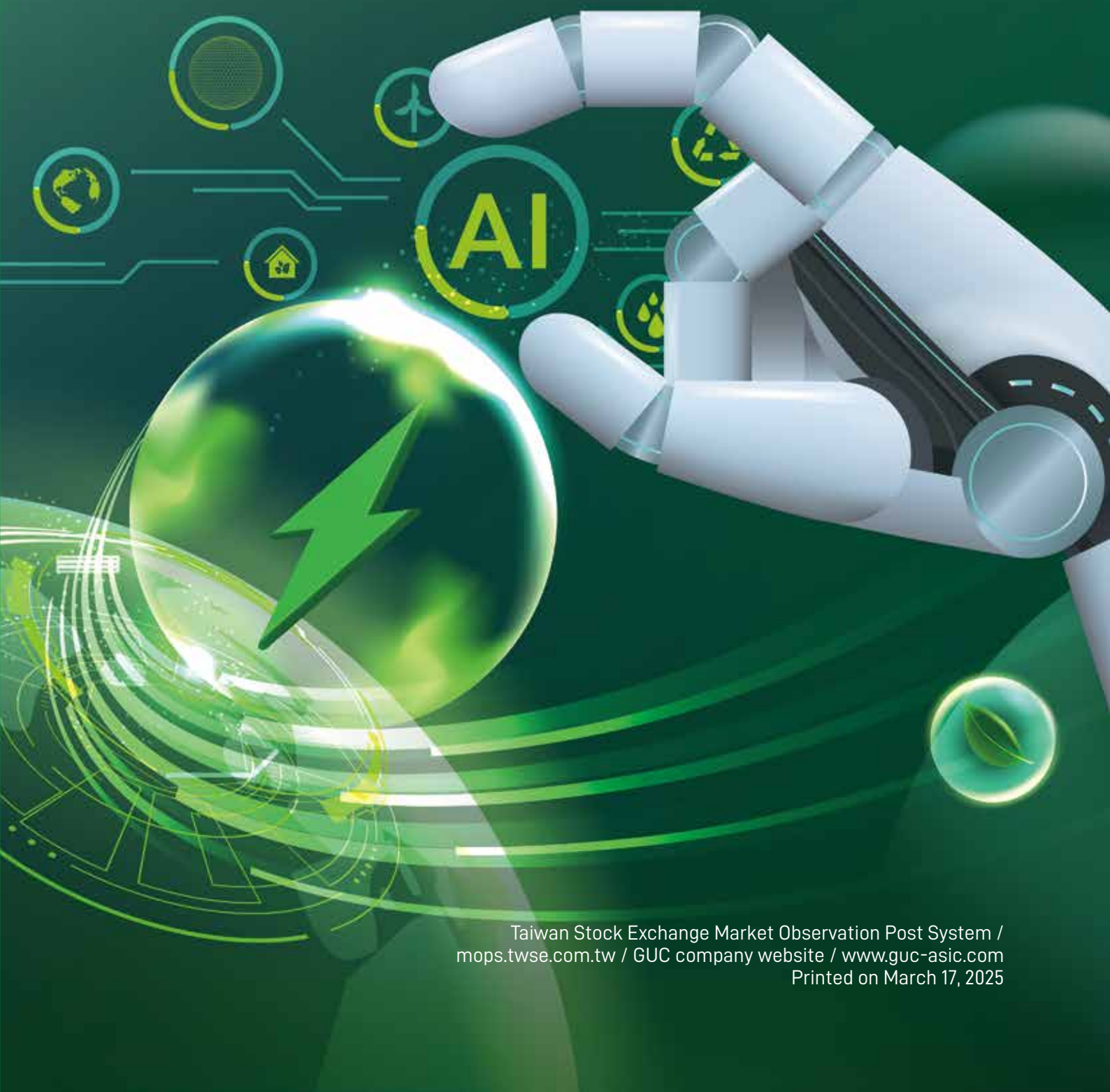


# 2024

## ANNUAL REPORT



I. Spokesperson and Acting Spokesperson Contact Information

Spokesperson

Name: Daniel Chien  
Title: Senior Vice President & CFO  
Tel: 886-3-5646600  
Email: [irinfo@guc-asic.com](mailto:irinfo@guc-asic.com)

Acting spokesperson

Name: Asia Lin  
Title: Deputy Director, Financial Planning & Investor Relations Department  
Tel: 886-3-5646600  
Email: [irinfo@guc-asic.com](mailto:irinfo@guc-asic.com)

II. GUC Address and Telephone Number

Address: No. 10, Li-Hsin 6th Rd., Hsinchu Science Park, Taiwan, R.O.C.  
Tel: 886-3-5646600

III. Common Share Transfer Agent and Registrar

Company: the Transfer Agency Department of Chinatrust Commercial Bank  
Address: 5F, No. 83, Sec. 1, Chung-Ching S. Rd., Taipei, Taiwan 100, R.O.C.  
Website: <http://ecorp.ctbcbank.com/cts/index.jsp>  
Tel: 886-2-66365566

IV. Auditors

Auditors: Hsieh-Chang Li, Ming-Hui Chen  
Company: Deloitte & Touche  
Address: 6F, No. 2, Prosperity Rd. I, Hsinchu Science Park, Taiwan, R.O.C.  
Website: <http://www.deloitte.com.tw>  
Tel: 886-3-5780899

V. Company Website

Website: <https://www.guc-asic.com/en-global>

01 Letter to Shareholders

FY2024 Operational Results	4
Summary of the FY2025 Business Plan	6

02 Corporate Governance

1. Information on the company's directors, president, vice president, assistant vice president, and the heads of all the company's divisions and branch units	10
2. Remuneration paid during the most recent year to directors (including independent directors), president and vice presidents	22
3. Corporate Governance Report	28
4. Information Regarding the Company's Independent Auditors	67
5. Information about CPA Replacement	68
6. The chairman, president, chief financial or accounting manager of the Company who holds position in the business under the commissioned CPA firm or its affiliates in 1 year	68
7. In the most recent year to the date this report was printed, directors, managerial officers and the shareholders holding more than 10% of the shares in the transfer of shares and pledge of shares under lien, and any change thereof.	69
8. Information on shareholders among the top 10 by proportion of shareholding who are related parties to one another or spouse, kindred within the 2nd degree of kinship	70
9. Quantity of shareholdings of the same investee by the Company and Directors, Managerial Officers, and direct or indirect subsidiaries in proportion to the combined holdings of all, and combined to calculate the proportion of overall shareholding.	71

03 Capital Overview

1. Capital and shares	74
2. Status of Corporate Bond	81
3. Status of Preferred Stocks	81
4. Status of GDR/ADR	81
5. Status of Employee Stock Option Plan	81
6. Status of New Employee Restricted Stock Issuance	81
7. Status of New Shares Issuance in Connection with Mergers and Acquisitions	81
8. Financial Plans and Implementation	81

04 Operational Highlights

1. Description of the business	84
2. Analysis of the market, and the production and marketing situation	89
3. Human Capital	97
4. Environmental protection expenditure information	97
5. Labor-management relations	98
6. Maintenance of Shareholder and Investor Relations	104
7. Information-Communication Security Management	105
8. Important Contracts	112

05 Operating Results and Status of Risk Management

1. Financial status	116
2. Operating Results	117
3. Cash flows Analysis	118
4. Impacts of major capital expenditures on finance and business in the most recent year	119
5. The company's investment policy for the most recent fiscal year, the main reasons for the profits/ losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.	119
6. Risks being identified in the most recent year up to the publication date of this annual report	120
7. Other material matters	125

06 Special Disclosure

1. Summary of affiliated companies	128
2. Private placement of securities in the most recent year and up to the date of publication of the annual report	133
3. Subsidiaries' holding or disposal of the Company's shares in the most recent year and up to the date of publication of the annual report	133
4. Other necessary supplementary notes	133



A man in a blue suit is speaking at a podium. The background is a blurred blue and white pattern.

# Letter to Shareholders

01

**FY2024 Operational Results  
Summary of the FY2025 Business Plan**

Dear Shareholders,

In FY2024, the global semiconductor industry encountered plentiful challenges and opportunities. High inflation and interest rates resulted in reduced demand for consumer electronics and network communication products compared to the forecasts. Overall economic uncertainty led consumer products customers to adopt a conservative stance regarding the demand for mass production. However, design services (or Non-Recurring Engineering [NRE]) business showed consistent growth, fueled by the AI surge and the cryptocurrency craze. In FY2024, Global Unichip Corporation (GUC) achieved consolidated annual revenue of NT\$250.44billion. The consolidated earnings per share stood at NT\$25.75, with profitability exceeding twice the Company's capital for the third consecutive year.

## FY2024 Operational Results

### (1) Business Plan Implementation Performance

In FY2024, GUC maintained steady profit growth in NRE business, with an annual growth rate of 25% due to the growing adoption of AI and cryptocurrency applications. Although AI and cryptocurrency applications showed an upward trend compared to the previous year, the demand for consumer products and network communication products was lower than initially forecast, which led to a 15% decline in turnkey business compared to the previous year. Despite the short-term challenge of product portfolio transformation faced by the turnkey business, progression through the stages of validation and mass production for AI-related design services in recent years is likely to drive additional growth momentum in the turnkey business.

GUC expanded its investment in research and development by assigning additional R&D personnel to advanced node design services, advanced packaging technology, and related IP development. Additionally, a new buliding was acquired to accommodate the hardware equipment (e.g., servers) necessary for R&D processes. Through this investment, GUC aims to maintain its leading technological position while continuously earning the trust of customers, thereby sustaining long-term growth in both revenue and profitability.

### (2) Analysis of Operating Revenue and Profitability

In FY2024, GUC's consolidated operating revenue amounted to NT\$250.44billion, representing a decrease of 5% compared to the previous year's revenue of NT\$26.241 billion. The after-tax net profit for the year was NT\$34.51 billion, which was a decrease of 2% compared to the previous year, and the earnings per share stood at NT\$25.75, which was a decrease of 2% compared to the previous year's earnings of NT\$26.18.

In terms of profitability, GUC achieved a gross margin of 32.4% in FY2024, representing a 2 percentage point increase from the previous year's 30.4%. This increase can primarily be attributed to a rise in the percentage of revenue from NRE business. The operating margin for the year was 15.2%, representing a 0.1 percentage point increase from the previous year due to effective cost control measures. The after-tax net profit margin was 13.8%, representing an increase of 0.4 percentage points compared to the previous year's 13.4%.

### (3) Technical Development Status

In FY2024, GUC maintained its leading position in advanced IP development, with the Company's 3-nm HBM3E controllers and PHY IPs gaining attention from numerous industry-leading CSP and HPC customers.

The highlighted events of GUC's HBM3E IP are as follows:

1. Proven across TSMC advanced process technologies: Ready on the TSMC N7/N6, N5/N4P, N3E/N3P processes.
2. Silicon validated with all major HBM3 vendors. Silicon validated on both TSMC CoWoS-S and CoWoS-R technologies: GUC designs eDTC for the TSMC CoWoS-S and IPD for the TSMC CoWoS-R to achieve best power integrity.
3. Advanced Interposer Routing: Patented interposer layout to support angle routing with a Y-dimension offset while keeping best signal and power integrity.
4. Built-In chiplet interconnect monitoring solution: GUC collaborates with proteanTecs and has integrated chiplet interconnect monitors into the HBM PHY. This feature enhances chiplet observability and reliability.
5. Full 2.5/3D multi-die design service: GUC provides optional 2.5D and 3D service for HBM CoWoS ASIC platform design.

In terms of technology, GUC is also actively collaborating with the world's leading HBM suppliers to develop the HBM4 IP for next-gen AI ASICs. While preparing for future technological changes, GUC aims to enhance its competitive edge in the AI sector to attract more orders from CSPs.

Moreover, by the end of 2024 our patent portfolio consists of 560 patents, demonstrating the achievements GUC hasgained from active investment in R&D, and effectively enhancing our core competitiveness.

Major technical breakthroughs and innovation achievements in 2024 are as follows:

- GUC's 3nm HBM3E 9.4G (PHY & Controller) have been successfully taped out in 1Q23, silicon proven in 1Q24, and adopted by several customers. The IP supports TSMC both CoWoS-S and CoWoS-R packaging technology.
- Combined with TSMC InFO/CoWoS packaging technology, GUC successfully ported the 3rd-generation chip interconnection IP "GLink 2.3" from 5nm to 3nm, and completed the silicon verification in 1Q24. This IP provides multi-chip interconnect solution, and has been adopted by several customers
- Combined with TSMC CoWoS-R packaging technology, GUC successfully proposed and taped out the UCle/32G compliant, chip interconnection IP "GUCle 1.0" in 3nm in Nov'23. The silicon will be back and silicon proven in 1Q25. The solution is ready to provide customers with complete multi-chip interconnect solutions following UCle industrial standard for inter-operability
- GUC has taken the lead in 2nm design technology, completing the development of the design flow in Q2 2024 and successfully taping out a 2nm test chip in September 2024.
- GUC early adopted TSMC 3nm technolgoy, completed N3P design flow and verification in 2Q24, and successful in customer's product tape-out in 2H24
- Based TSMC 3DFarbic chip stacking technology, GUC and customer completed the first N7+N7 WoW(wafer on wafer) 3D testchip tape-out in Mar'23 and completed silicon verification in 1Q24
- GUC early adopted TSMC System-on-Wafer (SoW) technology, and has successfully helped TSMC and the lead customer in the development of the mechanical test vehicle. It has been successfully taped out in 4Q24.
- GUC has successfully helped multiple AI/HPC customers SoCs into production using TSMC's 2.5D CoWoS advanced packaging technologies for hyperscale data center applications, where 5nm AI customer using HBM3E memory already entered production in 2024.
- GUC successfully enabled HPC customer's 6nm ASIC tapeout in 3Q23, which was under production in 2024.



## Summary of the FY2025 Business Plan

The growth of the semiconductor industry in FY2025 is expected to remain stimulated primarily by capital expenditures on cloud-related projects. Additionally, CSPs are likely to continue to invest in the development of their own ASIC chips to meet their specific needs for AI applications. ASICs offer higher performance compared to general-purpose AI chips such as GPUs and FPGAs. The growing demand for computing power on AI chips annually has led to a significant need for data centers, cloud computing, and edge computing. This has made ASICs' performance and cost advantages even more apparent. To capitalize on this market trend, GUC will continue to invest R&D resources in advanced manufacturing processes and related advanced packaging IPs to enhance the competitive edge of IC design services. GUC aims to provide customers with optimum performance and cost-effectiveness while attracting more NRE business from CSPs and effectively creating differentiation in competitive advantages.

### (1) Sales Forecast

Looking ahead to FY2025, GUC anticipates business growth derived from continuous profit growth in AI design services and cryptocurrency-driven turnkey business. However, in light of export control measures, GUC will continue to adopt a cautious project selection policy to manage geopolitical risks. Over the past few years, investments in advanced manufacturing processes and advanced packaging technologies have shown promising progress. GUC believes that recent investments in AI-related NRE projects will also gradually translate into medium- and long-term growth momentum for the turnkey business.

