, the “Company”) as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024, and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements No. 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Hsieh-Chang Li and Ming-Hui Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 31, 2025

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024		LIABILITIES AND EQUITY	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Notes 6 and 28)	\$ 6,695,439	24	\$ 10,427,431	40	\$ 7,307,134	37	Contract liabilities (Notes 17 and 28)	\$ 10,993,928	39	\$ 9,348,737	36	\$ 5,022,135	25
Financial assets at fair value through profit or loss (Note 8)	3,002,828	11	2,980,000	11	2,093,922	10	Accounts payable	961,011	3	1,078,444	4	1,279,576	6
Accounts receivable, net (Notes 7 and 17)	1,562,729	5	1,988,028	7	1,897,053	10	Payables to related parties (Note 28)	1,060,091	4	612,757	2	950,823	5
Receivables from related parties (Note 28)	38,824	-	19,368	-	21,124	-	Accrued employees' compensation and remuneration to directors (Note 24)	1,572,808	6	1,625,201	6	1,467,819	7
Inventories (Note 9)	6,115,844	22	2,794,441	11	4,250,143	21	Payables on machinery and equipment	6,337	-	94,955	1	6,654	-
Prepayment for purchases (Note 28)	6,698,980	24	5,575,145	21	2,244,144	11	Current tax liabilities (Note 22)	255,339	1	236,794	1	281,079	2
Other financial assets (Note 28)	953,533	3	6,301	-	11,715	-	Lease liabilities - current (Notes 11, 25 and 28)	52,588	-	76,965	-	77,154	-
Other current assets (Note 13)	804,063	3	689,472	3	592,088	3	Accrued expenses and other current liabilities (Note 14)	1,796,128	6	1,594,794	6	1,013,672	5
Total current assets	25,872,240	92	24,480,186	93	18,417,323	92	Total current liabilities	16,698,230	59	14,668,647	56	10,098,912	50
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Property, plant and equipment (Note 10)	986,404	3	941,947	3	504,825	3	Deferred income tax liabilities (Note 22)	182,277	1	145,665	1	139,029	1
Right-of-use assets (Note 11)	148,518	1	173,214	1	202,432	1	Lease liabilities - non-current (Notes 11, 25 and 28)	105,266	-	109,596	-	136,573	1
Intangible assets (Note 12)	786,788	3	437,800	2	626,008	3	Other long-term payables (Note 14)	224,213	1	73,067	-	200,601	1
Deferred income tax assets (Note 22)	7,572	-	36,844	-	10,396	-	Net defined benefit liabilities (Note 15)	13,884	-	14,292	-	21,987	-
Prepayments for business facilities	10,120	-	1,015	-	-	-	Guarantee deposits (Note 25)	3,261	-	3,713	-	3,641	-
Refundable deposits (Note 28)	196,176	1	216,053	1	214,287	1	Total non-current liabilities	528,901	2	346,333	1	501,831	3
Pledged time deposits (Notes 28 and 29)	22,200	-	22,200	-	22,200	-	Total liabilities	17,227,131	61	15,014,980	57	10,600,743	53
Total non-current assets	2,157,778	8	1,829,073	7	1,580,148	8	EQUITY (Note 16)						
TOTAL	\$ 28,030,018	100	\$ 26,309,259	100	\$ 19,997,471	100	Share capital	1,340,119	5	1,340,119	5	1,340,119	7
							Capital surplus	32,896	-	32,843	-	32,843	-
							Retained earnings						
							Appropriated as legal reserve	2,125,024	8	1,779,227	7	1,779,227	9
							Appropriated as special reserve	3,134	-	34,007	-	34,007	-
							Unappropriated earnings	7,395,135	26	8,111,217	31	6,223,286	31
							Others	(93,421)	-	(3,134)	-	(12,754)	-
							Total equity	10,802,887	39	11,294,279	43	9,396,728	47
							TOTAL	\$ 28,030,018	100	\$ 26,309,259	100	\$ 19,997,471	100

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)

	Three Months Ended June 30				Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
NET REVENUE (Notes 17 and 28)	\$ 6,104,577	100	\$ 6,719,781	100	\$ 13,128,221	100	\$ 12,410,152	100
COST OF REVENUE (Notes 24 and 28)	<u>4,070,659</u>	<u>67</u>	<u>4,666,920</u>	<u>69</u>	<u>9,121,688</u>	<u>69</u>	<u>8,668,483</u>	<u>70</u>
GROSS PROFIT	<u>2,033,918</u>	<u>33</u>	<u>2,052,861</u>	<u>31</u>	<u>4,006,533</u>	<u>31</u>	<u>3,741,669</u>	<u>30</u>
OPERATING EXPENSES								
Sales and marketing (Notes 24 and 28)	93,772	1	103,749	2	190,413	1	195,527	2
General and administrative (Notes 24 and 28)	159,497	3	136,349	2	287,189	2	255,522	2
Research and development (Notes 24 and 28)	836,987	14	821,526	12	1,636,655	12	1,555,051	12
Expected credit impairment gain (Note 7)	<u>-</u>	<u>-</u>	<u>(38,888)</u>	<u>(1)</u>	<u>(146,023)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,090,256</u>	<u>18</u>	<u>1,022,736</u>	<u>15</u>	<u>1,968,234</u>	<u>14</u>	<u>2,006,100</u>	<u>16</u>
INCOME FROM OPERATIONS	<u>943,662</u>	<u>15</u>	<u>1,030,125</u>	<u>16</u>	<u>2,038,299</u>	<u>17</u>	<u>1,735,569</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Notes 18 and 28)	45,249	1	36,582	1	91,103	1	73,230	1
Other income (Notes 11 and 19)	6,277	-	5,564	-	10,062	-	7,528	-
Other gains and losses (Note 20)	(65,335)	(1)	31,963	-	(66,131)	(1)	63,949	-
Finance costs (Notes 21 and 28)	<u>(842)</u>	<u>-</u>	<u>(1,069)</u>	<u>-</u>	<u>(1,689)</u>	<u>-</u>	<u>(2,233)</u>	<u>-</u>
Total non-operating income and expenses	<u>(14,651)</u>	<u>-</u>	<u>73,040</u>	<u>1</u>	<u>33,345</u>	<u>-</u>	<u>142,474</u>	<u>1</u>
INCOME BEFORE INCOME TAX	929,011	15	1,103,165	17	2,071,644	17	1,878,043	15
INCOME TAX EXPENSE (Note 22)	<u>147,346</u>	<u>2</u>	<u>195,773</u>	<u>3</u>	<u>328,611</u>	<u>3</u>	<u>308,002</u>	<u>2</u>
NET INCOME	781,665	13	907,392	14	1,743,033	14	1,570,041	13
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations (Note 16)	<u>(114,735)</u>	<u>(2)</u>	<u>3,763</u>	<u>-</u>	<u>(90,287)</u>	<u>(1)</u>	<u>21,253</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 666,930</u>	<u>11</u>	<u>\$ 911,155</u>	<u>14</u>	<u>\$ 1,652,746</u>	<u>13</u>	<u>\$ 1,591,294</u>	<u>13</u>
EARNINGS PER SHARE (Note 23)								
Basic earnings per share	<u>\$ 5.84</u>		<u>\$ 6.78</u>		<u>\$ 13.01</u>		<u>\$ 11.72</u>	
Diluted earnings per share	<u>\$ 5.81</u>		<u>\$ 6.75</u>		<u>\$ 12.95</u>		<u>\$ 11.67</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)

	Share Capital - Common Stock		Capital Surplus	Retained Earnings			Total	Others	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Foreign Currency Translation Reserve	
BALANCE, JANUARY 1, 2024	134,011	\$ 1,340,119	\$ 32,801	\$ 1,428,010	\$ 18,234	\$ 6,896,402	\$ 8,342,646	\$ (34,007)	\$ 9,681,559
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	351,217	-	(351,217)	-	-	-
Special reserve	-	-	-	-	15,773	(15,773)	-	-	-
Cash dividends to shareholders - NT\$14.00 per share	-	-	-	-	-	(1,876,167)	(1,876,167)	-	(1,876,167)
Total	-	-	-	351,217	15,773	(2,243,157)	(1,876,167)	-	(1,876,167)
Dividends from claims extinguished by prescription	-	-	42	-	-	-	-	-	42
Net income for the six months ended June 30, 2024	-	-	-	-	-	1,570,041	1,570,041	-	1,570,041
Other comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	21,253	21,253
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	1,570,041	1,570,041	21,253	1,591,294
BALANCE, JUNE 30, 2024	<u>134,011</u>	<u>\$ 1,340,119</u>	<u>\$ 32,843</u>	<u>\$ 1,779,227</u>	<u>\$ 34,007</u>	<u>\$ 6,223,286</u>	<u>\$ 8,036,520</u>	<u>\$ (12,754)</u>	<u>\$ 9,396,728</u>
BALANCE, JANUARY 1, 2025	134,011	\$ 1,340,119	\$ 32,843	\$ 1,779,227	\$ 34,007	\$ 8,111,217	\$ 9,924,451	\$ (3,134)	\$ 11,294,279
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	345,797	-	(345,797)	-	-	-
Reversal of special reserve	-	-	-	-	(30,873)	30,873	-	-	-
Cash dividends to shareholders - NT\$16.00 per share	-	-	-	-	-	(2,144,191)	(2,144,191)	-	(2,144,191)
Total	-	-	-	345,797	(30,873)	(2,459,115)	(2,144,191)	-	(2,144,191)
Dividends from claims extinguished by prescription	-	-	53	-	-	-	-	-	53
Net income for the six months ended June 30, 2025	-	-	-	-	-	1,743,033	1,743,033	-	1,743,033
Other comprehensive income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	(90,287)	(90,287)
Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	1,743,033	1,743,033	(90,287)	1,652,746
BALANCE, JUNE 30, 2025	<u>\$ 134,011</u>	<u>\$ 1,340,119</u>	<u>\$ 32,896</u>	<u>\$ 2,125,024</u>	<u>\$ 3,134</u>	<u>\$ 7,395,135</u>	<u>\$ 9,523,293</u>	<u>\$ (93,421)</u>	<u>\$ 10,802,887</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)

	Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,071,644	\$ 1,878,043
Adjustments for:		
Depreciation	131,264	123,416
Amortization	199,757	184,306
Expected credit impairment gain	(146,023)	-
Gain on financial assets at fair value through profit or loss	(22,828)	(31,158)
Finance costs	1,689	2,233
Interest income	(91,103)	(73,230)
Loss (gain) on foreign exchange, net	(24,308)	3,487
Gain on modification of lease	(94)	-
Changes in operating assets and liabilities:		
Accounts receivable, net (including related parties)	551,866	71,251
Inventories	(3,321,403)	600,574
Prepayment for purchases	(580,171)	87,861
Other current assets	(111,093)	6,230
Contract liabilities	1,645,191	(1,228,024)
Accounts payable (including related parties)	(213,763)	484,617
Accrued employees' compensation and remuneration to directors	(52,393)	13,174
Accrued expenses and other current liabilities	(38,843)	(168,424)
Net defined benefit liabilities	(408)	(325)
Cash generated from (used in) operations	(1,019)	1,954,031
Income tax paid	(247,964)	(270,000)
Net cash generated from (used in) operating activities	(248,983)	1,684,031
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at amortized cost	(1,350,000)	-
Property, plant and equipment	(234,577)	(38,038)
Intangible assets	(116,897)	(169,456)
Proceeds from disposal of:		
Financial assets at amortized cost	400,000	-
Financial assets at fair value through profit or loss	-	17,236
Refundable deposits paid	(2,849)	(16,937)
Refundable deposits refunded	3,932	26,807
Interest received	93,855	65,381
Net cash used in investing activities	(1,206,536)	(115,007)

(Continued)

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

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

	Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Guarantee deposits refunded	\$ (69)	\$ (9)
Repayment of the principal portion of lease liabilities	(43,242)	(43,053)
Cash dividends paid	(2,144,191)	(1,876,167)
Interest paid	(1,689)	(2,233)
Dividends from claims extinguished by prescription reclassified to capital surplus	<u>53</u>	<u>42</u>
Net cash used in financing activities	<u>(2,189,138)</u>	<u>(1,921,420)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(87,335)</u>	<u>21,721</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,731,992)	(330,675)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>10,427,431</u>	<u>7,637,809</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 6,695,439</u>	<u>\$ 7,307,134</u>

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

(Concluded)

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

Global Unichip Corp. (GUC), a Republic of China (R.O.C.) corporation, was incorporated on January 22, 1998. GUC is engaged mainly in researching, developing, producing, testing and selling of embedded memory and logic components for various application ICs, cell libraries for various application ICs, and EDA tools for various application ICs. On November 3, 2006, GUC's shares were listed on the Taiwan Stock Exchange (TWSE). The address of its registered office and principal place of business is No. 10 Li-Hsin 6th Rd., Hsinchu Science Park, Taiwan. GUC together with its consolidated subsidiaries are hereinafter referred to collectively as the "Company".

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were agreed by the Audit and Corporate Governance Committee and reported to the Board of Directors on July 31, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of the amendments on the Company's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024.

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 consolidated financial statements shall prevail.

Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

Basis of Consolidation

Principles for preparing consolidated financial statements

The basis of preparation and the basis for the consolidated financial statements applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024.

The subsidiaries in the consolidated financial statements

The detail information of the subsidiaries at the end of reporting period is as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership			Remark
				June 30, 2025	December 31, 2024	June 30, 2024	
GUC	Global Unichip Corp.-NA (GUC-NA)	Products consulting, design and technical support service	U.S.A.	100%	100%	100%	Note

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership			Remark
				June 30, 2025	December 31, 2024	June 30, 2024	
GUC	Global Unichip Japan Co., Ltd. (GUC-Japan)	Products consulting, design and technical support service	Japan	100%	100%	100%	Note
	Global Unichip Corp. Europe B.V. (GUC-Europe)	Products consulting, design and technical support service	Netherlands	100%	100%	100%	Note
	Global Unichip Corp. Korea (GUC-Korea)	Products consulting, design and technical support service	Korea	100%	100%	100%	Note
	Global Unichip (Nanjing) Ltd. (GUC-Nanjing)	Products consulting, design and technical support service	Nanjing, China	100%	100%	100%	Note
	Global Unichip (Shanghai) Company, Limited (GUC-Shanghai)	Products consulting, design and technical support service	Shanghai, China	100%	100%	100%	Note
	Global Unichip Vietnam Company Limited (GUC-Vietnam)	Products consulting, design and technical support service	Vietnam	100%	100%	100%	Note

(Concluded)

Note: The subsidiaries are not significant subsidiaries. Except for GUC-NA and GUC-Nanjing, other subsidiaries' financial statements have not been reviewed or audited.

Retirement Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

Income Tax Expenses

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The same material accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash and deposits in banks	\$ 6,645,439	\$ 10,077,431	\$ 7,257,134
Repurchase agreements collateralized by bonds	<u>50,000</u>	<u>350,000</u>	<u>50,000</u>
	<u>\$ 6,695,439</u>	<u>\$ 10,427,431</u>	<u>\$ 7,307,134</u>

Deposits in banks consisted of highly liquid time deposits that were readily convertible to known amounts of cash and were subject to an insignificant risk of changes in value.

7. ACCOUNTS RECEIVABLE, NET

	June 30, 2025	December 31, 2024	June 30, 2024
At amortized cost of accounts receivable			
Gross carrying amount	\$ 1,562,729	\$ 2,135,277	\$ 1,897,053
Allowance for credit impairment loss	<u>-</u>	<u>(147,249)</u>	<u>-</u>
	<u>\$ 1,562,729</u>	<u>\$ 1,988,028</u>	<u>\$ 1,897,053</u>

In principle, the payment term granted to customers is due 30 days from the invoice date or 30 days from the end of the month the invoice is issued.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime expected credit losses. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past account aging records of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor and an assessment of the gross domestic product growth rate, unemployment rate and industrial indicators at the reporting date. The Company estimates expected credit losses based on the number of days that those receivables are past due. As the Company's historical credit losses experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due status of receivables is not further distinguished between the Company's different customer base; poor credit rating customers that have accounts receivable balances past due over 90 days are provided with full amount of loss allowance.

The Company writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

Aging analysis of accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
No past due	\$ 1,488,001	\$ 1,778,612	\$ 1,608,534
Past due			
Past due within 1-30 days	71,880	209,416	182,337
Past due within 31-60 days	2,848	-	106,182
Past due within 91-120 days	-	81,966	-
Past due within 121-150 days	-	65,283	-
Loss allowance	<u>-</u>	<u>(147,249)</u>	<u>-</u>
	<u>\$ 1,562,729</u>	<u>\$ 1,988,028</u>	<u>\$ 1,897,053</u>

The movements of the loss allowance of accounts receivable were as follows:

	Six Months Ended June 30, 2025
Balance at January 1	\$ 147,249
Net remeasurement of loss allowance	(146,023)
Effect of exchange rate changes	<u>(1,226)</u>
Balance at June 30	<u>\$ -</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	<u>\$ 3,002,828</u>	<u>\$ 2,980,000</u>	<u>\$ 2,093,922</u>

9. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	\$ 844,271	\$ 935,866	\$ 1,181,929
Work in process	3,645,543	1,446,825	2,572,441
Raw materials	<u>1,626,030</u>	<u>411,750</u>	<u>495,773</u>
	<u>\$ 6,115,844</u>	<u>\$ 2,794,441</u>	<u>\$ 4,250,143</u>

Write-down of inventories to net realizable value was included in the cost of revenue; the amounts were as follows:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Write-down of inventories	<u>\$ 58,681</u>	<u>\$ 19,544</u>	<u>\$ 40,623</u>	<u>\$ 14,075</u>