### (2) Major Policies on Manufacturing and Marketing

GUC will continue to strengthen the bond and collaboration with existing customers by delivering outstanding design services. GUC pledges to accelerate advanced manufacturing processes, shorten design time, and achieve rapid product launches for customers. Additionally, GUC will focus on the R&D and deployment of essential semiconductor intellectual property rights for advanced manufacturing processes and advanced packaging.

## Future Corporate Development Strategy and Impact of External Competitive, Regulatory, and Macroeconomic Environments

In the face of a rapidly changing regulatory environment with increasingly strict export control measures and a new U.S. tariff policy, GUC maintains a cautious approach to project selection. GUC remains committed to complying with all regulations and follows a rigorous customer evaluation procedure to ensure that services are provided to customers worldwide in a legal and responsible manner. In the future, GUC will remain highly attentive to U.S. control measures, aiming to mitigate geopolitical risks and safeguard the long-term interests of shareholders and employees.

The shifts in the supply chain landscape arising from the U.S.–China trade conflict and the increasing complexity of IC design in advanced manufacturing processes pose both challenges and opportunities. Nevertheless, GUC remains committed to collaborating with world-class customers and partners to seize critical opportunities for market growth. Looking ahead to FY2025, the Company has confidence in its medium- to long-term operational goals.

## Environmental, Social, and Corporate Governance (ESG)

Business operation is a long and arduous task. In addition to keeping abreast of product technological development and seeking profitable growth, GUC is also committed to improving corporate governance and emphasizing the interests of all stakeholders. The operations of the Corporate Sustainability Committee enable GUC to fulfill its social corporate responsibilities while ensuring good corporate governance and meeting the expectation to contribute to society and the environment.

In terms of corporate governance, GUC has voluntarily prepared an annual Corporate Social Responsibility (CSR) Report (sustainability report) since FY2011, and starting from FY2014, these reports have been verified by third-party independent organizations. To enhance the effectiveness of corporate governance, GUC amended the corporate governance best practice principles in FY2022 to limit the tenure of independent directors to no longer than three terms and ensure the presence of at least one female director. GUC consistently ranked among the top 5% of companies in the TWSE/TPEX Corporate Governance Evaluation (with the smallest market capitalization among ten listed companies) from the first to seventh year of the evaluation. In the eighth evaluation, GUC slipped to the 6% to 20% range, but it regained a top 5% ranking in the ninth and tenth evaluations.

Regarding equal treatment of shareholders and enhancing information transparency, GUC holds its annual shareholders meeting before the end of May each year, and has done so since FY2014. Starting from the third quarter of FY2018, GUC has been announcing its financial statements in both Chinese and English shortly after the Board meeting. Additionally, GUC was honored with the Investor Relations Excellence Award by the Taiwan Investor Relations Institute in the category of large listed companies.

In FY2023, GUC completed the planning of a sustainable development pathway for the goal of net-zero carbon emissions by 2050. This plan includes conducting greenhouse gas inventories for all entities included in the consolidated financial reports, establishing a timeline for achieving carbon neutrality, and integrating climate-related opportunities and risk scenarios into its evaluations. In FY2023, GUC also published its first-ever Task Force on Climate - Related Financial Disclosures (TCFD) report. In FY2024, carbon reduction targets and plans submitted by GUC were approved from the Science Based Targets initiative (SBTi).

Despite GUC's status as an IC design services company without manufacturing facilities, the Company will not reduce its efforts to mitigate climate change. GUC remains committed to continuously reviewing and improving its risk management and internal control processes to promote net-zero emissions and carbon reduction and to build a sustainable future for the benefit of future generations.

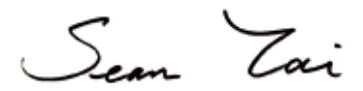
Finally, all of the staff at GUC would like to express our sincere gratitude to all our customers, suppliers, shareholders, and the general public for your support and trust in GUC. We will strive to do our best to provide decent returns for our shareholders.

Wishing you good health and great success!

Global Unichip Corporation



F. C. Tseng  
Chairman



Sean Tai  
President



# Corporate Governance 02

1. Information on the company's directors, president, vice president, assistant vice president, and the heads of all the company's divisions and branch units
2. Remuneration paid during the most recent year to directors (including independent directors), president and vice presidents
3. Corporate Governance Report
4. Information Regarding the Company's Independent Auditors
5. Information about CPA Replacement
6. The chairman, president, chief financial or accounting manager of the Company who holds position in the business under the commissioned CPA firm or its affiliates in 1 year
7. In the most recent year to the date this report was printed, directors, managerial officers and the shareholders holding more than 10% of the shares in the transfer of shares and pledge of shares under lien, and any change thereof.
8. Information on shareholders among the top 10 by proportion of shareholding who are related parties to one another or spouse, kindred within the 2nd degree of kinship
9. Quantity of shareholdings of the same investee by the Company and Directors, Managerial Officers, and direct or indirect subsidiaries in proportion to the combined holdings of all, and combined to calculate the proportion of overall shareholding.

1.Information on the company's directors, president, vice president, assistant vice president, and the heads of all the company's divisions and branch units

(1) Information on directors

March 17, 2025

Title	Nationality or place of registration	Name	Gender/ Age	Date on which current position was assumed	Term of contract	Commencement date of the first term	Shares held at the time of election		Number of shares currently held		Number of shares currently held by their spouses, children of minor age		Shares held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Heads, directors or supervisors with a spouse or relatives within the second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation
Chairman	R.O.C.	TSMC (note 1)	Male/ 80	2023.05.18	3 year	2003.01.23	46,687,859	34.84%	46,687,859	34.84%	0	0.00%	0	0.00%	None	None	None	None	None
		Representative: F.C. Tseng		2023.05.18	3 year	2003.01.23	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor in Electrical Engineering, National Cheng Kung University, Master in Electrical Engineering, National Chiao Tung University, Ph.D. in Electrical Engineering, National Cheng Kung University, Honorary Doctorate of National Chiao Tung University, President of Vanguard International Semiconductor Corporation, Vice Chairman of TSMC, President of TSMC, Deputy Chief Executive Officer of TSMC, President of TSMC Education and Culture Foundation , Director of National Culture and Arts Foundation	Note 4	None	None	None
Director	R.O.C.	TSMC	Male/ 60	2023.05.18	3 year	2003.01.23	46,687,859	34.84%	46,687,859	34.84%	0	0.00%	0	0.00%	None	None	None	None	None
		Representative: Sean Tai		2023.05.18	3 year	2022.01.28	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Electrical Engineering, Yale University, President of Nuvoton Technology Corporation, President of China/Japan Subsidiaries, Realtek Semiconductor Corp., President of Silicon Touch Technology Inc., Assistant vice president of Winbond, Technical Manager of TSMC	Note 4	None	None	None
		TSMC		2023.05.18	3 year	2003.01.23	46,687,859	34.84%	46,687,859	34.84%	0	0.00%	0	0.00%	None	None	None	None	None
		Representative: Wendell Huang		2023.05.18	3 year	2018.11.15	0	0.00%	0	0%	0	0.00%	0	0.00%	MBA degree of Cornell University, U.S.A., Senior Vice President & CFO, Spokesperson of TSMC	Note 4	None	None	None
R.O.C.	R.O.C.	TSMC	Male/ 64	2023.05.18	3 year	2006.06.30	46,687,859	34.84%	46,687,859	34.84%	0	0.00%	0	0.00%	None	None	None	None	None
		Representative: L.C. Lu		2023.05.19	(note2)	2023.05.19	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Computer Science from Yale University. Vice President of Research & Development / Design & Technology Platform at TSMC and a TSMC Fellow.	Note 4	None	None	None



(1) Information on directors

March 17, 2025

Title	Nationality or place of registration	Name	Gender/ Age	Date on which current position was assumed	Term of contract	Commencement date of the first term	Shares held at the time of election		Number of shares currently held		Number of shares currently held by their spouses, children of minor age		Shares held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Heads, directors or supervisors with a spouse or relatives within the second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation
Independent Director	R.O.C.	Ho-Min Chen	Male/ 68	2023.05.18	3 year	2023.05.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Business Administration from National Taiwan University, Master's degree in Applied Statistics from the University of Iowa  Distinguished Professor in the Department of International Business at National Taiwan University, member of the International Trade Commission under the Ministry of Economic Affairs.  Dean of the College of Social Sciences and Management at National Chung Hsing University, and a member of the National Development Fund Management Committee under the Executive Yuan.	Note 4	None	None	None
	R.O.C.	Kenneth Kin	Male/ 78	2023.05.18	3 year	2017.05.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. degree in Nuclear Engineering and Applied Physics from Columbia University, USA, Senior Vice President of TSMC, Vice President Of Global Business And Services of IBM Microelectronics, Vice Chairman of Asia Pacific Regional Operation Center, Motorola Computer group, Honorary Chair Professor, College of Technology Management, National Tsing Hua University	Note 4	None	None	None
	R.O.C.	Jesse Ding	Male/ 71	2023.05.18	3 year	2022.05.19	0	0.00%	0	0.00%	0	0.00%	0	0.00%	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	Note 4	None	None	None



(1) Information on directors

March 17, 2025

Nationality or place of registration	Name	Gender/ Age	Date on which current position was assumed	Term of contract	Commencement date of the first term	Shares held at the time of election		Number of shares currently held		Number of shares currently held by their spouses, children of minor age		Shares held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Heads, directors or supervisors with a spouse or relatives within the second degree of kinship			
						Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Independent Director	R.O.C.	Huang, Tsui-Hui	Female/ 60	2023.05.18	3 year	2022.05.19	0	0.00%	0	0.00%	0	0.00%	0	0.00%	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	Note 4	None	None	None

Note 1: The full name is Taiwan Semiconductor Manufacturing Co., Ltd., denoting the term TSMC hereinafter mentioned.

Note 2: From May 19, 2023 onwards, the representative of TSMC has been changed from Mr. Cliff Hou to Mr. L.C. Lu with a term of office the same as that of other directors until May 17, 2026.

Note 3: Dr. Cheng-Wen Wu resigned on May 14,2024 because he will become Minister of NFCT.

Note 4: Positions concurrently taken by directors at other companies

Title	Name	Position(s) held concurrently in other company
Chairman	Representative of TSMC: F.C. Tseng	Director of TSMC, Chairman of TSMC (China), Vice Chairman of Vanguard International Semiconductor Corporation, Director of eMemory Technology Inc.
Director	Representative of TSMC: Sean Tai	President of the Company
	Representative of TSMC: Wendell Huang	Senior Vice President & CFO, Spokesperson of TSMC, Director/Supervisor/ President of subsidiaries of TSMC
	Representative of TSMC: L.C. Lu	Vice President of Research & Development / Design & Technology Platform at TSMC and a TSMC Fellow, Director/Supervisor/President of subsidiaries of TSMC
Independent Director	Ho-Min Chen	Honorary Professor in the Department of International Business at National Taiwan University, University Chair Professor of National Taipei University of Business, independent director of SINBON Electronics Co., Ltd., independent director of Fulltech Fiber Glass Corp., and independent director of Sharehope Medicine Co., Ltd.
	Kenneth Kin	Consultant and Honorary Chair Professor, College of Technology Management, National Tsing Hua University, Adjunct Professor, Department of Economics, National Tsing Hua University, Independent Director of ASMedia Technology Co., Ltd., Independent Director and Member of Remuneration Committee of Vanguard International Semiconductor Corporation, Director of MediaTek Inc.
	Jesse Ding	Independent Director, DACIN Construction Co., Ltd
	Huang, Tsui-Hui	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

For the directors acting as the representatives of juristic-person shareholders, the names of the juristic-person shareholders, and the names of its 10 largest shareholders and holding percentage of each are as follows:

Dec. 18,2024

Name of juristic-person shareholder	Major shareholder of juristic-person shareholder
TSMC	ADR Taiwan Semiconductor Manufacturing Company, Ltd. (20.49%), National Development Fund, Executive Yuan(6.38%), Citibank (Taiwan) Ltd. in custody for Government of Singapore(2.63%), Citibank (Taiwan) Ltd. in custody for Norges Bank(1.78%), JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds(1.30%), JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds(1.20%), New Labor Pension Fund (1.17%), Yuanta/P-shares Taiwan Top 50 ETF(0.90%),iShares Core MSCI Emerging Markets ETF (0.84%),JPMorgan Chase Bank N.A. Taipei Branch in Custody for EuroPacific Growth Fund(0.73%)

## (2) Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

March 17, 2025

Conditions Name	Independent Directors	Member of Audit Committee	Professional qualification and experience	Status of independence	Number of public companies where the person holds the title as independent director
F.C. Tseng	--	--	Principal academic qualification: Ph.D. in Electrical Engineering, National Cheng Kung University, Honorary Doctorate of National Chiao Tung University Principal work experience: President of Vanguard International Semiconductor Corporation, Vice Chairman of TSMC, President of TSMC, Deputy Chief Executive Officer of TSMC	Not applicable	0
Sean Tai	--	--	Principal academic qualification: Ph.D. in Electrical Engineering, Yale University Principal work experience: President of GUC, President of Nuvoton Technology President of China/Japan Subsidiaries, Realtek Semiconductor Corp., President of Silicon Touch Technology Inc., Assistant vice president of Winbond, Technical Manager of TSMC		0
Wendell Huang	--	--	Principal academic qualification: MBA degree of Cornell University, U.S.A. Principal work experience: Vice President & CFO, Spokesperson of TSMC		0
L.C. Lu	--	--	Principal academic qualification: Ph.D. in Computer Science from Yale University. Principal work experience: Vice President of Research & Development / Design & Technology Platform of TSMC and a TSMC Fellow.		0
Jesse Ding	V	V (Convener)	Principal academic qualification: One year doctoral program at Wharton College, University of Pennsylvania MBA, University of Detroit BA, National Taiwan University(Accounting) Principal work experience: Chair of Entie Commercial Bank, President of Entie Commercial Bank, President of Taipei Fubon Bank. Not a person to whom any conditions defined in Article 30 of the Company Act apply.	The independent directors of the Company are all in compliance with the provisions of article 3, paragraph 1, subparagraphs 1 to 8 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The remuneration obtained by the Company's independent directors for providing business, legal, financial, accounting and other services to the Company or the Company's affiliates in 2023 and 2024 is zero.	1
Huang, Tsui-Hui	V	V	Principal academic qualification: M.B.A. at Cornell University, U.S.A. B.A. in Business from National Taiwan University Principal work experience: 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, 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 Not a person to whom any conditions defined in Article 30 of the Company Act apply.		0
Ho-Min Chen	V	V	Principal academic qualification:PhD in Business Administration from National Taiwan University Principal work experience: Distinguished Professor in the Department of International Business at National Taiwan University, member of the International Trade Commission under the Ministry of Economic Affairs, Dean of the College of Social Sciences and Management at National Chung Hsing University, and a member of the National Development Fund Management Committee under the Executive Yuan. Not a person to whom any conditions defined in Article 30 of the Company Act apply.		3
Kenneth Kin	V	V	Principal academic qualification: Ph.D. degree in Nuclear Engineering and Applied Physics from Columbia University, USA Principal work experience: Senior Vice President of TSMC, Vice President Of Global Business And Services of Ibm Microelectronics, Vice Chairman of Asia Pacific Regional Operation Center, Motorola Computer group, Honorary Chair Professor, College of Technology Management, National Tsing Hua University Not a person to whom any conditions defined in Article 30 of the Company Act apply.		2



(3) Board Diversity Policy and Implementation Status

The Company attaches great importance to the diversity of board members. In order to reinforce corporate governance and promote sound development of board composition and structure, the capabilities that the board of directors should possess as specified in Article 20 of the Company's "Corporate Governance Code" are as follows: 1. Business judgment ability, 2. Accounting and financial analysis ability, 3. Management ability, 4. Crisis handling ability, 5. Industry knowledge, 6. Global market perspectives, 7. Leadership, and 8. Decision-making ability.

Dr. Cheng-Wen Wu resigned on 2024/05/15 because he will become Minister of NFCT. The Company's current board of directors consists of eight directors. Four of them, accounting for 50%, are the Company's independent directors, and the relationship of spouses or relatives by blood within the second degree of relationship do not exist

among the directors. Moreover, only one director is taking the Company's managerial officer position, i.e. Mr. Sean Tai, one of the juristic-person directors' representatives, concurrently serving as the Company's president. These facts indicate that the Board Independence requirement is met in the Company's board of directors. Additionally, the Company's board members possess cross-industry and cross-field capabilities, demonstrating Board diversity and complementary support among board members. Directors also have their own skills and experiences in various professions such as legal, financial/accounting, industry, marketing/R&D, technology, business management, etc. Please refer to page 10 of this Annual Report for details of directors' educational and business experiences. The Company's current implementation of Board Diversity Policy is indicated by individual directors' portfolios listed in the table below:

Name of director	Core goals for diversification						Operational management and business judgment	Finance and accounting	Crisis handling	Industry knowledge	Global market perspectives	Leadership and Decision-making abilities
	Nationality	Gender	Term of contract	Status of employee	Age							
F.C. Tseng	R.O.C.	Male	8	No	80		V	V	V	V	V	V
Sean Tai	R.O.C.	Male	2	Yes	60		V	V	V	V	V	V
L.C. Lu	R.O.C.	Male	1	No	64		V		V	V	V	V
Wendell Huang	R.O.C.	Male	3	No	63		V	V	V	V	V	V
Kenneth Kin	R.O.C.	Male	3	No	78		V		V	V	V	V
Jesse Ding	R.O.C.	Male	2	No	71		V	V	V		V	V
Huang, Tsui-Hui	R.O.C.	Female	2	No	60		V	V	V		V	V
Ho-Min Chen	R.O.C.	Male	1	No	68		V	V	V		V	V

The age distribution of the Company's 10th-term board members shows that there are 5 directors aged 60-69 and 3 directors aged 70-80. In order to respond to the initiative advocated in "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" that the appointment of an independent director is advisably not to exceed three consecutive terms, 10th-term board directors, including one demale independent director, are apponinet at the 2023 Shareholders' Meeting. After the election, all the Company's independent directors having served their independent-directorship for not more than three consecutive terms.

- The diversity goals for the future include but are not limited to the following two aspects/standards:
1. Basic conditions and values: gender, age, nationality, culture, etc. One female director was elected in the by-election in 2023 shareholders' meeting. In the future, at least one female director seat will be reserved and long-term female seat target is one-third of all board members. And the age criteria will be planned to achieve a balanced structure.
  2. Professional knowledge and skills: professional backgrounds (such as legal, accounting, industry, finance, marketing or technology), professional skills, industrial experiences, etc.
  3. To keep indenpendence, more than three consecutive terms of independent directors will be avoided.

(4) Information on the company's president, vice president, assistant vice president, and the heads of all the company's divisions and branch units

March 17, 2025

Title	Nationality	Name	Gender	Date on Appointment	Shares held		Number of shares currently held by their spouses, children of minor age		Shares held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in other company	Managerial officer with a spouse or relatives within the second degree of kinship		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation
President	R.O.C.	Sean Tai	Male	2021.12.01	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Electrical Engineering, Yale University, President of Nuvoton Technology Corporation, President of China/Japan Subsidiaries, Realtek Semiconductor Corp., President of Silicon Touch Technology Inc., Assistant vice president of Winbond, Technical Manager of TSMC	None	None	None	None
Senior Vice President	R.O.C.	Louis Lin	Male	1998.07.01	10,041	0.01%	0	0.00%	0	0.00%	Ph.D., Institute of Electronic Engineering, National Chiao Tung University, Senior Director for Design Service, GUC	note	None	None	None
Senior Vice President & CFO and Corporate Governance Officer	R.O.C.	Daniel Chien	Male	2006.04.03	27	0.00%	0	0.00%	0	0.00%	The University of Texas at Arlington MBA, CFO of Ali Corporation	note	None	None	None
Vice President	R.O.C.	Justin Hsieh	Male	2006.10.30	11,669	0.01%	0	0.00%	0	0.00%	Master, Institute of Materials Science and Engineering, National Chiao Tung University, Senior Manager of UMC, Senior Director of GUC	None	None	None	None
Vice President	R.O.C.	Patrick Wang	Male	2022.07.28	0	0.00%	0	0.00%	0	0.00%	MBA, The State University of NY at Buffalo, Vice President of Nuvoton Technology Corporation, Director of Realtek Semiconductor Corp.	note	None	None	None
Accounting Controller	R.O.C.	Blith Chiang	Male	2009.07.27	0	0.00%	0	0.00%	0	0.00%	Department of Accounting, Chung Yuan Christian University, Vice Manager of Coretronic Culture and Arts Foundation, Manager of GUC Accounting Department.	None	None	None	None
Corporate Governance Officer	R.O.C.	Charels Huang	Male	2016.08.01	500	0.00%	0	0.00%	0	0.00%	Master of Laws (LLM), Golden Gate University, Director of GUC Legal Division, Manager of CyberTan Technology Legal Division, Manager of Chunghua Pcture Tubes Ltd. Legal Division.	None	None	None	None

Note: The status of managerial officers' position(s) held concurrently in other company

Title	Name	Position(s) held concurrently in other company
Senior Vice President & CFO	Daniel Chien	Supervisor of Global Unichip (Shanghai) Company, Limited (GUC-CN), Supervisor of Global Unichip (Nanjing) Ltd.
Senior Vice President	Louis Lin	Director of Global Unichip Corporation-NA(GUC-NA), Director of Global Unichip (Nanjing) Ltd., Director of Global Unichip (Shanghai) Company, Limited (GUC-CN), Director of Global Unichip Vietnam Co., Ltd.
Vice President	Patrick Wang	Chairman and President of Global Unichip (Shanghai) Company, Limited (GUC-CN), Director of Global Unichip Corp Europe B.V. (GUC-Europe), Director of Global Unichip Japan Co., Ltd. (GUC-Japan), Director of Global Unichip Corporation Korea (GUC-Korea), Director of Global Unichip (Nanjing) Ltd.,Director of Global Unichip Corporation-NA (GUC-NA)



2.Remuneration paid during the most recent year to directors (including independent directors), president and vice presidents

(1)Remuneration to directors (including independent directors) Unit: NT\$ thousand; thousand shares

Title		Remuneration to Directors								The sum of A, B, C and D in proportion to net profit after tax (note 7)		Compensation to the capacity as employees								The sum of A, B, C, D, E, F and G in proportion to net profit after tax (note 6)		Remuneration received from an invested company other than the company's subsidiary or parent company (note 8)				
		Remuneration (A) (note 1)		Pension (B)		Remuneration to directors (C) (note 2)		Professional fees(D) (Note 3)				Salaries, bonus and special disbursement (E) (note 4)		Pension (F)		Employees' compensation (G) (note 5)										
		The Company	All companies mentioned in the financial statements (note 6)	The Company	All companies mentioned in the financial statements (note 6)	The Company	All companies mentioned in the financial statements (note 6)	The Company	All companies mentioned in the financial statements (note 6)			The Company	All companies mentioned in the financial statements (note 6)	The Company	All companies mentioned in the financial statements (note 6)	The Company	All companies mentioned in the financial statements (note 6)	The Company					All companies mentioned in the financial statements (note 7)		The Company	All companies mentioned in the financial statements (note 6)
																		Cash	Stock				Cash	Stock		
Chairman	F.C. Tseng	3,721	3,721	0	0	4,880	4,880	0	0	8,601 0.25%	8,601 0.25%	0	0	0	0	0	0	0	0	8,601 0.25%	8,601 0.25%	None				
Director	Sean Tai	0	0	0	0	4,880	4,880	0	0	4,880 0.14%	4,880 0.14%	21,317	21,317	0	0	27,500	0	27,500	0	53,697 1.56%	53,697 1.56%					
Director	L.C. Lu	0	0	0	0	4,880	4,880	0	0	4,880 0.14%	4,880 0.14%	0	0	0	0	0	0	0	0	4,880 0.14%	4,880 0.14%					
Director	Wendell Huang	0	0	0	0	4,880	4,880	0	0	4,880 0.14%	4,880 0.14%	0	0	0	0	0	0	0	0	4,880 0.14%	4,880 0.14%					
Independent Director	Kenneth Kin	0	0	0	0	5,240	5,240	21	21	5,261 0.15%	5,261 0.15%	0	0	0	0	0	0	0	0	5,261 0.15%	5,261 0.15%					
Independent Director	Jesse Ding	0	0	0	0	5,240	5,240	18	18	5,258 0.15%	5,258 0.15%	0	0	0	0	0	0	0	0	5,258 0.15%	5,258 0.15%					
Independent Director	Huang, Tsui-Hui	0	0	0	0	4,880	4,880	21	21	4,901 0.14%	4,901 0.14%	0	0	0	0	0	0	0	0	4,901 0.14%	4,901 0.14%					
Independent Director	Cheng-Wen Wu (note 9)	0	0	0	0	1,813	1,813	9	9	1,822 0.05%	1,822 0.05%	0	0	0	0	0	0	0	0	1,822 0.05%	1,822 0.05%					
Independent Director	Ho-Min Chen	0	0	0	0	5,240	5,240	21	21	5,261 0.15%	5,261 0.15%	0	0	0	0	0	0	0	0	5,261 0.15%	5,261 0.15%					

Note 1: Referring to the remuneration for directors in the most recent year (including directors' salaries, duties allowance, resignation payment, bonuses, incentives, etc.)

Note 2: Referring to the proposed distribution for directors' 2024 remuneration approved by the Board on Jan 23, 2025 before the 2025 Shareholders' Meeting. The total was NT\$41,933 thousand. The directors' remuneration was disclosed in NT\$1,000 amounts, and the next digit was rounded down unconditionally. Since F.C. Tseng, Sean Tai, Wendell Huang and L.C. Lu are representatives of TSMC, the directors' remuneration they are entitled to was received by the juristic-person shareholders they represent.

Note 3: Referring to the business performance expenses for directors in the most recent year (including travel expenses, special disbursement, various allowances, etc.)

Note 4: Referring to the salaries, duties allowance, resignation payment, bonuses, incentives, travel expenses, special disbursement, various allowances, etc. received by the directors concurrently serving as employees (including concurrently serving as president, vice president, other managerial officers and employees)

Note 5: Referring to the employees' compensation (proposed amounts) (including stocks and cash) received by the directors concurrently serving as employees (including concurrently serving as president, vice president, other managerial officers and employees)

Note 6: Disclosure of the total amounts of all types of remuneration paid by all companies (including the Company) to the Company's directors according to consolidated reports

Note 7: Net profit after tax refers to the most recent year's net profit after tax indicated in individual financial statements or parent company only financial reports

Note 8: Disclosure of relevant compensation received by the Company's directors from reinvestment businesses other than subsidiaries or parent companies. The compensation refers to the return, remuneration (including remuneration for employees, directors and supervisors) and compensation for business performance expenses received by the Company's directors when serving as directors, supervisors or managerial officers in reinvestment businesses other than subsidiaries or parent companies.

Note 9: Dr. Cheng-Wen Wu resigned on 2024/05/15 because he will become Minister of NFCT.

Note 10: The remuneration policy, system, standards and structure for independent directors, and description of correlation with the remuneration amount being paid based on factors such as duties, risks, time commitment, etc. For independent directors and directors who do not concurrently serve as managerial officers, in principle, their total remuneration shall not exceed 2% of a given year's profit in accordance with the Company's Articles of Incorporation. The remuneration payment standards are subject to adjustment based on the Company's business performance, and the payment is distributed in proportion to the number of days a director serves.

(2) Remuneration to President and Vice President

Unit: NT\$ thousand; thousand shares

Title	Name (note 1)	Salary (A) (note 2)		Pension (B)		Bonus and special disbursement, etc. (C) (Note 3)		Compensation to the employees (D) (note 4)				The sum of A, B, C and D in proportion to net profit after tax (%) (note 8)		Remuneration received from an invested company other than the company's subsidiary or parent company (note 9)
		The Company	All companies mentioned in the financial statements (note 5)	The Company	All companies mentioned in the financial statements (note 5)	The Company	All companies mentioned in the financial statements (note 5)	The Company		All companies mentioned in the financial statements (note 5)		The Company	All companies mentioned in the financial statements (note 5)	
								Cash	Stock	Cash	Stock			
President	Sean Tai													
Senior Vice President & CFO	Daniel Chien													
Senior Vice President	Louis Lin	25,750	25,750	469	469	47,641	47,641	79,500	0	79,500	0	153,360 4.44%	153,360 4.44%	none
Vice President	Justin Hsieh													
Vice President	Jen-Tai Hsu (note 10)													
Vice President	Patrick Wang													

Classification of remuneration

Classification of remuneration paid to president and vice presidents	Name of president and vice presidents	
	The Company (note 6)	All companies mentioned in the financial statements (note 7)
Less than NT\$1,000,000	-	-
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (exclusive)	Jen-Tai Hsu (note 10 )	Jen-Tai Hsu (note 10 )
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (exclusive)	-	-
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (exclusive)	-	-
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (exclusive)	-	-
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (exclusive)	-	-
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (exclusive)	Justin Hsieh, Patrick Wang, Daniel Chien	Justin Hsieh, Patrick Wang, Daniel Chien
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (exclusive)	Sean Tai, Louis Lin	Sean Tai, Louis Lin
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (exclusive)	-	-
Over NT\$ 100,000,000	-	-
Total	6	6

Note 1: Names of the president and vice presidents are listed separately, while the payment amounts are disclosed in an aggregated manner.