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Research and Development Equipment	Miscellaneous Equipment	Construction In Progress	Total
<u>Cost</u>							
Balance at January 1, 2025	\$ 266,700	\$ 242,923	\$ 112,245	\$ 1,708,152	\$ 535,790	\$ 151,906	\$ 3,017,716
Additions	-	-	270	32,480	29,143	74,961	136,854
Disposals	-	-	-	(42,747)	(20,822)	-	(63,569)
Effect of exchange rate changes	-	-	-	(1,952)	(5,050)	-	(7,002)
Balance at June 30, 2025	<u>\$ 266,700</u>	<u>\$ 242,923</u>	<u>\$ 112,245</u>	<u>\$ 1,695,933</u>	<u>\$ 539,061</u>	<u>\$ 226,867</u>	<u>\$ 3,083,999</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2025	\$ -	\$ 97,161	\$ 70,540	\$ 1,457,665	\$ 450,403	\$ -	\$ 2,075,769
Depreciation	-	2,383	6,571	61,950	20,514	-	91,418
Disposals	-	-	-	(42,747)	(20,822)	-	(63,569)
Effect of exchange rate changes	-	-	-	(1,818)	(4,205)	-	(6,023)
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 99,544</u>	<u>\$ 77,111</u>	<u>\$ 1,475,050</u>	<u>\$ 445,890</u>	<u>\$ -</u>	<u>\$ 2,097,595</u>
Carrying amount at January 1, 2025	<u>\$ 266,700</u>	<u>\$ 145,762</u>	<u>\$ 41,705</u>	<u>\$ 250,487</u>	<u>\$ 85,387</u>	<u>\$ 151,906</u>	<u>\$ 941,947</u>
Carrying amount at June 30, 2025	<u>\$ 266,700</u>	<u>\$ 143,379</u>	<u>\$ 35,404</u>	<u>\$ 220,883</u>	<u>\$ 93,171</u>	<u>\$ 226,867</u>	<u>\$ 986,404</u>
<u>Cost</u>							
Balance at January 1, 2024	\$ -	\$ 242,923	\$ 112,085	\$ 1,790,963	\$ 512,137	\$ -	\$ 2,658,108
Additions	-	-	-	7,829	21,691	-	29,520
Disposals	-	-	-	(2,316)	(206)	-	(2,522)
Effect of exchange rate changes	-	-	-	978	228	-	1,206
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 242,923</u>	<u>\$ 112,085</u>	<u>\$ 1,797,454</u>	<u>\$ 533,850</u>	<u>\$ -</u>	<u>\$ 2,686,312</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Research and Development Equipment	Miscellaneous Equipment	Construction In Progress	Total
<u>Accumulated depreciation</u>							
Balance at January 1, 2024	\$ -	\$ 92,394	\$ 55,531	\$ 1,531,211	\$ 420,335	\$ -	\$ 2,099,471
Depreciation	-	2,383	7,950	54,889	18,080	-	83,302
Disposals	-	-	-	(2,316)	(206)	-	(2,522)
Effect of exchange rate changes	-	-	-	804	432	-	1,236
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 94,777</u>	<u>\$ 63,481</u>	<u>\$ 1,584,588</u>	<u>\$ 438,641</u>	<u>\$ -</u>	<u>\$ 2,181,487</u>
Carrying amount at January 1, 2024	<u>\$ -</u>	<u>\$ 150,529</u>	<u>\$ 56,554</u>	<u>\$ 259,752</u>	<u>\$ 91,802</u>	<u>\$ -</u>	<u>\$ 558,637</u>
Carrying amount at June 30, 2024	<u>\$ -</u>	<u>\$ 148,146</u>	<u>\$ 48,604</u>	<u>\$ 212,866</u>	<u>\$ 95,209</u>	<u>\$ -</u>	<u>\$ 504,825</u>

(Concluded)

11. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Buildings	Transportation Equipment	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ 59,238	\$ 485,521	\$ 5,915	\$ 550,674
Additions	-	28,926	-	28,926
Lease modification	(2,005)	(34,924)	-	(36,929)
Effect of exchange rate changes	-	(17,604)	-	(17,604)
Balance at June 30, 2025	<u>\$ 57,233</u>	<u>\$ 461,919</u>	<u>\$ 5,915</u>	<u>\$ 525,067</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2025	\$ 9,695	\$ 365,251	\$ 2,514	\$ 377,460
Depreciation	777	38,477	592	39,846
Lease modification	-	(28,637)	-	(28,637)
Effect of exchange rate changes	-	(12,120)	-	(12,120)
Balance at June 30, 2025	<u>\$ 10,472</u>	<u>\$ 362,971</u>	<u>\$ 3,106</u>	<u>\$ 376,549</u>
Carrying amounts at January 1, 2025	<u>\$ 49,543</u>	<u>\$ 120,270</u>	<u>\$ 3,401</u>	<u>\$ 173,214</u>
Carrying amounts at June 30, 2025	<u>\$ 46,761</u>	<u>\$ 98,848</u>	<u>\$ 2,809</u>	<u>\$ 148,518</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 59,238	\$ 467,227	\$ 5,886	\$ 532,351
Additions	-	2,683	796	3,479
Lease expired	-	-	(767)	(767)
Effect of exchange rate changes	-	2,510	-	2,510
Balance at June 30, 2024	<u>\$ 59,238</u>	<u>\$ 472,420</u>	<u>\$ 5,915</u>	<u>\$ 537,573</u>

(Continued)

	Land	Buildings	Transportation Equipment	Total
<u>Accumulated depreciation</u>				
Balance at January 1, 2024	\$ 8,076	\$ 285,456	\$ 2,098	\$ 295,630
Depreciation	810	38,713	591	40,114
Lease expired	-	-	(767)	(767)
Effect of exchange rate changes	-	164	-	164
Balance at June 30, 2024	<u>\$ 8,886</u>	<u>\$ 324,333</u>	<u>\$ 1,922</u>	<u>\$ 335,141</u>
Carrying amounts at January 1, 2024	<u>\$ 51,162</u>	<u>\$ 181,771</u>	<u>\$ 3,788</u>	<u>\$ 236,721</u>
Carrying amounts at June 30, 2024	<u>\$ 50,352</u>	<u>\$ 148,087</u>	<u>\$ 3,993</u>	<u>\$ 202,432</u>
				(Concluded)

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ 41</u>	<u>\$ 79</u>	<u>\$ 48</u>	<u>\$ 154</u>

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Current	<u>\$ 52,588</u>	<u>\$ 76,965</u>	<u>\$ 77,154</u>
Non-current	<u>\$ 105,266</u>	<u>\$ 109,596</u>	<u>\$ 136,573</u>

Range of discount rates for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.62%	1.62%	1.62%
Buildings	0.642%-5.61%	0.642%-6.19%	0.589%-6.19%
Transportation equipment	0.925%-1.611%	0.925%-1.611%	0.925%-1.611%

c. Material leasing activities and terms

The Company leases land and buildings for the use of plants and offices with lease terms ranging from 1 to 37 years. The lease contract for land located in the R.O.C. specifies that lease payments will be adjusted on the basis of changes in announced land value prices and other factors at any time. The Company does not have bargain purchase option to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Subleases

The other sublease transaction is set out below.

Sublease of right-of-use assets

The Company subleased its leasehold parking lot under an operating lease with lease term of 1 year and 7 months.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Year 1	\$ 284	\$ 29	\$ 39
Year 2	<u>135</u>	<u>-</u>	<u>15</u>
	<u>\$ 419</u>	<u>\$ 29</u>	<u>\$ 54</u>

e. Other lease information

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 1,642</u>	<u>\$ 1,642</u>	<u>\$ 3,025</u>	<u>\$ 3,279</u>
Expenses relating to low-value asset leases	<u>\$ 53</u>	<u>\$ 14</u>	<u>\$ 104</u>	<u>\$ 25</u>
Total cash outflow for leases			<u>\$ (48,125)</u>	<u>\$ (48,666)</u>

The Company's leases for certain buildings and miscellaneous equipment qualify as short-term leases and leases for certain office equipment and miscellaneous equipment qualify as low-value asset leases. The Company has elected to apply the recognition exemption, and thus did not recognize right-of-use assets and lease liabilities for these leases.

12. INTANGIBLE ASSETS

	Software	Patents	Total
<u>Cost</u>			
Balance at January 1, 2025	\$ 1,314,917	\$ 519	\$ 1,315,436
Additions	548,745	-	548,745
Effect of exchange rate changes	<u>(20)</u>	<u>-</u>	<u>(20)</u>
Balance at June 30, 2025	<u>\$ 1,863,642</u>	<u>\$ 519</u>	<u>\$ 1,864,161</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2025	\$ 877,117	\$ 519	\$ 877,636
Amortization	199,757	-	199,757
Effect of exchange rate changes	<u>(20)</u>	<u>-</u>	<u>(20)</u>
Balance at June 30, 2025	<u>\$ 1,076,854</u>	<u>\$ 519</u>	<u>\$ 1,077,373</u>
Carrying amount at January 1, 2025	<u>\$ 437,800</u>	<u>\$ -</u>	<u>\$ 437,800</u>
Carrying amount at June 30, 2025	<u>\$ 786,788</u>	<u>\$ -</u>	<u>\$ 786,788</u>

(Continued)

	Software	Patents	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ 1,256,145	\$ 519	\$ 1,256,664
Additions	223,028	-	223,028
Disposals	(190)	-	(190)
Effect of exchange rate changes	<u>6</u>	<u>-</u>	<u>6</u>
Balance at June 30, 2024	<u>\$ 1,478,989</u>	<u>\$ 519</u>	<u>\$ 1,479,508</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2024	\$ 668,859	\$ 519	\$ 669,378
Amortization	184,306	-	184,306
Disposals	(190)	-	(190)
Effect of exchange rate changes	<u>6</u>	<u>-</u>	<u>6</u>
Balance at June 30, 2024	<u>\$ 852,981</u>	<u>\$ 519</u>	<u>\$ 853,500</u>
Carrying amount at January 1, 2024	<u>\$ 587,286</u>	<u>\$ -</u>	<u>\$ 587,286</u>
Carrying amount at June 30, 2024	<u>\$ 626,008</u>	<u>\$ -</u>	<u>\$ 626,008</u>
			(Concluded)

13. OTHER CURRENT ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
Prepaid license fees	\$ 512,761	\$ 496,314	\$ 401,721
Tax receivable	232,419	158,246	139,581
Prepaid expenses	54,059	30,676	48,593
Prepaid income tax	4,824	4,236	1,667
Temporary payments	<u>-</u>	<u>-</u>	<u>526</u>
	<u>\$ 804,063</u>	<u>\$ 689,472</u>	<u>\$ 592,088</u>

14. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Payable for license fees	\$ 433,609	\$ 193,432	\$ 260,917
Payable for salaries and bonuses	192,677	238,250	186,334
Payable for royalties	26,376	28,412	25,940
Others	<u>1,143,466</u>	<u>1,134,700</u>	<u>540,481</u>
	<u>\$ 1,796,128</u>	<u>\$ 1,594,794</u>	<u>\$ 1,013,672</u>
			(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Payable for license fees	\$ 224,213	\$ 73,067	\$ 200,601 (Concluded)

The payable for license fees is primarily attributable to several agreements that GUC entered into for certain technology license and software.

15. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension mechanism under the Labor Pension Act is deemed a defined contribution retirement plan. Pursuant to the Act, GUC makes monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. Furthermore, GUC-NA, GUC-Japan, GUC-Korea, GUC-Shanghai and GUC-Nanjing make monthly contributions at certain percentages of the salary of their employees. Accordingly, the Company recognized expenses of \$20,684 thousand and \$18,730 thousand in the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024, respectively; and \$41,608 thousand and \$37,617 thousand in the consolidated statements of comprehensive income for the six months ended June 30, 2025 and 2024, respectively.

b. Defined benefit plans

GUC has a defined benefit plan under the Labor Standards Act, which provides benefits based on an employee's length of service and average monthly salary of the last six months prior to retirement. GUC contributes an amount equal to 2% of salaries paid each month to a pension fund (the Fund), which is administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, GUC assesses the balance in the Fund. If the amount of the balance in the Fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, GUC is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); GUC has no right to influence the investment policy and strategy.

GUC adopted projected unit credit method to measure the present value of the defined benefit obligation, current service costs and prior service costs.

GUC adopted the pension cost rate from the actuarial valuation as of December 31, 2024 and 2023 to determine and recognize pension expenses in general and administrative expenses of \$294 thousand and \$357 thousand in the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024, respectively; and \$588 thousand and \$713 thousand in the consolidated statements of comprehensive income for the six months ended June 30, 2025 and 2024, respectively.

16. EQUITY

a. Share capital

	June 30, 2025	December 31, 2024	June 30, 2024
Authorized	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Issued	\$ 1,340,119	\$ 1,340,119	\$ 1,340,119

As of June 30, 2025, December 31, 2024 and June 30, 2024, GUC was authorized to issue 180,000 thousand shares, with a par value of \$10 each. Each share is entitled to the right to vote and to receive dividends. A total of 134,011 thousand shares have been paid and issued.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
From merger	\$ 16,621	\$ 16,621	\$ 16,621
Additional paid-in capital	13,232	13,232	13,232
Donations	2,710	2,710	2,710
Dividends from claims extinguished by prescription	<u>333</u>	<u>280</u>	<u>280</u>
	<u>\$ 32,896</u>	<u>\$ 32,843</u>	<u>\$ 32,843</u>

Under the Company Law, the capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital and mergers) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be appropriated as cash dividends or stock dividends, which are limited to a certain percentage of GUC's paid-in capital. The capital surplus recognized from dividends with claims extinguished by prescription may be only used to offset a deficit.

c. Retained earnings and dividend policy

According to GUC's Articles of Incorporation, when allocating the net profits of each fiscal year, GUC shall first offset its losses in previous years before making appropriations to the following items:

- 1) Legal reserve at 10% of the remaining profit. However, when the legal reserve amounts to the authorized capital, this shall not apply;
- 2) Special reserve in accordance with the resolution in the shareholders' meeting;
- 3) Any balance remaining shall be allocated to shareholders according to the resolution in the shareholders' meeting.

The Articles of Incorporation provide the policy about employee' compensation and remuneration to directors; refer to Note 24.

In GUC's profit distribution, the proportion of cash dividends shall not be lower than 60% of the total dividends, depending on future expansion plans and needs for cash.

The reserve may be used to offset a deficit, or be distributed as dividends and bonuses to the extent that the portion exceeds 25% of the paid-in capital if GUC incurs no loss.

A special reserve equivalent to the net debit balance of other components of shareholders' equity, such as exchange differences on the translation of foreign operations, shall be made from unappropriated earnings. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriations of earnings for 2024 and 2023 had been approved in the meetings of the shareholders of GUC held on May 15, 2025 and May 16, 2024, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 345,797	\$ 351,217
Special reserve (reversal of special reserve)	\$ (30,873)	\$ 15,773
Cash dividends	\$ 2,144,191	\$ 1,876,167
Cash dividends per share (NT\$)	\$ 16.00	\$ 14.00

d. Others

Changes in foreign currency translation reserve were as follows:

	Six Months Ended June 30	
	2025	2024
Balance, beginning of period	\$ (3,134)	\$ (34,007)
Exchange differences on translation of foreign operations	(90,287)	21,253
Balance, end of period	\$ (93,421)	\$ (12,754)

The exchange differences on translation of foreign operation's net assets from its functional currency to GUC's presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve.

17. NET REVENUE

The analysis of the Company's net revenue was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Revenue from customer contracts				
Net revenue from sale of goods	\$ 4,023,425	\$ 3,822,524	\$ 9,688,693	\$ 7,986,601
Non-recurring engineering ("NRE") service	2,081,152	2,897,257	3,439,528	4,423,551
	\$ 6,104,577	\$ 6,719,781	\$ 13,128,221	\$ 12,410,152

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, and other similar allowances. The Company estimates and recognizes refund liabilities based on historical experience and the consideration of varying contractual terms. Refund liabilities are classified under accrued expenses and other current liabilities.

a. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Accounts receivable, net	\$ 1,562,729	\$ 1,988,028	\$ 1,897,053	\$ 1,967,388
Contract liabilities - current	\$ 10,993,928	\$ 9,348,737	\$ 5,022,135	\$ 6,250,159

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment.

For the six months ended June 30, 2025, and 2024, the Company recognized revenue of \$5,413,894 thousand and \$4,151,514 thousand, respectively, from the beginning balance of contract liability.

b. Disaggregation of revenue from contracts with customers

Product	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Wafer product	\$ 4,023,425	\$ 3,822,524	\$ 9,688,693	\$ 7,986,601
NRE	1,932,328	2,821,366	3,245,937	4,207,233
Others	<u>148,824</u>	<u>75,891</u>	<u>193,591</u>	<u>216,318</u>
	<u>\$ 6,104,577</u>	<u>\$ 6,719,781</u>	<u>\$ 13,128,221</u>	<u>\$ 12,410,152</u>
Region	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
United States	\$ 3,521,173	\$ 2,594,017	\$ 8,350,640	\$ 3,600,119
China	1,208,165	1,953,889	1,923,747	4,658,851
Taiwan	842,173	535,966	1,848,894	1,058,767
Japan	518,969	1,015,308	949,425	1,636,077
Europe	3,020	47,818	35,750	95,699
Korea	<u>11,077</u>	<u>572,783</u>	<u>19,765</u>	<u>1,360,639</u>
	<u>\$ 6,104,577</u>	<u>\$ 6,719,781</u>	<u>\$ 13,128,221</u>	<u>\$ 12,410,152</u>

The Company categorized net revenue mainly based on the country of sales region.

Application Type	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Digital Consumer	\$ 1,975,708	\$ 2,281,522	\$ 3,355,153	\$ 4,521,904
Networking	804,723	1,361,310	1,681,105	3,009,278
Industry	272,540	261,925	669,314	1,031,032
AI/ML	351,064	1,247,613	450,663	1,844,936
Others	<u>2,700,542</u>	<u>1,567,411</u>	<u>6,971,986</u>	<u>2,003,002</u>
	<u>\$ 6,104,577</u>	<u>\$ 6,719,781</u>	<u>\$ 13,128,221</u>	<u>\$ 12,410,152</u>
Customer Type	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
System House	\$ 3,671,188	\$ 4,180,620	\$ 9,021,962	\$ 7,806,027
Fabless	<u>2,433,389</u>	<u>2,539,161</u>	<u>4,106,259</u>	<u>4,604,125</u>
	<u>\$ 6,104,577</u>	<u>\$ 6,719,781</u>	<u>\$ 13,128,221</u>	<u>\$ 12,410,152</u>

Resolution	Three Months Ended June 30			
	2025		2024	
	Net Revenue from NRE Service	Net Revenue from Sale of Goods	Net Revenue from NRE Service	Net Revenue from Sale of Goods
3-nanometer	\$ 927,136	\$ 1,206,801	\$ 789,343	\$ -
5-nanometer	268,777	284,109	1,211,645	137,554
7-nanometer	424,422	174,619	104,990	615,938
16-nanometer and above	311,993	2,357,896	715,388	3,069,032
Others	<u>148,824</u>	<u>-</u>	<u>75,891</u>	<u>-</u>
	<u>\$ 2,081,152</u>	<u>\$ 4,023,425</u>	<u>\$ 2,897,257</u>	<u>\$ 3,822,524</u>

Resolution	Six Months Ended June 30			
	2025		2024	
	Net Revenue from NRE Service	Net Revenue from Sale of Goods	Net Revenue from NRE Service	Net Revenue from Sale of Goods
3-nanometer	\$ 1,616,468	\$ 1,942,261	\$ 847,516	\$ -
5-nanometer	298,729	3,014,644	1,237,697	222,819
7-nanometer	590,203	322,259	635,227	1,270,538
16-nanometer and above	740,537	4,409,529	1,486,793	6,493,244
Others	<u>193,591</u>	<u>-</u>	<u>216,318</u>	<u>-</u>
	<u>\$ 3,439,528</u>	<u>\$ 9,688,693</u>	<u>\$ 4,423,551</u>	<u>\$ 7,986,601</u>

18. INTEREST INCOME

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	\$ 45,100	\$ 36,454	\$ 90,640	\$ 73,102
Repurchase agreements collateralized by bonds	<u>149</u>	<u>128</u>	<u>463</u>	<u>128</u>
	<u>\$ 45,249</u>	<u>\$ 36,582</u>	<u>\$ 91,103</u>	<u>\$ 73,230</u>

19. OTHER INCOME

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Past due over 2 years' contract liabilities transferred to income	\$ 6,433	\$ 4,322	\$ 6,433	\$ 4,322
Rental income	41	79	48	154
Government grants (refund)	(399)	29	2,675	116
Other income	<u>202</u>	<u>1,134</u>	<u>906</u>	<u>2,936</u>
	<u>\$ 6,277</u>	<u>\$ 5,564</u>	<u>\$ 10,062</u>	<u>\$ 7,528</u>

20. OTHER GAINS AND LOSSES

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Gain on financial assets at fair value through profit or loss	\$ 11,449	\$ 7,168	\$ 22,828	\$ 31,158
Gain on modification of lease	94	-	94	-
Foreign exchange gain (loss), net	<u>(76,878)</u>	<u>24,795</u>	<u>(89,053)</u>	<u>32,791</u>
	<u>\$ (65,335)</u>	<u>\$ 31,963</u>	<u>\$ (66,131)</u>	<u>\$ 63,949</u>

21. FINANCE COSTS

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest on lease liabilities	<u>\$ 842</u>	<u>\$ 1,069</u>	<u>\$ 1,689</u>	<u>\$ 2,233</u>

22. INCOME TAX

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current income tax expense				
In respect of the current year	\$ 117,036	\$ 187,161	\$ 266,025	\$ 292,648
Adjustments to income tax of prior years	<u>(3,298)</u>	<u>(1,016)</u>	<u>(3,298)</u>	<u>(1,016)</u>
	113,738	186,145	262,727	291,632
Deferred income tax expense				
In respect of the current year	<u>33,608</u>	<u>9,628</u>	<u>65,884</u>	<u>16,370</u>
Income tax expense recognized in profit or loss	<u>\$ 147,346</u>	<u>\$ 195,773</u>	<u>\$ 328,611</u>	<u>\$ 308,002</u>

b. Tax expense related to Pillar Two income tax legislation

The governments of Netherlands, Vietnam, Korea, and Japan, where GUC- Europe, GUC- Vietnam, GUC- Korea, and GUC- Japan are incorporated, have enacted the Pillar Two income taxes legislation effective from December 31, 2023, January 1, 2024, January 1, 2024, and April 1, 2024, respectively.

Under the legislation, above subsidiaries will be required to pay top-up tax on profits of GUC and its subsidiaries that are taxed at an effective tax rate of less than 15% in their registration. The main jurisdictions in which exposures to this tax may exist include China and Korea. Approximately 0.87% of the Company's profits for the six months ended June 30, 2025 which are currently taxed at the average effective tax rate applicable to those profits of 8.38% may be subject to the tax. This information is based on the profits and tax expense determined as part of the preparation of the Company's consolidated financial statements. The Company is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

c. Income tax assessments

The income tax returns of GUC through 2022 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Basic EPS	<u>\$ 5.84</u>	<u>\$ 6.78</u>	<u>\$ 13.01</u>	<u>\$ 11.72</u>
Diluted EPS	<u>\$ 5.81</u>	<u>\$ 6.75</u>	<u>\$ 12.95</u>	<u>\$ 11.67</u>

EPS is computed as follows:

	Amounts (Numerator)	Number of Shares (Denominator) (In Thousands)	EPS (NT\$)
<u>Three months ended June 30, 2025</u>			
Basic EPS			
Net income available to common shareholders	\$ 781,665	134,011	<u>\$ 5.84</u>
Effect of dilutive potential common stock	<u>-</u>	<u>459</u>	
Diluted EPS			
Net income available to common shareholders (including effect of dilutive potential common stock)	<u>\$ 781,665</u>	<u>134,470</u>	<u>\$ 5.81</u>
<u>Three months ended June 30, 2024</u>			
Basic EPS			
Net income available to common shareholders	\$ 907,392	134,011	<u>\$ 6.78</u>
Effect of dilutive potential common stock	<u>-</u>	<u>360</u>	
Diluted EPS			
Net income available to common shareholders (including effect of dilutive potential common stock)	<u>\$ 907,392</u>	<u>134,371</u>	<u>\$ 6.75</u>
<u>Six months ended June 30, 2025</u>			
Basic EPS			
Net income available to common shareholders	\$ 1,743,033	134,011	<u>\$ 13.01</u>
Effect of dilutive potential common stock	<u>-</u>	<u>566</u>	
Diluted EPS			
Net income available to common shareholders (including effect of dilutive potential common stock)	<u>\$ 1,743,033</u>	<u>134,577</u>	<u>\$ 12.95</u>

(Continued)

	Amounts (Numerator)	Number of Shares (Denominator) (In Thousands)	EPS (NT\$)
<u>Six months ended June 30, 2024</u>			
Basic EPS			
Net income available to common shareholders	\$ 1,570,041	134,011	<u>\$ 11.72</u>
Effect of dilutive potential common stock	<u>-</u>	<u>494</u>	
Diluted EPS			
Net income available to common shareholders (including effect of dilutive potential common stock)	<u>\$ 1,570,041</u>	<u>134,505</u>	<u>\$ 11.67</u> (Concluded)

The Company may settle the employees' compensation in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

Net income included the following items:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
a. Depreciation expense				
Depreciation of property, plant and equipment				
Recognized in cost of revenue	\$ 4,661	\$ 5,459	\$ 9,367	\$ 11,399
Recognized in operating expenses	<u>41,608</u>	<u>35,995</u>	<u>82,051</u>	<u>71,903</u>
	<u>46,269</u>	<u>41,454</u>	<u>91,418</u>	<u>83,302</u>
Depreciation of right-of-use assets				
Recognized in cost of revenue	1,195	1,202	2,383	2,402
Recognized in operating expenses	<u>18,349</u>	<u>18,961</u>	<u>37,463</u>	<u>37,712</u>
	<u>19,544</u>	<u>20,163</u>	<u>39,846</u>	<u>40,114</u>
	<u>\$ 65,813</u>	<u>\$ 61,617</u>	<u>\$ 131,264</u>	<u>\$ 123,416</u>

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
b. Amortization of intangible assets				
Recognized in cost of revenue	\$ 4,990	\$ 4,881	\$ 9,445	\$ 9,781
Recognized in operating expenses	<u>98,916</u>	<u>87,924</u>	<u>190,312</u>	<u>174,525</u>
	<u>\$ 103,906</u>	<u>\$ 92,805</u>	<u>\$ 199,757</u>	<u>\$ 184,306</u>
c. Employee benefits expense				
Post-employment benefits (Note 15)				
Defined contribution plans	\$ 20,684	\$ 18,730	\$ 41,608	\$ 37,617
Defined benefit plans	<u>294</u>	<u>357</u>	<u>588</u>	<u>713</u>
	20,978	19,087	42,196	38,330
Other employee benefits	<u>818,128</u>	<u>850,752</u>	<u>1,606,260</u>	<u>1,594,381</u>
	<u>\$ 839,106</u>	<u>\$ 869,839</u>	<u>\$ 1,648,456</u>	<u>\$ 1,632,711</u>
Employee benefits expense summarized by function				
Recognized in cost of revenue	\$ 96,754	\$ 108,452	\$ 194,854	\$ 202,220
Recognized in operating expenses	<u>742,352</u>	<u>761,387</u>	<u>1,453,602</u>	<u>1,430,491</u>
	<u>\$ 839,106</u>	<u>\$ 869,839</u>	<u>\$ 1,648,456</u>	<u>\$ 1,632,711</u>

d. Employees' compensation and remuneration to directors

GUC shall allocate employees' compensation and remuneration to directors no less than 2% and no more than 2%, respectively, of net income before tax and before the employees' compensation and remuneration to directors. Directors who also serve as executive officers of GUC are not entitled to receive the remuneration to directors. GUC shall first offset its losses in previous years before allocating for employees' compensation and remuneration to directors. GUC may issue stock or cash compensation to employees of an affiliated company upon meeting the conditions set by the Board of Directors.