Note 2: Referring to the salaries, duties allowance, and resignation payment listed for the president and vice presidents in 2024.

Note 3: Referring to the in-kind provision and other remuneration amounts such as bonuses, incentives, travel expenses, special disbursement, various allowances, dormitories, company cars, etc. listed for the president and vice presidents in 2024. For houses, cars and other means of transportation being provided, or exclusive personal expenses, the nature and cost, actual or fair-market rent, fuel expenses and other payments of the assets being provided should be disclosed.

Note 4: Referring to the proposed 2024 employees remuneration (including stocks and cash) approved by the Board on Jan 23, 2025 before the 2025 Shareholders' Meeting.

Note 5: Disclosure of the total amount of remuneration paid to the Company's president and vice presidents by all companies (including the Company) included in consolidated reports

Note 6: For the total remuneration amount paid by the Company to the president and each vice president, the names of the president and vice presidents were disclosed in the respective payment levels that the president and vice presidents belong to.

Note 7: For disclosure of the total amount of remuneration paid to the Company's president and vice presidents by all companies (including the Company) included in consolidated statements, the names of the president and vice presidents were disclosed in the respective payment levels that the president and vice presidents belong to.

Note 8: Net profit after tax refers to the most recent year's net profit after tax indicated in individual financial reports.

Note 9: Disclosure of relevant compensation received by the Company's president and vice presidents from reinvestment businesses other than subsidiaries or parent companies. The compensation refers to the return, remuneration (including remuneration for employees, directors and supervisors) and compensation for business performance expenses received by the Company's president and vice presidents when serving as directors, supervisors or managerial officers in reinvestment businesses other than subsidiaries or parent companies.

Note 10: Vice President Jen-Tai Hsu resigned on May 3rd, 2024.



(3) Names of managerial officers with compensation as employees and the status of payment

Unit: NT\$ Thousand  
113 年 12 月 31 日

Title		Name	Stock (note 1)	Cash (note 1)	Total	Proportion of total to net profit after tax of parent company only (%)
Managerial Officers	President	Sean Tai	0	85,262	85,262	2.47%
	Senior Vice President & CFO	Daniel Chien				
	Senior Vice President	Louis Lin				
	Vice President	Justin Hsieh				
	Vice President	Jen-Tai Hsu (note 2)				
	Vice President	Patrick Wang				
	Accounting Controller	Blith Chiang				
	Corporate Governance Officer	Charles Huang				

Note 1: Referring to the proposed 2024 employees remuneration approved by the Board on Jan 23, 2025. The proposed remuneration for this year is an estimated value.

Note 2: Vice President Jen-Tai Hsu resigned on May 3rd, 2024.

(4) Separate comparison and description of total remuneration, as a proportion of net profit after tax stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, presidents, and vice presidents, and analysis and description of remuneration policies, standards, and packages, the procedure for determining remuneration, its linkage to operating performance and future risk exposure.

1. The analysis for proportion of net profit stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, presidents, and vice presidents

Title	Total remuneration as a proportion of net profit after tax in the parent company only financial reports			
	2024		2023	
	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements
Director	2.74%	2.74%	2.87%	2.87%
President and Vice President	4.44%	4.44%	4.23%	4.23%

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

(1)The remuneration for the Company's directors are paid in accordance with the Company's "Directions for Directors' Remuneration, Compensation and Travel Expenses Payment", and shall be paid based on the general levels. If the Company has surplus earnings, funds will be separately allocated in accordance with the provisions of Article 26 of the Company's "Articles of Incorporation" for directors remuneration, which shall be submitted to Shareholders' Meeting for approval after being reviewed by Compensation Committee and approved by the Board. For directors concurrently serving as employees, the following (2) ~ (4) rules shall apply for the remuneration payment.

(2)The appointment, dismissal and remuneration of the Company's president and vice presidents shall be handled in accordance with the Company's regulations. The remuneration standards are formulated by the Company's human resources unit based on the Company's HR performance appraisal regulations. Besides, the presidents or vice presidents individual performance and contribution to the Company's overall operations are also considered. Moreover, average levels applied in peer companies are also reviewed for the formulation of remuneration payment principles. The said standards/principles are implemented after being reviewed by Compensation Committee and approved by the Board of Directors.

(3)The Company's remuneration policy is formulated based on the individual's capabilities, contribution to the Company and performance achievement, with a positive correlation with the Company's business performance. In addition, with proper control over ESG and future risks, the Company's remuneration policy is also well correlated with future risks and ESG. The overall compensation/remuneration portfolio primarily includes three parts: basic salary, bonus/employee profit-sharing, benefits, etc. In regards to the remuneration payment standards, the basic salary is determined based on the Company's policy and the market competition status of the employees position; bonus and profit-sharing contribution are given on a basis connected with the employee's/department's goal achievement or the Company's business performance. Regarding benefits program design, the prerequisite is to fulfill regulatory requirements, and to meet employees' needs with measures that provide benefits for employees.

(4)The remuneration distribution proportion for the Company's directors is determined in accordance with the provisions of Article 20 of the Company's Articles of Incorporation, stating that a quota limited within 2% of the year's profit can be allocated as directors' remuneration for the year. Moreover, in principle, a quota limited within 10% of the year's profit can be allocated as remuneration for managerial officers.

The remuneration for directors and managerial officers is determined based on their participation degree in the Company's operations and their personal contribution /performance. In addition, the directors' and managerial officers' goal achievement rate, profit ratio, operational effectiveness, contribution degree, etc. are comprehensively considered when calculating remuneration distribution proportion for fair compensation. The director and managerial officer remuneration system is always reviewed in a timely manner based on actual operating conditions and changes of relevant laws and regulations.

3. Corporate Governance Report

(1) The state of operations of the board of directors:

Seven (A) regular board meetings were convened in 2024. The status of attendance by directors was as following:

Title	Name	Age	Attendance in person (B)	By proxy	Attendance rate (%) B/A	Consecutive terms	Remark
Chairman	Representative of TSMC: F.C. Tseng	80	6	1	86%	8	Dr. Cheng-Wen Wu resigned on 2024/05/15 because he will become Minister of NFCT.
Director	Representative of TSMC: Wendell Huang	63	5	2	71%	3	
	Representative of TSMC: Sean Tai	60	7	0	100%	2	
	Representative of TSMC: L.C. Lu	64	5	2	71%	1	
Independent Director	Kenneth Kin	78	7	0	100%	3	
	Jesse Ding	71	6	1	86%	2	
	Huang, Tsui-Hui	60	7	0	100%	2	
	Cheng-Wen Wu	66	2	0	100%	1	
	Ho-Min Chen	68	7	0	100%	1	

Other matters to be recorded:

1.For matters listed in Article 14-3 of the Securities and Exchange Act and other board resolutions for which any of the independent directors has a dissenting or qualified opinion, and such opinion has been recorded or declared in writing, the board meeting date, term/session, content of proposal(s), opinions of all independent directors, and the Company's handling of the independent directors' opinions should be stated:

Board Meeting Date/Term	Content of Proposal and Subsequent Handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent Directors Dissenting or Qualified Opinion
01/31/2024 4 <sup>th</sup> meeting of the 10 <sup>th</sup> term	Approved the performance and compensation of the Companys general manager.	Yes	No
	Independent directors opinion: None		
	The Companys handling of independent directors opinions: None		
	Resolution: As explained by the director, Sean Tai, this case involved his conflicts of interest, so he recused himself from the discussions and resolutions pertaining to him. After inquiry by the chairperson, the remaining directors present unanimously passed the remuneration committees proposal.		
04/25/2024 5 <sup>th</sup> meeting of the 10 <sup>th</sup> term	1.Approval of the remuneration (salary) adjustment of the general manager of the company	Yes	No
	2. Approval of the general manager's long-term motivation scheme.	Yes	No
	3. Approval of the remuneration (salary) adjustment of the chairman of the company	Yes	No

Board Meeting Date/Term	Content of Proposal and Subsequent Handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent Directors Dissenting or Qualified Opinion
04/25/2024 5 <sup>th</sup> meeting of the 10 <sup>th</sup> term	Independent directors opinion: None		
	The Companys handling of independent directors opinions: None		
	1&2. Resolution: As explained by the chairperson that this case has been reviewed by the Companys Compensation Committee, with the exception of the discussion and resolution on the recusal of director Sean Tai, who explained that his concurrently serving as the general manager might involve conflicts of interest, other directors in attendance unanimously adopted the remuneration committees proposal.		
	3. Resolution: As explained by the chair, this case involved his conflicts of interest, so he recused himself during the discussion and resolution of this case. Chairperson noted that this case has been reviewed by the Compensation Committee, and other directors in attendance were solicited and gave unanimous consent.		
06/06/2024 Extraordinary meeting of the 10 <sup>th</sup> Term	Approved to authorize the Chairman to purchase real estate for use as a server room and office, with a budget not exceeding NT\$600 million.	Yes	No
	Independent directors opinion: None		
	The Companys handling of independent directors opinions: None		
	The Audit Committee has reviewed this matter. The Chairman explained that this is a one-time authorization and, after consulting all attending directors, the proposal was unanimously approved.		
10/31/2024 7 <sup>th</sup> meeting of the 10 <sup>th</sup> term	Ratification of the acquisition of real estate for use as a server room and office.	Yes	No
	Independent directors opinion: None		
	The Companys handling of independent directors opinions: None		
	Resolution: Chairperson noted that this case has been reviewed by the Audit Committee and, after inquiry by the chairperson, all the directors present unanimously adopted the proposal.		
11/28/2024 8 <sup>th</sup> meeting of the 10 <sup>th</sup> term	1. Investigated and confirmed the CPAs independence as well as competence (including performance and quality audit indicator), appointment, and auditing of the 2025 compensation proposal.	Yes	No
	2. Approval of the Companys "Internal Control System" and amending some of the articles of the "Internal Audit Implementation Rules."	Yes	No
	Independent directors opinion: None		
	The Companys handling of independent directors opinions: None		
01/23/2025 9 <sup>th</sup> meeting of the 10 <sup>th</sup> term	1.Resolution: The CPAs independence, competence (including performance and quality audit indicator) and appointment, and the 2025 remuneration statement have been reviewed by the Audit and Corporate Governance Committee and, after inquiry by the chairperson, all the directors present unanimously adopted the proposal.		
	2. Resolution: Chairperson noted that this case has been reviewed by the Audit and Corporate Governance Committee and, after inquiry by the chairperson, all the directors present unanimously adopted the proposal.		
	Approved the performance and compensation of the Companys general manager.	Yes	No
	Independent directors opinion: None		
	The Companys handling of independent directors opinions: None		
	Resolution: As explained by the director, Sean Tai, this case involved his conflicts of interest, so he recused himself from the discussions and resolutions pertaining to him. After inquiry by the chairperson, the remaining directors present unanimously passed the remuneration committees proposal.		



2. For recusals executed by directors for interest-related proposals, the director's name, content of the proposal, the reason for recusal, and the participation/voting status should be stated: Please refer to the description of point 1.
- 3.Information about the board of directors' self-evaluation frequency & period, scope, method, content, etc.

Frequency	Conducted annually
Period	2024.01.01~2024.12.31
Scope	Including performance evaluation of the Board, individual board members and functional committees
Method	Board internal self-evaluation, board members' self-evaluation, and evaluation conducted by commissioned external professional agencies (conducted every three years)
Content of Evaluation	<p>The following five aspects are included in the internal evaluation of overall Board performance/self-evaluation: A. Participation degree in the Company's operations, B. Improvement of the Board's decision-making quality, C. The Board's composition and structure, D. Selection/ appointment of directors and their continuing training, and E. Internal control and risk management. In 2024, the Company's Board of Directors received a rating of "Excellent" in its self-assessment. Compared to 2023, all self-assessment results showed improvement. In particular, there was great improvement in the self-evaluation results for the "Improvement of the Board's decision-making quality".</p> <p>Directors' self-evaluation covers the following six aspects: A. Grasp of the Company's goals and tasks, B. Awareness of a director's role and responsibilities, C. Participation degree in the Company's operations, D. Internal relationship management and communication, E. Director's professionalism and continuing training, and F. Internal control.</p> <p>In 2024, the Company's board members still received a rating of "Excellent" in the self-assessment. Compared to 2023's self-evaluation results, although there was a decrease in the "Involvement of directors in the company's operations" aspect, all other aspects either maintained the same level or showed a slight increase.</p>

- 4.Evaluation of the goals for strengthening the Board's duties and functions (e.g., setting up an Audit Committee, enhancing information transparency, etc.) and the implementation status during the given and the most recent year:
- The Company's board of directors is composed of professionals with diverse backgrounds, sufficient professional knowledge & experiences, excellent insight, and high ethical standards. In addition, the Company's chairman does not concurrently hold a managerial position of the Company. The number of independent directors was increased to five seats (more than 50% of the total number of directors) at the 2017 Shareholders' Meeting, and independent directors' independence was also judged and assessed in accordance with applicable laws and regulations. The Company has also formulated its "Regulations for Board of Directors Meetings" in accordance with the "Regulations Governing Procedures for Board of Directors Meetings of Public Companies" for relevant operations to comply with. The directors' attendance at the board meetings is entered in the Market Observation Post System, and the Board's major resolutions are also disclosed on the Company's website.
- The Company has regularly implemented the Board's performance evaluation since 2010, and has officially formulated the Measures for the Board of Directors Performance Evaluation in November 2016. Evaluation questionnaires are created every year for directors' self-evaluation and peer evaluation, and the results are then summarized and reviewed for improvement. The self-evaluation measures have also been included in functional committees' performance evaluation since October 2019. Moreover, as stipulated in Measures for the Board of Directors Performance Evaluation, the Board's performance evaluation should be conducted at least once every three years by an external professional independent institution or an external team of experts and scholars with the aim of encouraging self-improvement of the board members and enhancing the sound operations of the board. The most recent external Board performance evaluation was conducted in 2019. For the overall results, recommendations and improvement plans indicated in the externally conducted Board Performance Evaluation, please refer to the section of "Board of Directors Performance Evaluation" under the Corporate Governance option on the Company's website. As for the improvements that the Company has achieved, the appraisal and remuneration evaluation & review of the audit controller have been included in Compensation Committee's agenda since 2020, and have been implemented in accordance with Compensation Committee's meeting plans. In addition, a New Director Orientation System was formulated in 2020 to assist newly appointed directors in being familiar with the Company as well as their responsibilities and business duties. Moreover, the Company has collected and organized whistleblowing cases for Audit Committee to stay on top of whistleblowing case handling procedures in a comprehensive and real-time way. The Company's board of directors appointed Mr. Daniel Chien, Senior Vice President & Chief Financial Officer in 2020, as the Corporate Governance Officer, taking the responsibility for corporate governance-related affairs. Mr.Charles Huang, Director of Legal Division of GUC, is apponited by the board of directors as CGO starting from 2024/11/01.
- The Company is planning to gradually improve the board composition and structure to improve the Company's overall performance through the implementation of Board Diversity Policy, and to respond to the initiative advocated in "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" that the appointment of an independent director is advisably not to exceed three consecutive terms. Two of the Company's independent directors who had been appointed for

more than three consecutive terms, submitted their resignation letters on January 14, 2022, and resigned the independent-directorship on May 19, 2022. The Company elected two new independent directors at the 2022 Shareholders' Meeting. After the election, more than 50% of the Company's independent directors having served their independent-directorship for not more than three consecutive terms. 10th-term board directors, including one demale independent director, are apponinet at the 2023 Shareholders' Meeting. After the election, all the Company's independent directors having served their independent-directorship for not more than three consecutive terms.