In accordance with the amendments to the Securities and Exchange Act in August 2024, GUC resolved the amendments to the Articles of Incorporation at the 2025 shareholders meeting. The amendments explicitly stipulate that no less than 0.7% of employees' compensation should be allocated as distributions for non-executive employees.

GUC accrued employees' compensation and remuneration to directors in accordance with the provisions of the above Articles of Incorporation. If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate and are recognized in the period of the change.

For the three months ended June 30, and for the six months ended June 30, 2025 and 2024, GUC accrued employees' compensation (including non-executive employees) and remuneration to directors

were made at the approved percentage of net income before tax and before deduction of the employees' compensation and remuneration to directors. The accrued amounts were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Employees' compensation	\$ 248,989	\$ 336,479	\$ 598,267	\$ 576,546
Remuneration to directors	10,250	11,250	20,500	22,500

The employees' compensation and remuneration to directors of GUC in the amounts of \$1,158,948 thousand and \$41,933 thousand in cash for 2024, respectively, and in the amounts of \$1,271,103 thousand and \$45,000 thousand in cash for 2023, respectively, were approved by the Board of Directors in their meetings held on January 23, 2025 and January 31, 2024, respectively.

There was no difference between the employees' compensation and remuneration to directors approved for 2023 and the amounts reported as expenses in 2023. The employees' compensation and remuneration to directors approved for 2024 differed from the amounts reported as expenses in 2024; these differences were adjusted to profit and loss for 2025.

	Year Ended December 31, 2024	
	Employees' Compensation	Remuneration to Directors
The approved amounts by the Board of Directors	<u>\$ 1,158,948</u>	<u>\$ 41,933</u>
The amounts recognized in the consolidated financial statements	<u>\$ 1,245,288</u>	<u>\$ 45,000</u>

The information about appropriations of employees' compensation and remuneration to directors of GUC is available at the Market Observation Post System website.

25. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities:

	Balance as of January 1, 2025	Cash Flows	Non-cash Changes			Balance as of June 30, 2025
			Lease Additions	Lease Modification	Foreign Exchange Movement	
Guarantee deposits	\$ 3,713	\$ (69)	\$ -	\$ -	\$ (383)	\$ 3,261
Lease liabilities	186,561	(43,242)	28,926	(8,386)	(6,005)	157,854

	Balance as of January 1, 2024	Cash Flows	Non-cash Changes			Balance as of June 30, 2024
			Lease Additions	Lease Modification	Foreign Exchange Movement	
Guarantee deposits	\$ 3,464	\$ (9)	\$ -	\$ -	\$ 186	\$ 3,641
Lease liabilities	250,568	(43,053)	3,479	-	2,733	213,727

26. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company are able to operate sustainability while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company engages in the semiconductor design services, which is closely tied with customer demand. Business is influenced by the cyclical nature of the semiconductor industry but not significantly. In consideration of the industry dynamics, the Company manages its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, research and development activities, debt service requirements, dividend payments and other business

requirements associated with its existing operations over the next 12 months. Through capital management, the Company is capable of coping with changes in the industry, striving for improvement, and ultimately creating shareholder value.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

At the end of financial reporting period, the carrying amounts of the Company's financial assets and financial liabilities measured at amortized cost in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value measurement hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 3,002,828	\$ -	\$ -	\$ 3,002,828

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 2,980,000	\$ -	\$ -	\$ 2,980,000

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 2,093,922	\$ -	\$ -	\$ 2,093,922

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

There were no transfers between Levels 1 and 2 in the current and prior periods.

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 3,002,828	\$ 2,980,000	\$ 2,093,922
Amortized cost			
Cash and cash equivalents	6,695,439	10,427,431	7,307,134
Accounts receivable, net (including related parties)	1,601,553	2,007,396	1,918,177

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Other financial assets	\$ 953,533	\$ 6,301	\$ 11,715
Refundable deposits	141,059	159,145	187,066
Pledged time deposits	<u>22,200</u>	<u>22,200</u>	<u>22,200</u>
	<u>\$ 12,416,612</u>	<u>\$ 15,602,473</u>	<u>\$ 11,540,214</u>
<u>Financial liabilities</u>			
Amortized cost			
Accounts payable (including related parties)	\$ 2,021,102	\$ 1,691,201	\$ 2,230,399
Payables on machinery and equipment	6,337	94,955	6,654
Accrued expenses and other current liabilities	1,155,516	1,147,524	552,128
Payable for license fees	657,822	266,499	461,518
Guarantee deposits	<u>2,930</u>	<u>3,278</u>	<u>3,245</u>
	<u>\$ 3,843,707</u>	<u>\$ 3,203,457</u>	<u>\$ 3,253,944</u>
			(Concluded)

d. Financial risk management objectives and policies

The Company's objectives in financial risk management are to manage its exposure to market risk, credit risk, and liquidity risk related to its operating activities. To reduce the related financial risks, the Company engages in identifying, assessing and avoiding the market uncertainties with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

Plans for material treasury activities are reviewed by the Audit and Corporate Governance Committee and the Board of Directors in accordance with procedures required by relevant regulations and internal controls. During the implementation of such plans, the treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

1) Market risk

Foreign currency risk

The Company's operating activities are mainly denominated in foreign currency and exposed to foreign exchange risk. To protect against the volatility of future cash flows arising from changes in foreign exchange rates, the Company adopts an economic hedging strategy to maintain a balance of net foreign currency assets and liabilities.

The Company's sensitivity analysis to foreign currency risk mainly focuses on the foreign currency monetary items at the end of the reporting period. Assuming a 10% strengthening of New Taiwan Dollars against the relevant currencies, the income before tax for the six months ended June 30, 2025 and 2024 would have increased by \$140,119 thousand and decreased by \$44,194 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily accounts receivable, and from investing activities, primarily deposits with banks. Credit risk is managed separately for business-related and financial-related exposures. As of the balance sheet date, the Company's maximum credit risk exposure is mainly from the carrying amount of financial assets recognized in the consolidated balance sheet.

Business related credit risk

The Company has considerable accounts receivable from its customers worldwide. The majority of the Company's outstanding accounts receivable are not covered by collateral or credit insurance. While the Company has procedures to monitor and limit exposure to credit risk on accounts receivable, there can be no assurance that such procedures will effectively limit its credit risk and avoid losses.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Company's ten largest customers accounted for 59%, 43% and 40% of accounts receivable, respectively.

Financial credit risk

The Company monitors and reviews the transaction limit applied to counterparties and adjusts the concentration limit according to market conditions and the credit standing of the counterparties regularly. The Company mitigates its exposure by selecting financial institution with high credit ratings.

3) Liquidity risk

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business requirements. The Company manages its liquidity risk by maintaining adequate cash and banking facilities.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the unused financing facilities of the Company amounted to \$1,600,000 thousand.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Non-derivative Financial Liabilities	Less Than 1 Year	1-4 Years	4+ Years	Total
<u>June 30, 2025</u>				
Accounts payable (including related parties)	\$ 2,021,102	\$ -	\$ -	\$ 2,021,102
Payables on machinery and equipment	6,337	-	-	6,337
Accrued expenses and other current liabilities	1,155,516	-	-	1,155,516
Lease liabilities	55,006	62,274	56,558	173,838
Payable for license fees	433,609	224,213	-	657,822
Guarantee deposits	-	-	2,930	2,930
	<u>\$ 3,671,570</u>	<u>\$ 286,487</u>	<u>\$ 59,488</u>	<u>\$ 4,017,545</u>

Additional information about the maturity analysis of lease liabilities:

	Less than 4 Year	4-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 117,280</u>	<u>\$ 15,090</u>	<u>\$ 10,324</u>	<u>\$ 10,324</u>	<u>\$ 20,820</u>

Non-derivative Financial Liabilities	Less Than 1 Year	1-4 Years	4+ Years	Total
<u>December 31, 2024</u>				
Accounts payable (including related parties)	\$ 1,691,201	\$ -	\$ -	\$ 1,691,201
Payables on machinery and equipment	94,955	-	-	94,955
Accrued expenses and other current liabilities	1,147,524	-	-	1,147,524
Lease liabilities	79,642	62,666	61,631	203,939
Payable for license fees	193,432	73,067	-	266,499
Guarantee deposits	<u>-</u>	<u>-</u>	<u>3,278</u>	<u>3,278</u>
	<u>\$ 3,206,754</u>	<u>\$ 135,733</u>	<u>\$ 64,909</u>	<u>\$ 3,407,396</u>

Additional information about the maturity analysis of lease liabilities:

	Less than 4 Year	4-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 142,308</u>	<u>\$ 17,419</u>	<u>\$ 10,740</u>	<u>\$ 10,740</u>	<u>\$ 22,732</u>

Non-derivative Financial Liabilities	Less Than 1 Year	1-4 Years	4+ Years	Total
<u>June 30, 2024</u>				
Accounts payable (including related parties)	\$ 2,230,399	\$ -	\$ -	\$ 2,230,399
Payables on machinery and equipment	6,654	-	-	6,654
Accrued expenses and other current liabilities	552,128	-	-	552,128
Lease liabilities	80,461	87,468	64,887	232,816
Payable for license fees	260,917	200,601	-	461,518
Guarantee deposits	<u>-</u>	<u>-</u>	<u>3,245</u>	<u>3,245</u>
	<u>\$ 3,130,559</u>	<u>\$ 288,069</u>	<u>\$ 68,132</u>	<u>\$ 3,486,760</u>

Additional information about the maturity analysis of lease liabilities:

	Less than 4 Year	4-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 167,929</u>	<u>\$ 19,601</u>	<u>\$ 10,740</u>	<u>\$ 10,740</u>	<u>\$ 23,806</u>

28. RELATED PARTY TRANSACTIONS

Intercompany balances and transactions between GUC and its subsidiaries have been eliminated upon consolidation; therefore, those items are not disclosed in this note. The following is a summary of transactions between the Company and other related parties:

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC)	An investor that accounts for its investment in GUC by using the equity method
TSMC North America (TSMC-NA)	A subsidiary of TSMC
TSMC Europe B.V. (TSMC-EU)	A subsidiary of TSMC
VisEra Technologies Co., Ltd. (VisEra)	A subsidiary of TSMC
Vanguard International Semiconductor Corporation (VIS)	An associate of TSMC
Bank SinoPac Co., Ltd. (Bank SinoPac)	Affiliate of the GUC president's spouse

b. Operating transactions

Line Item	Related Party Name and Category	Three Months Ended June 30		Six Months Ended June 30	
		2025	2024	2025	2024
Net revenue	Investors with significant influence over the Company and their subsidiaries	<u>\$ 64,316</u>	<u>\$ 56,976</u>	<u>\$ 163,228</u>	<u>\$ 191,836</u>
Purchases	Investors with significant influence over the Company and their subsidiaries				
	TSMC-NA	<u>\$ 3,887,787</u>	<u>\$ 826,120</u>	<u>\$ 8,156,830</u>	<u>\$ 2,056,857</u>
	TSMC	<u>628,977</u>	<u>1,403,248</u>	<u>1,529,199</u>	<u>2,206,070</u>
		<u>4,516,764</u>	<u>2,229,368</u>	<u>9,686,029</u>	<u>4,262,927</u>
	Others	<u>2,811</u>	<u>444</u>	<u>4,155</u>	<u>444</u>
		<u>\$ 4,519,575</u>	<u>\$ 2,229,812</u>	<u>\$ 9,690,184</u>	<u>\$ 4,263,371</u>
Manufacturing overhead	Investors with significant influence over the Company and their subsidiaries				
	TSMC-NA	<u>\$ 639,529</u>	<u>\$ 804,159</u>	<u>\$ 1,986,510</u>	<u>\$ 1,453,009</u>
	TSMC	<u>83,379</u>	<u>499,105</u>	<u>450,668</u>	<u>891,370</u>
		<u>\$ 722,908</u>	<u>\$ 1,303,264</u>	<u>\$ 2,437,178</u>	<u>\$ 2,344,379</u>
Operating expenses	Investors with significant influence over the Company and their subsidiaries	<u>\$ 16,418</u>	<u>\$ 11,967</u>	<u>\$ 36,716</u>	<u>\$ 27,641</u>

The following balances were outstanding at the end of the reporting period:

Line Item	Related Party Name and Category	June 30, 2025	December 31, 2024	June 30, 2024
Receivables from related parties	Investors with significant influence over the Company and their subsidiaries TSMC	<u>\$ 38,824</u>	<u>\$ 19,368</u>	<u>\$ 21,124</u>
Prepayment for purchases	Investors with significant influence over the Company and their subsidiaries TSMC-NA TSMC	<u>\$ 4,885,968</u> <u>955,797</u>	<u>\$ 4,217,110</u> <u>1,044,878</u>	<u>\$ 663,339</u> <u>1,225,225</u>
		<u>\$ 5,841,765</u>	<u>\$ 5,261,988</u>	<u>\$ 1,888,564</u>
Refundable deposits	Investors with significant influence over the Company and their subsidiaries VisEra	<u>\$ 3,304</u>	<u>\$ 3,304</u>	<u>\$ 3,304</u>
Contract liabilities	Investors with significant influence over the Company and their subsidiaries	<u>\$ 5,074</u>	<u>\$ 5,074</u>	<u>\$ -</u>
Payables to related parties	Investors with significant influence over the Company and their subsidiaries TSMC-NA TSMC Others	<u>\$ 716,457</u> <u>340,840</u> <u>1,057,297</u> <u>2,794</u>	<u>\$ 184,838</u> <u>427,919</u> <u>612,757</u> <u>-</u>	<u>\$ 296,003</u> <u>654,820</u> <u>950,823</u> <u>-</u>
		<u>\$ 1,060,091</u>	<u>\$ 612,757</u>	<u>\$ 950,823</u>

The terms of sales to related parties were not significantly different from those of sales to third parties. For other related party transactions, the terms of transactions were determined in accordance with mutual agreement because there were no comparable terms for third-party transactions. The payment term granted to related parties is due 30 days from the invoice date or 30 days from the end of the month when the invoice is issued, while the payment term granted to third parties is due 30 days from the invoice date or 75 days from the end of the month when the invoice is issued.

c. Lease arrangements

Line Item	Related Party Name and Category	June 30, 2025	December 31, 2024	June 30, 2024	
Lease liabilities - current	Investors with significant influence over the Company and their subsidiaries VisEra	<u>\$ 9,883</u>	<u>\$ 19,717</u>	<u>\$ 19,618</u>	
Lease liabilities - non-current	Investors with significant influence over the Company and their subsidiaries VisEra	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,883</u>	
Line Item	Related Party Name and Category	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
		2025	2024	2025	2024
Finance costs	Investors with significant influence over the Company and their subsidiaries VisEra	<u>\$ 33</u>	<u>\$ 82</u>	<u>\$ 78</u>	<u>\$ 176</u>

The Company leased server room from related parties. The lease terms and prices were determined in accordance with mutual agreements. The rental expense was paid monthly.

d. Bank deposits and interest income

Line Item	Related Party Name and Category	June 30, 2025	December 31, 2024	June 30, 2024
Cash and cash equivalents	Substantive related parties Bank SinoPac	\$ 196,571	\$ 472,367	\$ 336,816
Other financial assets	Substantive related parties Bank SinoPac	\$ 20	\$ 123	\$ 20
Pledged time deposits	Substantive related parties Bank SinoPac	\$ 20,000	\$ 20,000	\$ 20,000

Range of interest rates for bank deposits was as follows:

Line Item	Related Party Name and Category	June 30, 2025	December 31, 2024	June 30, 2024
Cash and cash equivalents	Substantive related parties Bank SinoPac	0.01%-2%	0.001%-2.850%	0.001%-2.850%
Pledged time deposits	Substantive related parties Bank SinoPac	1.0078%	0.8828%-1.0078%	1.0078%

Line Item	Related Party Name and Category	Three Months Ended June 30		Six Months Ended June 30	
		2025	2024	2025	2024
Interest income	Substantive related parties Bank SinoPac	\$ <u>2,175</u>	\$ <u>2,666</u>	\$ <u>5,391</u>	\$ <u>7,838</u>

e. Compensation of key management personnel:

The remuneration to directors and other key management personnel were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 44,963	\$ 51,198	\$ 95,337	\$ 103,948
Post-employment benefits	<u>54</u>	<u>118</u>	<u>162</u>	<u>253</u>
	\$ <u>45,017</u>	\$ <u>51,316</u>	\$ <u>95,499</u>	\$ <u>104,201</u>

The remuneration to directors and other key management personnel were determined by the Compensation Committee of GUC in accordance with the individual performance and the market trends.

29. PLEDGED OR MORTGAGED ASSETS

As of June 30, 2025, December 31, 2024 and June 30, 2024, GUC provided pledged time deposits of \$20,000 thousand as collateral for customs clearance and also provided pledged time deposits of \$2,200 thousand as collateral for lease of a parcel of land from the Science Park Administration (SPA).

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

GUC has entered into license agreements with several companies that own intellectual property rights. According to the agreements, GUC shall pay specific amounts of money to obtain licenses of their intellectual property rights or shall pay royalties at specific percentages of sales amount of identified products. Under the agreements, GUC shall pay at least US\$8,200 thousand and US\$4,000 thousand to the counterparty in the period from July 2023 to July 2026 and from February 2024 to January 2027, respectively.

Under the agreement, GUC shall pay at least US\$1,500 thousand to the counterparty in the period from June 2022.

Under the agreements, GUC shall pay at least US\$3,850 thousand, US\$1,000 thousand, US\$1,071 thousand and US\$2,100 thousand to the counterparty in the period from December 2025 to March 2028, December 2025 to December 2028, March 2026 to March 2028 and December 2026 to December 2029.

GUC has entered into a long-term material supply agreement with the counterparty. The contract period is from June 2021 to March 2028, and GUC should pay US\$4,060 thousand as security deposits to ensure the capacity supply in accordance with the contract. If the contract cannot be performed owing to fall short of the agreed purchase or supply quantities, the parties will pay compensation for the other side in accordance with the contract.

GUC has entered into a long-term advanced packaging capacity agreement with the counterparty. The contract service period is from July 2026 to December 2035. GUC should pay US\$37,500 thousand in installments as security deposits to ensure the advanced packaging capacity supply in accordance with the

contract, and GUC has paid US\$12,500 thousand as of June 30, 2025. The amount of the security deposits refund will be calculated based on the annual production capacity utilization rate with the contract. However, if the certain level of production capacity utilization rate will not be achieved, the security deposits might not be refunded.