The Company's Audit Committee has been set up since 2008, and the latest-term committee was formed in 2020 by five new independent directors. Since Dr. Cheng-Wen Wu resigned on 2024/05/15 because he will become Minister of NFCT, so current Audit and Corporate Governance Committee members are four independent directors. The Audit Committee holds at least one meeting per quarter, taking the responsibility for carrying out the fair representation of the Company's financial statements, appointment or dismissal of attesting CPAs and evaluation of CPAs' independence and performance, effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, control and management of existing or latent risks, etc. In 2024, the Company incorporated the topics of "Corporate Governance or Sustainable Development" of the 11round Corporate Governance Evaluation Indicators 2.14 into the duties of the Audit and Corporate Governance Committee and revised its organizational regulations to include corporate governance related issues in the supervision matters. The Audit and Corporate Governance Committee was renamed as the "Audit and Corporate Governance Committee" from then on.

Since self-evaluation measures were included in Audit Committees' performance evaluation in October 2019, Audit and Corporate Governance Committee examined its overall effectiveness in 2024 based on the self-evaluation questionnaire. That is, each director conducted an independent and objective evaluation of the effectiveness of the overall Audit Committee in relation to the following five aspects: participation degree in the Company's operations, awareness of committee responsibilities, decision-making quality, committee's composition and the selection/appointment of its members, internal control, etc. In 2024, the Company's Audit and Corporate Governance Committee received a rating of "Excellent" in its internal assessment. Compared to 2023, performance in the self-assessment in all aspects showed improvement.

The Company's Compensation Committee has been set up since 2010, and the latest-term committee was formed in 2020 by five independent directors. Since Dr. Cheng-Wen Wu resigned on 2024/05/15 because he will become Minister of NFCT, so current Compensation members are four independent directors. The committee takes the responsibility for the formulation and regular evaluation of the Company's overall compensation policy, formulation and regular review (at least once a year) of the policy, system, standards and structure in relation to directors' and managerial officers' performance evaluation and compensation, regular evaluation and determination of the compensation for directors and managerial officers, employee stock option plan and employee bonus plan or other employee incentive plans. Comprehensive consideration is also given to directors' and managerial officers' goal achievement rate, profit ratio, operating performance, contribution degree, etc. for the determination of fair compensation. The self-evaluation measures have also been included in Compensation Committee's performance evaluation since October 2019. In 2024, the Company's Remuneration Committee received a rating of "Excellent" in its self-assessment.

The Company established a Strategy Committee in 2022. The first Strategy Committee consists of all the Independent Directors; their term of service is from October 27, 2022 to May 18, 2023. The first Strategy Committee meeting was held on December 1, 2022, to discuss the Company's future operating strategy and policy. All members of the Committee participated in the meeting. The Committee provided many suggestions and guidance on the operational policy reported by the Company's management team; the Committee asked the management questions such as what should be done (or not be done) in the future in terms of the Company's strategic direction à business strategy à each functional unit's strategic implementation; why this needs to be (or doesn't need to be) done; and how it should be done. The Committee also asked that they formulate feasible, measurable milestones for each functional unit, to form a complete functional strategy loop. It was also decided in the first Strategy Committee meeting that the meetings shall be held at least twice a year. Within the scope of Committee's scope of authority, management, experts, and other people may be invited to attend the meetings and provide relevant information.

The second Strategy Committee was changed to be composed of all directors, with a term of service from May 18, 2023 to May 17, 2026.And Kenneth Kin, independent director, is serving as Committee convener. In 2024, sustainable development was added the Strategy Committee's list of responsibilities. The committee was hence renamed the "Strategy and Sustainable Development Committee" with a mission to strengthen the evaluation and response measures for risks related to environmental, social, and corporate governance aspects, helping the company achieve sustainable business goals. In the context of responding to changes in international affairs and market changes, the committee will pay special attention to risk factors related to global trends and actively engage in close communication and collaboration with stakeholders, including shareholders/ investors, employees, suppliers, customers, industry-government-academia-research organizations, and the general public, to ensure the feasibility and sustainability of the company's strategies.

The Committee's scope of authority includes planning and guidance on the following matters: (1)The company's growth strategy, including short-, medium- and long-term development goals and strategies.(2) Major investment and M&A plans.(3) Risk management issues.(4)Formulate the direction, strategies, and goals for corporate sustainability development. Develop related management policies and specific implementation plans.(5)Track the implementation and effectiveness of corporate sustainability development.(6)Oversee sustainability information disclosure matters and review the sustainability report.(7) Decide on other important strategic and sustainability development issues.

## (2) The state of operations of the Audit and Corporate Governance Committee

To fulfill the purpose of supervision matters, the primary duties of the Audit and Corporate Governance Committee are classified as follows:

### -The existing duties of the Audit Committee:

- Stipulation or amendment of internal control system in accordance with Article 14-1 of the Securities and Exchange Act
  - Appraisal of internal control system effectiveness
- The Audit and Corporate Governance Committee evaluates the effectiveness of the Company's internal control system, including approval authority, completeness, risk management, etc. (the scope includes but not limited to finance, operations, research and development, information security, legal compliance, and operations in relation to all stakeholders), and reviews the results of internal audits and attesting CPAs' work. In addition to regular reports made by managerial officer, for matters of high operational risks, relevant controllers/officers are also requested to make reports on the improvement status. The above content is stipulated based on the Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. The Audit and Corporate Governance Committee deemed that the Company's risk management and internal control systems were effective, and the Company had adopted necessary control mechanisms to supervise and correct noncompliance or weaknesses with opportunities for improvement.
- Formulate or revise the handling procedures for the acquisition or disposal of assets, engagement in derivative transactions, loaning of funds to others, provisions of endorsement or guarantee to others, and other significant financial or business actions in accordance with the provisions in Article 36-1 of the Securities and Exchange Act.
  - Matters involving the personal interest of directors.
  - Transactions on material assets or derivative commodities.
  - Material monetary loan, endorsement, or provision of guarantee.
  - The offer, issuance or private placement of securities of equity nature.
  - The appointment, discharge or remuneration of certified public accountants.
  - The appointment and discharge of the head of finance, accounting, or internal audit.
  - The annual financial statements signed or stamped by the chairman, managerial officers and accounting controller and the quarterly financial statements signed or stamped by the chairman, managerial officers and accounting controller, and reviewed by CPAs.
  - Business report, proposal for profit distribution or loss make-up.
  - Other significant matters stipulated by the Company or competent authorities.

### -The duties related to corporate governance

- Regularly supervise the operation of corporate governance and understand the discrepancy between operation and practice
- To supervise the implementation of Integrity Operating Procedures and Ethical Practice Code.
- Regularly review the important regulations, such as the Articles of Incorporation, the Rules and Procedures of Shareholders' Meeting, and the Rules and Procedures of Board of Directors' Meeting.
- To establish and periodical review the director training plans.
- Other matters as instructed by the Board of Directors.

Six regular Audit and Corporate Governance Committee meetings were convened in 2024. The status of attendance by independent directors was as following:

Title	Name	Attendance in person	By proxy	Attendance rate (%)	Note
Independent Director	Jesse Ding	5	1	83%	
Independent Director	Huang, Tsui-Hui	6	0	100%	
Independent Director	Ho-Min Chen	6	0	100%	
Independent Director	Kenneth Kin	5	1	83%	
Independent Director	Cheng-Wen Wu	2	0	100%	Dr. Cheng-Wen Wu resigned on 2024/05/15 because he will become Minister of NFCT.

Other matters to be recorded:

1.For matters listed in Article 14-5 of the Securities and Exchange Act and other resolutions which are not approved by the Audit Committee but approved by more than two-thirds of all directors, the board meeting date, term/session, content of proposal(s), date of Audit Committee meeting, term/session, content of proposal(s), independent directors' dissenting or qualified opinions, or content of major suggestions, Audit Committee's resolution result, and the Company's handling of Audit Committee's opinions should be stated:

Board Meeting Date/Term	Audit and Corporate Governance Committee Date/Term	Content of Proposal and Subsequent Handling	Matters listed in Article 14-5 of the Securities and Exchange Act	Resolutions that are not approved by the Audit and Corporate Governance Committee but approved by more than two-thirds of all directors
01/31/2024 4 <sup>th</sup> meeting of the 10 <sup>th</sup> term	01/31/2024 3 <sup>th</sup> meeting of the 6 <sup>th</sup> term	1. Adoption of the Company's 2023 financial statements and business report.	Yes	No
		2. Adoption of the Company's 2023 Earnings Distribution Statement.		
		3. Adoption of the Company's 2023 "Internal Control System Declaration."		
04/25/2024 5 <sup>th</sup> meeting of the 10 <sup>th</sup> term	04/25/2024 4 <sup>th</sup> meeting of the 6 <sup>th</sup> term	Audit Committee's resolution:The resolution has been agreed upon and passed by all Audit Committee members.	Yes	No
		The Company's handling of the resolution adopted by the Audit Committee: Agreed upon and passed by all the directors attending the meeting.		
		Adoption of the Company's 1st quarter 2024 financial statements		
06/06/2024 Extraordinary meeting of the 10 <sup>th</sup> Term	06/06/2024 5 <sup>th</sup> meeting of the 6 <sup>th</sup> term	Audit Committee's resolution:The resolution has been agreed upon and passed by all Audit Committee members.	Yes	No
		The Company's handling of the resolution adopted by the Audit Committee: Agreed upon and passed by all the directors attending the meeting.		
		Review of authority to the Chairman to purchase real estate for use as a server room and office, with a budget not exceeding NT\$600 million.		



Board Meeting Date/Term	Audit and Corporate Governance Committee Date/Term	Content of Proposal and Subsequent Handling	Matters listed in Article 14-5 of the Securities and Exchange Act	Resolutions that are not approved by the Audit and Corporate Governance Committee but approved by more than two-thirds of all directors
07/25/2024 6 <sup>th</sup> meeting of the 10 <sup>th</sup> term	07/25/2024 6 <sup>th</sup> meeting of the 6 <sup>th</sup> term	1.Adoption of the Company's 2 <sup>nd</sup> quarter 2024 financial statements	Yes	No
		2.Review of Amendments to Certain Provisions of the Company's Audit Committee Organizational Charter		
		Audit Committee's resolution:The resolution has been agreed upon and passed by all Audit Committee members.		
		The Company's handling of the resolution adopted by the Audit Committee: Agreed upon and passed by all the directors attending the meeting.		
10/31/2024 7 <sup>th</sup> meeting of the 10 <sup>th</sup> term	10/31/2024 7 <sup>th</sup> meeting of the 6 <sup>th</sup> term	1.Approval of the Company's 2025 audit plan and risk assessment.	Yes	No
		2.Review of the Company's 3rd 2024 financial statements.		
		3.Review of the acquisition of real estate for use as a server room and office.		
		4.Review of the renaming of the Audit Committee and the amendments to its organizational charter.		
		5.Review of the appointment of the Company's corporate governance officer.		
		Audit Committee's resolution:The resolution has been agreed upon and passed by all Audit Committee members.		
The Company's handling of the resolution adopted by the Audit Committee: Agreed upon and passed by all the directors attending the meeting.				
11/28/2024 8 <sup>th</sup> meeting of the 10 <sup>th</sup> term	11/28/2024 8 <sup>th</sup> meeting of the 6 <sup>th</sup> term	1.Review of amendments to certain provisions of the Company's Internal Control System and Internal Audit Implementation Rules.	Yes	No
		2.Review of the Company's 2025 capital expenditure plan.		
		3.Review of the fairness opinion issued by the accountants of Diwan & Company.		
		4.Review of the independence, competence (including audit quality indicators), appointment, and 2025 remuneration of the certified public accountants.		
		Audit and Corporate Governance Committee's resolution:The resolution has been agreed upon and passed by all members.		
		The Company's handling of the resolution adopted by the Audit and Corporate Governance Committee: Agreed upon and passed by all the directors attending the meeting.		
01/23/2025 9 <sup>th</sup> meeting of the 10 <sup>th</sup> term	01/23/2024 9 <sup>th</sup> meeting of the 6 <sup>th</sup> term	1.Adoption of the Company's 2024 financial statements and business report.	Yes	No
		2. Adoption of the Company's 2024 Earnings Distribution Statement.		
		3. Adoption of the Company's 2024 "Internal Control System Declaration."		
		Audit and Corporate Governance Committee's resolution:The resolution has been agreed upon and passed by all members.		
The Company's handling of the resolution adopted by the Audit and Corporate Governance Committee: Agreed upon and passed by all the directors attending the meeting.				

- 2.For recusals executed by independent directors for interest-related proposals, the independent director's name, content of the proposal, the reason for recusal, and the participation/voting status should be stated: None.
- 3.Communication among independent directors, internal audit controller and CPAs (the major events, methods and results of the communication on the Company's financial and business status should be included):

Date	Type of communication	Communication items, independent directors' opinions and subsequent handling
2024/01/31	The 3 <sup>th</sup> Session of 6 <sup>th</sup> Audit and Corporate Governance Committee term	1.The Chief Audit Officer reported on the audit items, findings, and follow-up improvements for the fourth quarter of 2023. This quarter's report focused on audits of the subsidiary in Mainland China and inventory management. The independent directors expressed their agreement with the report's content. 2.The Chief Audit Officer presented the 2023 Internal Control Statement and explained the results of the risk and internal control self-assessment. The independent directors had no objections, and the report was submitted to the Board of Directors for resolution.
2024/04/25	The 4 <sup>th</sup> Session of 6 <sup>th</sup> Audit and Corporate Governance Committee term	The Chief Audit Officer reported on the audit items, findings, and follow-up improvements for the first quarter of 2024. This quarter's report focused on the audit of the Japan subsidiary. The independent directors expressed their agreement with the report's content.
2024/07/25	The 6 <sup>st</sup> Session of 6 <sup>th</sup> Audit and Corporate Governance Committee term	The Chief Audit Officer reported on the audit items, findings, and follow-up improvements for the second quarter of 2024. This quarter's report focused on audits of information security and Board operations. The independent directors expressed their agreement with the report's content.
2024/10/31	The 7 <sup>st</sup> Session of 6 <sup>th</sup> Audit and Corporate Governance Committee term	1.The Chief Audit Officer reported on the audit items, findings, and follow-up improvements for the third quarter of 2024. This quarter's report focused on the audit of the procurement cycle. The independent directors expressed their agreement with the report's content. 2.The Chief Audit Officer reported on the assessment of the integrity of the company's internal control system. The independent directors expressed their agreement with the report's content. 3.The Chief Audit Officer proposed the 2024 audit plan, formulated based on risk assessment. The independent directors unanimously agreed and submitted it to the Board of Directors for approval.

CPAs also attend the quarterly Audit Committee meetings, and communicate and interact with independent directors on financial statement reviews or audits, or issues related to finance, taxation or internal control. Important content of the communication and interaction between independent directors and the financial controller, accounting controller, internal audit controller and attesting CPAs at Audit Committee meetings is also recorded in the Audit Committee minutes.

The communication between independent directors and CPAs in 2024 is listed in the table below:

Date	Type of communication	Communication items, independent directors' opinions and subsequent handling
2024/01/31	The 3 <sup>th</sup> Session of 6 <sup>th</sup> Audit and Corporate Governance Committee term	1.Inquired about the audit results of the consolidated and individual financial statements for 2023. 2.Inquired whether any additional audit findings were identified regarding the key audit matters in the 2023 financial statements. 3.Inquired about practical discussions on regulatory updates.
2024/04/25	The 4 <sup>th</sup> Session of 6 <sup>th</sup> Audit and Corporate Governance Committee term	1.Provided the review results of the consolidated financial statements for Q1 2024. 2.Inquired about the auditor's assessment and recommendations on other discussion matters.
2024/07/25	The 6 <sup>st</sup> Session of 6 <sup>th</sup> Audit and Corporate Governance Committee term	1.Provided the review results of the consolidated financial statements for Q2 2024. 2.Inquired about the auditor's assessment and recommendations on other discussion matters.
2024/10/31	The 7 <sup>st</sup> Session of 6 <sup>th</sup> Audit and Corporate Governance Committee term	1.Provided the review results of the consolidated financial statements for Q3 2024. 2.Inquired about the auditor's assessment and recommendations on other discussion matters.

For the details of communication over the years, please refer to the section of Corporate Governance on the Company's website.

To enhance communication between accountants and all directors, as of 2023, the Company has required its accountants to attend at least one Board meeting per year.



(3) If a compensation committee has been set up in a company, its composition, duties and operation status should be disclosed.

The Company's Compensation Committee is formed by all independent directors. The Committee holds at least one meeting per quarter, taking the responsibility for the formulation and regular evaluation of the Company's overall compensation policy.

1.Information on the members of the Compensation Committee113 年 12 月 31 日

By identity	Name	Conditions	Professional qualification and experience	Status of independence	Number of other public companies in which the individual is concurrently serving as Compensation Committee
Independent Director	Ho-Min Chen (Convener)				3
	Jesse Ding		Please refer to Disclosure of Professional Qualifications of Directors and Independence of Independent Directors on page 18 for annual report		1
	Huang, Tsui-Hui				0
	Kenneth Kin				1

2. Information on the function of Compensation Committee

- (1) The Compensation Committee of the Company is consisted of 4 members.
- (2) The term of office of the current committee members: May 18, 2023 to May 17, 2026. The Compensation Committee held 4 meetings (A) in the most recent year. The eligibility and attendance of the members are listed in the table below:

Title	Name	Attendance in person ( B )	By proxy	Attendance rate (%) (B/A)	Note
Convener	Ho-Min Chen	4	0	100%	
Committee	Kenneth Kin	3	1	75%	
	Jesse Ding	4	0	100%	
	Huang, Tsui-Hui	4	0	100%	
	Cheng-Wen Wu	2	0	100%	Dr. Cheng-Wen Wu resigned on 2024/05/15 because he will become Minister of NFCT.

- Other matters to be recorded:
1. Scope of Compensation Committee's duties: To establish and periodically review (at least once a year) the policies, systems, standards, and structure for evaluating the performance and determining the compensation of directors and executives. The performance evaluation and compensation of directors and executives should be determined with reference to industry standards and consider factors such as the individual's time commitment, responsibilities, achievement of personal goals, performance in other roles, and the compensation given to individuals in equivalent positions in recent years. Additionally, it should assess the rationality of the correlation of individual performance with the Company's operational performance and future risks relative to the Company's attainment of short-term and long-term business objectives.
2. If the Board of Directors does not accept or amends the suggestions made by the Compensation Committee, the board meeting date, term/session, content of proposal(s), the board's resolution result, and the Company's handling of Compensation Committee's opinions should be stated (for example, if the remuneration approved by the Board is better than that suggested by Compensation Committee, the difference and its reason(s) should be stated): None.
3. If any of the members has a dissenting or qualified opinion on Compensation Committee's resolutions, and such opinion has been recorded or declared in writing, the Compensation Committee meeting date, term/session, content of proposal(s), opinions of all members, and the handling of the members' opinions should be stated: None.
4. Compensation Committee's discussion and resolution result, and the Company's handling of members' opinions:
- (1) The Compensation Committee met four times in 2024: 01/31, 04/25, 07/25, and 10/31. Matters discussed included:
- I.Reports on employee compensation
- II.Yearly reward (profit-sharing) totals
- III.Employee reward proposal
- IV.Management salaries, compensation, and long-term incentive scheme
- V.Chief internal auditor salary and compensation
- VI.Director remuneration and compensation
- VII.Discussion of director and management salary and compensation policy, system, structure, and standards
- The Compensation Committee reviewed and approved of all matters listed above.
- (2) Instances of Board of Directors declining to adopt or modifying a recommendation of the Compensation Committee: None.
- (3) Any Compensation Committee member's dissenting or qualified opinion that is on record or stated in a written statement with regard to any resolution of the Compensation Committee: None.

(4) Status of Corporate Governance as required for company, and any nonconformity to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Items for evaluation	Implementation Status		Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	
1. Has the Company established and disclosed its corporate governance practices based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has formulated its "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". The relevant content has been disclosed on the Company's website and in the Market Observation Post System after being approved by the board of directors.
2. Equity structure and shareholders' equity			The Company has formulated Rules of Procedure for Shareholders' Meetings, and has set up a spokesperson and deputy spokesperson system in accordance with relevant regulations. Dedicated personnel are also assigned to deal with issues related to investor relations and shareholders' suggestions, doubts, disputes, litigation, etc. The contact and E-mail information about investor relations processing is also available on the Company's website.
(1) Has the Company instituted an internal procedure for handling suggestions, questions, disputes of the shareholders and legal actions, and comply with the procedure properly?	V		The Company has commissioned a stock agency to regularly update shareholders' register and major shareholders' register for the Company to fully stay on top of the lists of its major shareholders and major shareholders' ultimate controllers.
(2) Has the Company kept track on the major shareholders roster of the Company and the parties controlling these shareholders?	V		The financial business affairs between the Company and its affiliates are independent of each other. "Operational Measures for Supervision of Subsidiaries", "Operational Measures for Corporate Group, Specified Company and Interested Party Transactions", "Internal Control System", "Internal Audit System", etc. have been formulated to establish risk control and firewall mechanisms between the Company and its affiliates.
(3) Has the Company established and implemented the risk control mechanism and firewall between the corporate headquarters and the affiliates?	V		The Company has formulated "Operating Procedures for Ethical Management & Business Code of Ethics" to prohibit any of the Company's insiders from using undisclosed information on the market for securities trading.
(4) Has the company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	V		

Items for evaluation	Implementation Status		Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	
3. Composition and Responsibilities of the Board of Directors			
(1) Has the Board established a diversity policy for the composition and specific management goals of its members and implemented it accordingly?	V		<p>To reinforce corporate governance and promote sound development of board composition and structure, the capabilities that the board of directors should possess as specified in Article 20 of the Company's "Corporate Governance Code"</p> <p>GUC's current board of directors consists of nine directors. Five of them, accounting for more than 50%, are the Company's independent directors, and the relationship of spouses or relatives by blood within the second degree of relationship do not exist among the directors. Moreover, only one director is taking the Company's managerial officer position, i.e. Mr. Sean Tai, one of the juristic-person directors' representatives, concurrently serving as the Company's president. 10th-term board directors, including one demale independent director, are apponinet at the 2023 Shareholders' Meeting. After the election, all the Company's independent directors having served their independent-directorship for not more than three consecutive terms.</p> <p>The independent director, Dr Wu, resigned on May 15, 2024, to assume the role of Minister of the National Science and Technology Council (NSTC). A new independent director will be appointed through a by-election held among appropriate candidates.</p> <p>In order to implement the Company's guidelines for Board diversity, the directors being appointed all have their own backgrounds in professions such as legal, accounting, industry, finance, marketing/R&amp;D, technology, business management, professional skills, industrial experiences, etc. (Please refer to page of this Annual Report for directors' information.)</p> <p>The diversity goals for the future include but are not limited to the following two aspects/standards:</p> <p>1. Basic conditions and values: gender, age, nationality, culture, etc. One female director was elected in the by-election in 2023 shareholders' meeting. In the future, at least one female director seat will be reserved and long-term female seat target is one-third of all board members. And the age criteria will be planned to achieve a balanced structure.</p> <p>2. Professional knowledge and skills: professional backgrounds (such as legal, accounting, industry, finance, marketing or technology), professional skills, industrial experiences, etc.</p> <p>3. To keep indenpendence, more than three consecutive terms of independent directors will be avoided.</p>

Items for evaluation	Implementation Status		Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEx Listed Companies and reasons
	Yes	No	
(2) Further to the establishment of the Compensation Committee and the Auditing Committee, has the Company voluntarily established other functional committees?	V		<p>The Company established a Strategy Committee in 2022. The first Strategy Committee consisted of all the independent directors; their term of service was from October 27, 2022 to May 18, 2023. The first Strategy Committee meeting was held on December 1, 2022, to discuss the Company's future operating strategy and policy. All members of the Committee participated in this meeting. The Committee provided many suggestions and guidance on the operational policy reported by the Company's management team. The Committee asked the management questions such as what should be done (or not be done) in terms of the Company's strategic direction, business strategy as well as each functional unit's strategic implementation. The Committee also asked that each functional unit formulate feasible, measurable milestones to form a complete functional strategy loop. It was also decided in the first Strategy Committee meeting that the meetings shall be held at least twice a year. Within the scope of Committee's scope of authority, management, experts, and other people may be invited to attend the meetings to provide relevant information.</p> <p>In the second Strategy Committee, the members were changed to comprise of all directors, with a term of service from May 18, 2023 to May 17, 2026 and with Kenneth Kin, independent director, serving as the Committee convener.</p> <p>In 2024, sustainable development was added the Strategy Committee's list of responsibilities. The committee was hence renamed the "Strategy and Sustainable Development Committee" with a mission to strengthen the evaluation and response measures for risks related to environmental, social, and corporate governance aspects, helping the company achieve sustainable business goals. In the context of responding to changes in international affairs and market changes, the committee will pay special attention to risk factors related to global trends and actively engage in close communication and collaboration with stakeholders, including shareholders/investors, employees, suppliers, customers, industry-government-academia-research organizations, and the general public, to ensure the feasibility and sustainability of the company's strategies.</p> <p>The Committee's scope of authority includes planning and guidance on the following matters: (1)The company's growth strategy, including short-, medium- and long-term development goals and strategies. (2)Major investment and M&amp;A plans. (3)Risk management issues. (4) Formulate the direction, strategies, and goals for corporate sustainability development. Develop related management policies and specific implementation plans.(5) Track the implementation and effectiveness of corporate sustainability development. (6) Oversee sustainability information disclosure matters and review the sustainability report.(7)Decide on other important strategic and sustainability development issues.</p>

Items for evaluation	Implementation Status		Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEx Listed Companies and reasons
	Yes	No	
(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the Board, and used such as a reference for individual director remuneration and renomination?	V		<p>The Company has established a Board's performance evaluation system. The Board of Directors approved the "Measures for Directors' Performance Evaluation" in November 2016, and approved the "Performance Evaluation System for New Functional Committees" in October 2019 to encourage the Board and functional committee members' self-invigoration, thereby enhancing the operational effectiveness of the Board and functional committees. The Board's self-evaluation and the directors' self-evaluation of 2024 were conducted in the fourth quarter of 2024, and the evaluation results were submitted to the Board in the first quarter of 2025. Suggestions for improvement have been made for aspects that can be strengthened. The evaluation of the Company's Board of Directors attained the result of "Excellent" in 2024. For detailed information, please refer to the section of Corporate Governance on the Company's website.</p> <p>The external Board's performance evaluation is conducted at least once every three years by an external professional independent institution or an external team of experts and scholars, and the annual performance evaluation of the year is conducted at the end of the year. At the end of 2022, the Company entrusted the external agency "Taiwan Corporate Governance Association" to conduct the Board's operational effectiveness evaluation for the period from November 1, 2021 to October 31, 2022. The evaluation report completed by the association was presented on December 12, 2022. For the overall review comments and recommendations given by the association, please refer to the section of Corporate Governance on the Company's website. A report of the evaluation results and improvement plans was made by the Company at the Board meeting on February 2, 2023. For detailed information, please refer to the section of Corporate Governance on the Company's website.</p>
(4) Has the Company evaluated the independence of the commissioned certified public accountants regularly?	V		<p>The Company held the 8rd meeting of the sixth-term Audit Committee on Nov 28, 2024. Review of CPA independence, competence (including performance), and appointment, as well as of the 2025 remuneration proposal, was done in accordance with the Audit Quality Indicator (AQI) information and other non-quantitative indicators provided by the CPA. The resolutions adopted by the Audit Committee were reported to a meeting of the board of directors on the same day, where the resolutions were passed. The Company's Audit Committee and board of directors evaluations included the five major dimensions of professionalism, quality control, independence, supervision, and innovation, as well as 13 indicators. Other non-quantitative indicators mainly focused on evaluating whether the CPA was in compliance with the Certified Public Accountant Act, Article 6 and the ARDF's Statements on Audit Standard Nos. 46, 58, 62, and 64.</p>