GUC has entered into multiple construction contracts and purchase orders with various companies for the data center in Zhunan, with a total payable amount of \$789,400 thousand, and GUC has paid \$63,200 thousand as of June 30, 2025.

GUC has entered into an equipment procurement contract with a certain company, under which it is obligated to pay US\$2,650 thousand for the acquisition of the equipment.

31. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information was aggregated by the foreign currencies other than functional currencies of the consolidated entities. The significant foreign-currency financial assets and liabilities were as follows:

(Unit: Foreign Currency in Thousands)

	Foreign Currency	Exchange Rate (Note)	Carrying Amount
<u>June 30, 2025</u>			
Monetary item - financial assets			
USD	\$ 72,045	29.3	\$ 2,113,072
Monetary item - financial liabilities			
USD	118,488	29.3	3,471,741
JPY	113,989	0.2034	23,185
RMB	4,013	4.0910	16,415
VND	2,742,538	0.00111	3,044
<u>December 31, 2024</u>			
Monetary item - financial assets			
USD	105,278	32.785	3,444,170
Monetary item - financial liabilities			
USD	78,710	32.785	2,582,291
JPY	208,219	0.2099	43,705
RMB	4,413	4.4780	19,763
VND	2,474,330	0.00127	3,142
<u>June 30, 2024</u>			
Monetary item - financial assets			
USD	108,497	32.45	3,501,633
Monetary item - financial liabilities			
USD	92,678	32.45	2,998,945
JPY	197,997	0.2017	39,936
RMB	3,958	4.4450	17,595

Note: Exchange rate represents the amount of NT\$ that can be exchanged to one unit of foreign currency.

The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

Three Months Ended June 30				
2025		Net Foreign Exchange Gain (Loss)	2024	
Foreign Currency	Exchange Rate		Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.8225 (USD:NTD)	\$ (79,999)	32.3548 (USD:NTD)	\$ 22,319
USD	7.1884 (USD:RMB)	(1,162)	7.1006 (USD:RMB)	1,897
USD	1,386.3162 (USD:KRW)	(47)	1,358.5739 (USD:KRW)	14
USD	25,875 (USD:VND)	(12)	25,151 (USD:VND)	7

Six Months Ended June 30				
2025		Net Foreign Exchange Gain (Loss)	2024	
Foreign Currency	Exchange Rate		Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	31.8586 (USD:NTD)	\$ (89,440)	31.9012 (USD:NTD)	\$ 29,171
USD	7.1828 (USD:RMB)	(1,859)	7.0983 (USD:RMB)	2,729
USD	1,412.1708 (USD:KRW)	(58)	1,338.1412 (USD:KRW)	23
USD	25,617 (USD:VND)	(26)	24,798 (USD:VND)	(19)

32. OPERATING SEGMENT INFORMATION

The Company operates in a single industry and is viewed by the Company's chief operating decision maker as one segment when reviewing information in order to allocate resources and assess performance. The basis for the measurement of the operating segment profit (loss), assets and liabilities is the same as that for the preparation of financial statements. Refer to the consolidated financial statements for the related operating segment information and Note 17 for information about disaggregation of revenue.

33. ADDITIONAL DISCLOSURES

a. Significant transactions and b. Related information of reinvestment

- 1) Financing provided: None;
- 2) Endorsements/guarantees provided: None;
- 3) Significant marketable securities held (excluding investments in subsidiaries, associates and jointly controlled entities): See Table 1 attached;
- 4) Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: See Table 2 attached;
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
- 6) Others: Intercompany relationships and significant intercompany transactions: See Table 3 attached;
- 7) Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investment in Mainland China): See Table 4 attached;

c. Information on investment in Mainland China

- 1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, net income (losses) of the investee, investment income (losses), ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 5 attached.
- 2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: See Table 3 attached.

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

JUNE 30, 2025

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2025				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
GUC	<u>Mutual funds</u>							
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	66,577,896	\$ 1,037,863	-	\$ 1,037,863	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	41,396,202	725,593	-	725,593	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	37,462,449	534,177	-	534,177	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,246,123	201,532	-	201,532	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,129,445	201,522	-	201,522	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,679,494	201,459	-	201,459	
	Fuh Haw Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,672,138	100,682	-	100,682	

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SIX MONTHS ENDED JUNE 30, 2025

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
GUC	TSMC	TSMC is an investor that accounts for its	Sales	\$ 163,228	1	30 days after monthly closing	Note 28	Note 28	\$ 38,824	2	
		Investment in GUC by using the equity method	Purchases	1,529,199	15	30 days after invoice date	Note 28	Note 28	(379,543)	(19)	
	TSMC-NA	TSMC-NA is a subsidiary of TSMC	Purchases	8,156,830	80	30 days after invoice date	Note 28	Note 28	(766,122)	(38)	

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

SIX MONTHS ENDED JUNE 30, 2025

(Amounts in Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statement Account	Amount	Terms (Note 2)	Percentage to Consolidated Net Revenue or Total Assets
0	GUC	GUC-NA	1	Operating expenses	\$ 117,096	-	1%
				Accrued expenses and other current liabilities	14,271	-	-
		GUC-Japan	1	Operating expenses	165,957	-	1%
				Accrued expenses and other current liabilities	23,185	-	-
		GUC-Europe	1	Operating expenses	5,585	-	-
				Accrued expenses and other current liabilities	945	-	-
		GUC-Korea	1	Operating expenses	4,306	-	-
				Accrued expenses and other current liabilities	528	-	-
		GUC-Shanghai	1	Operating expenses	53,887	-	-
				Accrued expenses and other current liabilities	6,324	-	-
		GUC-Nanjing	1	Operating expenses	79,238	-	1%
				Accrued expenses and other current liabilities	10,092	-	-
		GUC-Vietnam	1	Operating expenses	21,042	-	-
				Accrued expenses and other current liabilities	3,044	-	-

Note 1: No. 1 represents the transactions from parent company to subsidiary.

Note 2: The intercompany transactions, prices and terms are determined in accordance with mutual agreements and no other similar transactions could be used for comparison.

TABLE 4**GLOBAL UNICHIP CORP. AND SUBSIDIARIES****NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)****SIX MONTHS ENDED JUNE 30, 2025****(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2025			Net Income (Losses) of the Investee	Investment Income (Losses)	Note
				June 30, 2025 (Foreign Currencies in Thousands)	December 31, 2024 (Foreign Currencies in Thousands)	Shares	Percentage of Ownership (%)	Carrying Amount			
GUC	GUC-NA	U.S.A.	Products consulting, design and technical support service	\$ 25,627 (US\$ 800)	\$ 25,627 (US\$ 800)	800,000	100	\$ 175,368	\$ 4,545	\$ 4,545	Note 1
	GUC-Japan	Japan	Products consulting, design and technical support service	15,393 (YEN 55,000)	15,393 (YEN 55,000)	1,100	100	94,942	7,188	7,188	Note 2
	GUC-Europe	Netherlands	Products consulting design and technical support service	8,109 (EUR 200)	8,109 (EUR 200)	-	100	17,490	169	169	Note 2
	GUC- Korea	Korea	Products consulting design and technical support service	5,974 (KRW 222,545)	5,974 (KRW 222,545)	44,000	100	7,404	113	113	Note 2
	GUC- Vietnam	Vietnam	Products consulting design and technical support service	30,602 (VND 23,670,000)	30,602 (VND 23,670,000)	-	100	29,595	1,076	1,076	Note 2

Note 1: Investment income (loss) was determined based on reviewed financial statements.

Note 2: Investment income (loss) was determined based on unreviewed financial statements.

TABLE 5**GLOBAL UNICHIP CORP. AND SUBSIDIARIES****INFORMATION ON INVESTMENT IN MAINLAND CHINA****SIX MONTHS ENDED JUNE 30, 2025****(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (US\$ in Thousands)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025 (US\$ in Thousands)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2025 (US\$ in Thousands)	Net Income (Losses) of the Investee	Percentage of Ownership	Investment Income (Losses)	Carrying Amount as of June 30, 2025	Accumulated Inward Remittance of Earnings as of June 30, 2025
					Outflow	Inflow						
GUC-Nanjing	Products consulting, design and technical support service	\$ 180,332 (US\$ 6,000)	(Note 1)	\$ 180,332 (US\$ 6,000)	\$ -	\$ -	\$ 180,332 (US\$ 6,000)	\$ 13,661	100%	\$ 13,661 (Note 2)	\$ 592,713	\$ 64,449
GUC-Shanghai	Products consulting, design and technical support service	31,165 (US\$ 1,000)	(Note 1)	31,165 (US\$ 1,000)	-	-	31,165 (US\$ 1,000)	2,739	100%	2,739 (Note 3)	64,636	-

Accumulated Investment in Mainland China as of June 30, 2025 (US\$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on Investment
\$ 211,497 (US\$ 7,000)	\$ 211,497 (US\$ 7,000)	\$ 6,481,732 (Note 4)

Note 1: GUC invested the investee directly.

Note 2: Investment income (loss) was determined based on reviewed financial statements.

Note 3: Investment income (loss) was determined based on unreviewed financial statements.

Note 4: Subject to 60% of net asset value of GUC according to the revised “Guidelines Governing the Approval of Investment or Technical Cooperation in Mainland China” issued by the Investment Commission.