Items for evaluation	Implementation Status		Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEx Listed Companies and reasons
	Yes	No	
			<p>The Company has required attesting CPAs to provide a "Declaration of Independence" on a yearly basis since 2014. At the same time, the Company's Accounting Department also assesses attesting CPAs' compliance with the Company's independence standards (please refer to Note 1) to ensure their eligibility for serving as the Company's attesting CPAs. When the Board discusses attesting CPAs' independence and appointment, the CPAs' personal résumés (detailing the CPAs' past and current clients) and each CPA's "Declaration of Independence" (not in violation of Bulletin No.10 of Norm of Professional Ethics for Certified Public Accountant of the Republic of China) are also provided for the Board to discuss and evaluate their independence.</p> <p>The most recent evaluation was approved by the Audit Committee at the meeting on Nov 28, 2027, which was then submitted to the Board and was approved at the board meeting held on the same day.</p>
4. Does the TWSE/TPEx Listed Company have an appropriate and appropriate number of corporate governance personnel, and has the Company designated a Corporate Governance Senior Officer to deal with corporate governance related affairs (including, but not limited to, providing directors and supervisors with information required for the execution of their duties; assisting directors and supervisors in complying with the laws and regulations; conducting board meeting and shareholders' meeting related matters; and preparing the minutes for board meetings and shareholders' meeting in accordance with the law, etc.)?	V		<p>Since 2020/07/30, Corporate Governance Officer (CGO) was appointed by the board of directors to take the responsibility for corporate governance-related affairs and handling relevant reporting and filing operations. Mr.Charles Huang, Director of Legal Division of GUC, is apponited by the board of directors as CGO starting from 2024/11/01, and this information has been reported to the Market Observation Post System as required. For the overview of the Officer's business implementation and continuing training, please refer to the section of Corporate Governance on the Company's website. Moreover, seven personnel from the Finance Division, Legal Division, Internal Audit and Human Resources Division has formed a "Corporate Governance Working Group", taking the responsibilities for the corporate governance related affairs, including providing the information required for directors to carry out business activities, assisting directors in complying with laws and regulations, handling matters related to board meetings and shareholders' meetings in accordance with laws, dealing with company registration and change registration, making minutes of board meetings and shareholders' meetings, assisting board of directors in strengthening its functions &amp; capabilities, preserving stakeholders' rights &amp; interests and implementing equal treatment of shareholders, etc.</p>

Items for evaluation	Implementation Status		Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEx Listed Companies and reasons
	Yes	No	
5. Has the Company established a communications channel and established a designated zone on its website for stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers), and has the Company properly responded to all CSR issues such stakeholders are concerned with?	V		No major difference
6. Has the Company appointed a professional shareholder services agent to deal with shareholder affairs?	V		No major difference
7. Disclosures			No major difference
(1) Has the Company established a website for the disclosure of Company's financial and business, and corporate governance?	V		<p>The Company has set up "Investors Section" and "ESG" in both Chinese and English on its website, which cover the status of the Company's financial/business, corporate governance, and implementation of corporate social responsibility.</p>
(2) Has the Company adopted other means of disclosures (e.g., the installation of a website in English language, appointment of designated persons for the gathering and disclosure of information, the proper implementation of the spokesman system, and the minutes of the investor conference on record posted on the website)?	V		<p>The Company's Finance Division is responsible for the Company's information collection and disclosure. The Spokesperson and Deputy Spokesperson are also set for information disclosure. In addition, the Company's information about finance/business is disclosed in the "Market Observation Post System" on a regular or an irregular basis in accordance with corresponding regulations. Moreover, there is an Investor Relations section on the Company's website (in both Chinese and English), which fully discloses information related to the Company's finance/business, investor briefings (including information and video recordings of investor briefings) and corporate governance, providing shareholders and the general public with access to the Company's information. The Company was ranked within top 5% of the listed companies for its Corporate Governance Evaluation from the 1st to the 7th, and 9th Corporate Governance. . In the eighth evaluation, GUC slipped to the 6% to 20% range, but it regained a top 5% ranking in the ninth and tenth evaluations.</p> <p>The Company's annual financial statements, the Q1, Q2 and Q3 financial statements as well as the monthly operation reports are all announced prior to the specified deadlines.</p>

Items for evaluation	Implementation Status		Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEx Listed Companies and reasons
	Yes	No	
(3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year? Does the Company announce and report the first, second, and third quarter financial reports and the monthly operating conditions well in advance of the required deadlines?	V		
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including, but not limited to, employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, status of directors' continuing education, implementation of risk management policies and risk assessment criteria, implementation of customer related policies, and purchase of liability insurance for directors and supervisors by the Company)?	V	Please refer to note 2 for the explanation.	No major difference
9. State of corrective action taken for responding to the results of the corporate governance assessment announced by Taiwan Stock Exchange Corporation in the Corporate Governance Center the most recent fiscal year, and the priority for improvement on issues pending further corrective action and related measures. The Company's prioritized improvement measures for items that did not score in 2024 Corporate Governance Preliminary Evaluation:			
Content of evaluation indicators		Improvement objects and measures	
Has the Company disclosed its policies regarding the connection between senior executives' ESG-related performance assessment results and their remuneration?		The Company disclosed its policies regarding the connection between senior executives' ESG-related performance assessment results and their remuneration on the corporate website and in the current year's annual report. Please refer to Note 3 for details.	

Note 1: CPAs' independence evaluation criteria

Items for Evaluation	Evaluation Result	Compliance with Independence
1. Does/do the CPA and/or his/her spouse and dependent relative(s) have any direct or significantly indirect financial interest relationship with the Company?	No	Yes
2. Does/do the CPA and/or his/her spouse and dependent relative(s) have any business relationship that affects the CPA's independence with the Company's directors and managerial officers?	No	Yes
3. During audit periods, does/do the auditing CPA and/or his/her spouse and dependent relative(s) serve as the Company's directors/managerial officers, or hold positions with direct and significant influence on the auditing?	No	Yes
4. Does the auditing CPA have a spouse, lineal blood relative, immediate affinity or collateral relative by blood within the second degree relationship with any of the Company's directors/managerial officers?	No	Yes

Note 2: Other important information for the understanding of the Company's corporate governance status:

## 1. Employees' rights and interests, employee care, investor relations, supplier relationship, and stakeholders' rights

The Company has made considerable investment in employee benefits & work rights and investor relations. It is hoped that the Company's successful business philosophy can be shared with the public through the Company's participation in various activities. Meanwhile, the Company spares no effort in cultivating talents of expertise for society by continuing the research, development and innovation for high-tech processes or technologies.

In terms of employees' rights & interests and employee care, the Company takes relevant government laws and regulations such as Labor Standards Act, Act of Gender Equality in Employment, Sexual Harassment Prevention Act, etc. as benchmarks for the formulation of personnel management regulations to protect employees' rights and interests. In addition to the announcement and implementation of the said regulations, labor-management meetings are regularly held to facilitate effective communication. Moreover, "Employee Welfare Committee" has been set up, and funds are allocated on a monthly basis for organizing regular activities to enhance employees' welfare. Detailed benefits programs and budget planning are carried out every year, including gift vouchers for festivals, health-promotion and leisure activities for employees, family days, local/overseas tours, wedding and funeral subsidies, hospitalization subsidies for employees and their families, prizes for year-end parties, health check, labor/health/group insurance, etc. The Company's comprehensive employee benefits have been recognized by Ministry of Labor, Executive Yuan, making the Company one of the Friendly Workplace Award winners. Additionally, the Company also received the "Health Promotion - Health Management Award" granted by Health Promotion Administration of the Ministry of Health and Welfare under Executive Yuan" as a recognition for the Company's excellent performance in creating a healthy workplace.

In terms of investor relations, the Company has set up a dedicated Investor Relations Department to act as a communication bridge between the Company and investors for investors to fully and promptly understand the Company's business achievements/performance and long-term operational strategies/direction, thereby providing investors, analysts and domestic/international professional investment institutions with the best services.

In regards to supplier selection, the Company continues to promote green procurement by requiring raw material suppliers to provide declarations guaranteeing that their products do not contain prohibited substances that are harmful to the environment, and thus the Company can ensure that its products comply with customers' and the European Union' electronic product requirements regarding Restriction of Hazardous Substances (RoHS). The Company also reinforces suppliers' positive influence on society and the environment, and communicates with suppliers on a regular basis every year.

With respect to stakeholders' rights, the Company has created a Stakeholder section on its website, and has set up Independent Director's Mailbox to establish a direct communication channel between the Company and employees, shareholders and stakeholders for the protection of stakeholders' rights.

## 2. Continuing studying status for directors and independent directors

Continuing studying status for directors and independent directors of this Company in 2024 is as follow:

Title	Name	Date of Advanced study	Organized by	Course Name	Number of Hours
Chairman	F.C. Tseng	113/04/25	Securities and Futures Institute	Protection of Trade Secrets	3
		113/11/25	Taiwan Corporate Governance Association	High-tech Information Security Risk Management	3
Director	L.C.Lu	113/07/26	Taiwan Corporate Governance Association	Based on TIPS – What an Enterprise should do to Prevent and Control Intellectual Property Risks	3
		113/09/06		The Strategic Thinking about Reorganization of Group Companies	3
	Sean Tai	113/04/25	Securities and Futures Institute	Protection of Trade Secrets	3
		113/09/30	TWSE	Summit on Strengthening Taiwan's Capital Market	3
	Wendell Huang	113/08/13	Taiwan Corporate Governance Association	Cybersecurity Risk Management	1.5
		113/11/12		Compliance with Antitrust and Competition Regulations	1.5
		113/11/14	Greater China Financial and Economic Development Association	Global Political and Economic Analysis After the US Presidential Election	3
	Huang, Tsui-Hui	113/07/03	TWSE	2024 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Jesse Ding	113/04/25	Securities and Futures Institute	Protection of Trade Secrets	3
		113/08/08		How Directors and Supervisors can Oversee the Company's Implementation of Enterprise Risk Management and Crisis Handling	3
	Ho-Min Chen	113/04/25	Securities and Futures Institute	Protection of Trade Secrets	3
		113/08/02	The Business Development Foundation of the Chinese Straits	Discussing Positive Growth of Enterprises from a COP28 Perspective	3
				Sustainability Equals Innovation: Value Management Trends Under the Net Zero Challenge	3
	Kenneth Kin	113/04/25	Securities and Futures Institute	Protection of Trade Secrets	3
		113/11/25	Taiwan Corporate Governance Association	High-tech Information Security Risk Management	3

## 3. Business Implementation and Continuing studying status for the Corporate Governance Officers

Since 2020/07/30, Corporate Governance Officer (CGO) was appointed by the board of directors to take the responsibility for corporate governance-related affairs and handling relevant reporting and filing operations. Mr.Charles Huang, Director of Legal Division of GUC, is apponited by the board of directors as CGO starting from 2024/11/01, and this information has been reported to the Market Observation Post System as required. For the overview of the Officer's business implementation and continuing training, please refer to the section of Corporate Governance on the Company's website.

4. Risk management policy, implementation of risk assessment criteria, and implementation of consumer/customer protection policy: The 《Risk Management Policy》 was approved by the Company's Board of Directors in 2010, serving as the highest guidelines for the Company's risk management. All management units regularly conduct evaluation and review of risk items, and report the evaluation results to Operation Management Risk Committee. The president will then summarize major risk items and report them to the board of directors on a regular basis. For risk management scope and the 2024 operation status, please refer to the section of Corporate Governance on the Company's website.

5. The Company's purchases of liability insurance for directors: The Company purchases liability insurance for directors every year. The insured amount in 2024 was NT\$450,000,000, and the insured period was April 28, 2024 to April 28, 2025. Relevant information is also available in the Market Observation Post System.

## Note 3: ESG-related Performance Evaluation Items for Managers

The individual salary and remuneration of the Company's senior managers, including the president, vice president, and other executives in equivalent positions, is correlated with ESG performance (proportions vary by unit). Implementation is reflected in the Company's Performance Management & Development (PMD) system. The details are as follows:

1. KPI Goal Setting: At the end of each year, when senior managers set the following year's KPI goals, they are required to include a certain proportion of ESG management targets according to their own areas of responsibility. The set targets are reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.
2. Performance Appraisal: For the end-of-year performance appraisal, senior managers conduct self-assessments based on the aforementioned targets and submit their ESG management results to their respective unit directors for review. The results are then reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.
3. Bonus and Reward System: The salaries and remuneration of senior managers are highly correlated with their performance. At the beginning of each year, the annual bonuses and rewards of individual senior managers are assessed and calculated based on the previous year's performance reports. The results are submitted to their respective unit directors for review, then reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

Taking 2024 as an example, the specific ESG performance contributions of several senior managers are as follows:

Example A:

- (1) Constructed a supplier greenhouse gas (GHG) survey platform, which was launched online in Q2.
- (2) Achieved 100% signing rate of the Supplier Code of Conduct and 100% completion rate of the Supplier ESG Sustainability Management & Risk Assessment Questionnaire.
- (3) Manufacturing process optimization: Achieved 100% transition from ink marking to laser marking and 100% adoption of lead-free bumps and BPA-free substrates.
- (4) Optimized local procurement, reaching 82.4% (target: 80%).

Example B:

- (1) GUCle technology achieved the best power performance in the industry.
- (2) Achieved 15% reduction in power consumption and 20% reduction in product area through evolution of each manufacturing process node from 12 nm to 5 nm.
- (3) Introduced low-power and manufacturing process improvement technologies into the long-term R&D technology roadmap to reduce carbon emissions of upcoming products.

Example C:

- (1) The ESG report was recognized with the TCSA Gold Award.
- (2) The Dow Jones Sustainability Indices (DJSI) score improved to 64 points, establishing the Company's leadership within Taiwan's IC design industry.
- (3) The 2050 Net-Zero (net zero emissions) plan was validated by SBTi.

The aforementioned contributions were all included in the annual performance reports of senior managers and used as a basis for calculating annual bonuses and rewards. The results were then reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.



(5) Implementation of Sustainable Development Promotion:

Items for evaluation	Implementation Status			Any difference from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such difference
	Yes	No	Summary	
1. Has the company established a governance structure to promote sustainable development, and set up a dedicated (or non-dedicated) unit to promote sustainable development, relevant affairs of which are handled by senior managerial officer under the Board's authorization and supervision?	V		<p>The Company's Corporate Social Responsibility Promotion Committee was established in 2015 and restructured to form the Sustainable Development Committee in 2021. In 2024, the function of sustainable development was incorporated into the Company's Strategy Committee, which was then renamed the Strategy and Sustainable Development Committee. These changes aimed to strengthen the Company's assessment and response measures for environmental, social, and corporate governance risks, thereby enabling the Company to achieve its sustainable operations goals.</p> <p>The Strategy and Sustainable Development Committee currently oversees the Company's sustainable development. An ESG Committee has also been established, with Director and President Sean Tai serving as the chair and representatives from various departments serving as committee members. The ESG Committee is divided into various functional groups, whose operations include implementing the resolutions of the Strategy and Sustainable Development Committee, monitoring international sustainable development trends, and leading members of various functional organizations to formulate sustainable development plans in accordance with international standards and regulations. The ESG Committee strives to understand stakeholders' needs as a means to identify material environmental, social, and corporate governance issues and related risks. The committee adapts to and mitigates the operational impacts of material issues such as climate change, and it designs application strategies and implementation plans, which are reviewed by the Board of Directors and used to guide the Company's ESG development trajectory.</p> <p>The ESG Committee reported to the Board of Directors on sustainable development issues four times in 2024: on January 31, May 16, July 25, and November 28. The topics were as follows:</p> <p>(1)Risk assessment and goal setting for sustainable development</p> <p>(2)Request for the Board of Directors to review and approve the 2023 ESG Report</p> <p>(3)Sustainable development implementation status in 2024</p> <p>(4)Stakeholder survey results and identification of material topics</p>	No major difference

Items for evaluation	Implementation Status			Any difference from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such difference
	Yes	No	Summary	
2. Did the company conduct risk assessment of environmental, social and corporate governance issues for its operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<p>The 《Risk Management Policy》 was approved by the Company's Board of Directors in 2010, serving as the highest guidelines for the Company's risk management. All management units regularly conduct evaluation and review of risk items, and report the evaluation results to Operation Management Risk Committee. The president will then summarize major risk items and report them to the board of directors on a regular basis.</p> <p>In the process of business operations/management, the Company adopts prevention and control measures for possible risks, and creates relevant alert mechanisms.</p> <p>In addition, the Company also conducts assessments of risks in relation to the Company's operations in accordance with the materiality principle as a reference basis for the Company's risk management and operational strategies. With effective risk identification, assessment and control, the Company's risks arising from business activities can be controlled within an acceptable range.</p> <p>The Company's risk management scope includes "Intellectual Property Management Plan", "Information Security Risk", "Contract Risk", "Product Quality and Competitiveness Risk", "Climate Change and Emergency Response for Environmental Risk Management", "Operational Risk", etc.</p> <p>The Operation Management Committee holds two meetings every month. Units included in the Committee give presentations about the implementation of operation plans, and report on the risk control status of relevant duties as well as evaluate latent risks and provide countermeasures. Major risks that will affect operation plans will be summarized, and then be reported to the board of directors by Operation Management Committee's chairperson.</p> <p>In 2024, the Company's division-level units had reported to Operation Management Committee on the risk control status of relevant duties based on the annual plan. The Company's president also reported on the Company's mid-/long-term plans and critical latent risks as well as countermeasures against them at the board meeting on 2024/01/31. Moreover, the Company's management team also reported on the Company's risk management strategies in relation to information security risk management, contract risk management policy, intellectual property management plan, etc. at the board meeting on 2024/10/31.</p> <p>And The Company established a Strategy Committee in 2022/10/27. The Committee's (now Strategy and Sustainable Development Committee) scope of authority includes Risk management issues.</p>	No major difference

Items for evaluation	Implementation Status		Any difference from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such difference
	Yes	No	
3. Environmental Issues			No major difference
(1) Has the Company established an appropriate environmental management system in accordance with its industrial characteristics?	V	In May 2022, the Board of Directors resolved to formally incorporate ESG into managers' subsequent annual KPIs. Additionally, the Company has maintained the environmental management system's existing ISO certification and incorporated sustainability policies into the new ISO system. The Company has made long-term plans for renewable energy use and carbon emissions reduction; set SBTi targets and submitted a commitment letter; conducted regular greenhouse gas inventories and tracked carbon emissions data every year based on the carbon reduction path; employed energy conservation, carbon reduction, and the use of green energy to reduce environmental damage; planned a specific carbon reduction path; and committed to achieving the net zero target by 2050. For more information on the Company's environmental management objectives and performance, please refer to page 97 of the Company's 2023 ESG Report.	
(2) Has the Company made effort to enhance the resources efficient use and used regenerated materials to mitigate the impact on the environment?	V	As a global citizen, the Company is committed to carbon emission reduction and sustainable energy use. To align with the Company's established SBTi carbon reduction targets, green electricity procurement was initiated in 2023, and existing equipment was upgraded or replaced with energy-efficient models. Additionally, to further reduce carbon emissions and do its part to mitigate global warming and environmental pollution, the Company will install solar photovoltaic systems for self-consumption based on continuous evaluation of size, location, regulatory compliance, and safety of each office.	
(3) Has the Company assessed the potential current and future risks and opportunities from climate change for the Company, and has the Company taken measures to address climate-related issues?	V	Additionally, the Company is actively responding to climate change by implementing action plans to reduce natural resource consumption. These plans include improving product energy efficiency within the core business, green supply chain management, raw material and waste management, reducing product packaging and promoting recycling, transitioning to cloud-based offices, lowering carbon dioxide levels at the corporate headquarters, and enhancing energy usage efficiency.	
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total volume of waste materials for the past two years, and has the Company formulated policies for greenhouse gas reduction, water use reduction, and other waste management?	V	Regarding the evaluation of climate change-related issues, the executive secretary of the Company's Sustainability Committee regularly reports to the Board of Directors on responses to climate change risks. The Board of Directors reviews these responses and provides instructions accordingly. For further information about the potential risks and opportunities associated with climate change, as well as mitigation measures, please refer to pages 98–102 of the Company's 2023 Sustainability Report.	

Items for evaluation	Implementation Status		Any difference from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such difference
	Yes	No	

Items for evaluation	Implementation Status		Any difference from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such difference
	Yes	No	
(2) Has the Company established and implemented reasonable employee benefit measures (including compensation, leave, and other benefits), and are operational performance and results appropriately reflected in employee compensation?	V		No major difference
(3) Has the Company provided a safe and health work environment for the employees, and provided education on labor safety and health regularly?	V		No major difference

Items for evaluation	Implementation Status		Any difference from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such difference
	Yes	No	
(4) Has the Company established the training program for the effective planning of career development for the employees?	V		No major difference
(5) Does the Company comply with laws, regulations, and international standards when managing customer health and safety, customer privacy, and marketing and labeling of products and services and relevant issues? Has the Company established a policy and complaint procedure to protect consumer rights?	V		No major difference
(6) Has the Company established a supplier management policy that requires suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights issues? Has the Company established an implementation method for such?	V		No major difference
5. Does the Company refer to internationally standards/guidelines in the preparation of its reports, such as Sustainability Report, that disclose non-financial information? Has the Company obtained a third-party verification or assurance opinion on previously-disclosed reports?	V		No major difference



Items for evaluation	Implementation Status		Any difference from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such difference
	Yes	No	
6. If the company has its own sustainable development best practice principles formulated in accordance with the "Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operations and the said principles: The Company's board of directors approved the "Corporate Social Responsibility Best Practice Principles" in February 2015 as a guiding principle for long-term CSR promotion, and will amend the Company's "Corporate Social Responsibility Best Practice Principles" into "Sustainable Development Best Practice Principles" based on the revised "Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" at the Board meeting in April 2022. There is no difference between the actual operations and the said principles. Please refer to the Company's 2023 Sustainability Report for detailed information about the operation status.			
7. Other important information for the understanding of the Company's promotion/implementation of sustainable development:  For more information about the Company's sustainable development operation status, please refer to the section of Sustainable Development on the Company's website.			

## (6) Climate-related Information

Aspect	Implementation
1. Oversight and governance of climate-related risks and opportunities by the Board of Directors and management	<p>We have established an ESG (Environmental, Social, Governance) Committee and a Net-Zero Committee, both led by President Sean Tai (who also serves as a director of the Company). These committees assist in promoting corporate sustainability and climate change-related management initiatives. An executive secretary is appointed to regularly report the annual ESG goals and progress or outcomes of climate change risk improvement to the Board of Directors.</p> <p>At the beginning of each year, the Board of Directors reviews the ESG implementation progress of the previous year and formulates ESG implementation goals for the current year. Additionally, the Company signed the Science-Based Targets initiative (SBTi): Aligned with the 1.5° C pathway and with 2022 set as the base year, the Company has pledged to reduce Scope 2 and Scope 3 GHG emissions by 42% and 25%, respectively, by 2030, and total GHG emissions by 90% by 2050. The Board of Directors will periodically review the implementation of the carbon reduction goals. Moreover, to ensure that the Board of Directors has a clear understanding of ESG and climate governance issues and is aware of the latest developments, external experts will be invited to present lectures to the Board of Directors when necessary.</p> <p>To mitigate the impact of climate change, we have established a cross-departmental TCFD Task Force under the coordination of the Net-Zero Committee. This task force brings together senior executives from various units for cross-departmental communication. They consider climate change issues, the Company's characteristics, as well as its relationship with the supply chain, and refer to the transition risk, physical risk, and opportunity categories under the TCFD framework to identify significant risks and opportunities. Subsequently, they apply different scenario analyses and assessments to develop response strategies that mitigate potential financial losses due to risks and, in some cases, turn challenges into opportunities, creating greater benefits for the Company.</p>
2. How identified climate risks and opportunities affect the business, strategy, and finances of the enterprise in the short, medium, and long term	<p>Based on the results of the risk and opportunity matrix, we have identified GUC's risks and opportunities for the short, medium and long term, initially selecting a total of five transition risks, three physical risks, and three climate opportunities. After further consideration by the cross-departmental TCFD Task Force and external experts, and taking the Company's characteristics as well as its relationship with the supply chain into account, we removed and consolidated the risks and opportunities to identify two significant transition risks and two significant climate opportunities. Please refer to page 13 of the 2023 TCFD Status Report on the GUC website for more on this. For the impacts on GUC's business, strategies, and finances, please refer to pages 14 to 22 of the 2023 TCFD Status Report on the GUC website.</p>
3. The financial impacts of extreme weather events and transformation actions	<p>The Company outsources production to Taiwan Semiconductor Manufacturing Company (TSMC). The risk of typhoons, floods, or droughts affecting the physical operating facilities of GUC is low; the cost of such risks can be transferred through insurance. TSMC conducts its own assessment of drought/flood risks in manufacturing facilities and develops and implements risk mitigation measures; TSMC has also established a comprehensive water monitoring mechanism and emergency response procedures, which undergo regular drills.</p> <p>Physical risks were not identified as significant risks in the present assessment, but preventive risk assessments were still conducted through the following scenarios: In the RCP8.5 scenario of extremely high greenhouse gas emissions, the probability of future flooding disasters, extreme high temperatures, and an increased number of consecutive rainless days is expected to rise; given this, what is the impact of flood risk and extreme high temperature and drought risk on operations at the Company's headquarters? The assessment results indicate that the risk of flooding will not affect GUC headquarters, and extreme high temperatures and drought will not threaten operations. For the assessment process and details, please refer to pages 17 to 18 of the 2023 TCFD Status Report on the GUC website.</p>
4. How the identification, assessment, and management of climate risks are integrated into the overall risk management system	<p>The Board of Directors approved the Company's "Risk Management Policy" in 2010, which serves as the highest guiding principle for risk management within the Company. Various management units conduct regular assessments and reviews of risks and report the assessment results to the Operation Management Risk Committee. The significant risks are then summarized by the President and reported to the Board of Directors on a regular basis.</p> <p>Climate change and environmental risk management emergency response measures have been incorporated into the Company's Risk Management Policy. For the process for identifying risks and opportunities related to climate change, please refer to pages 10 to 14 of the 2023 TCFD Status Report on the GUC website.</p>

Aspect	Implementation
5. Use of scenario analysis to evaluate resilience to climate change risks, including scenarios, parameters, assumptions, analysis factors, and major financial impacts	The Company adopts the SSP5 Baseline Scenario to analyze and assess the resilience of its climate strategy. For the scenarios, parameters, assumptions, analysis factors, and major financial impacts employed, please refer to pages 15 to 22 of the TCFD Status Report on the GUC website.
6. Transformation plan to manage climate-related risks, including the plan, indicators, and targets used to identify and manage physical and transition risks	The Company has actively adopted risk response strategies to reduce organization-wide carbon emissions. It has pledged to reduce Scope 2 GHG emissions by 42% by 2030, far exceeding the Taiwanese government's 2030 reduction target of 25%. Moreover, the Company has developed a plan to achieve net-zero electricity emissions by 2050. Please refer to pp. 23–25 of the 2023 TCFD Report on the Company's website for the plan's details, indicators, and targets.
7. Use of internal carbon pricing as a planning tool, including the basis for price determination	Does not apply
8. Climate-related goals that are set, including the activities, greenhouse gas emissions scope, planning period, annual progress, and, where carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, the source and quantity of the carbon offsets or RECs	Regarding carbon reduction targets, the Company actively participates in the SBTi. To help realize the 1.5°C warming scenario, we have set 2022 as the base year and declared the goal of reducing greenhouse gas Scope 2 emissions by 42% by 2030. We have also set the target of reducing total greenhouse gas emissions by 90% by 2050. The Board of Directors will review the progress of these initiatives on a regular basis.  For details of the GUC carbon reduction target plan, please refer to pages 23 to 25 of the 2023 TCFD Status Report on the GUC website.
9. Greenhouse gas inventory results and verifications, including reduction targets, strategies, and specific action plans.	GUC conducts a GHG inventory and third-party verification of organization-wide carbon emissions every year. GUC submitted its emission reduction targets to the Science-Based Targets initiative (SBTi) in 2023; therefore, from 2023 onward, the Company's GHG inventories will be conducted based on the GHG Protocol in accordance with SBTi guidelines. Please refer to pp. 23–25 of the 2023 TCFD Report on the Company's website for details on GHG inventory results, reduction goals, and relevant strategies.

## (7)The Company's Implementation of Ethical Corporate Management and the measures taken

Items for evaluation	Implementation Status		Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	
1. Establishment of ethical corporate management policies and programs			No major difference
(1) Has the Company established an ethical corporate management policy that has been approved by the Board of Directors, and clearly stated the ethical corporate management policy and practices, as well as the commitment of the Board of Directors and the top management to actively implementing the management in the Articles of Incorporation and external documents?	V		The Company's board of directors has formulated the "Operating Procedures for Ethical Management & Business Code of Ethics", clearly stipulating that the Company's business activities are carried out based on the principles of fairness, honesty, trustworthiness and transparency. In order to implement the ethical management policy and actively prevent dishonest or unethical conduct, all personnel of the Company (including subsidiaries) are required to pay attention to matters specified in the said procedures and code when engaging in business activities, and abide by the following principles: one should perform one's duties with honesty, conscientiousness and respect; one should be loyal to one's job without being involved in any illegal or inappropriate activities; one should avoid any conflicts of interest between the individual and the Company; one must not conduct oneself in a way that may disgrace the Company; and the scope of such compliance is not limited to legal/regulatory compliance only; the more important is self-discipline and self-judgment without going against common rationality. The top management of the Company upholds the principle of integrity, and operates business based on the principle of creating maximum benefits for shareholders and employees. In terms of legal compliance, the Company complies with the Company Act, Securities and Exchange Act, Commercial Accounting Law, Political Donations Act, Anti-corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, regulations governing TWSE/TPEx Listed Companies, or other laws governing business conduct to carry out ethical management. With respect to the active practices that the Board and managerial officer have committed to, The Company's directors all demonstrate a high degree of self-discipline by avoiding participation in discussion and voting for board meeting proposals which involve interests of their own or the juristic persons they represent and there is a concern about harming the Company's interests. They only address their opinions and answer inquiries without joining discussions and voting. In addition, the directors are required to avoid being present while the discussions and voting are in progress, and are not allowed to exercise the voting right on behalf of other directors. Self-discipline also prevails among directors; there is no inappropriate support among directors.

Items for evaluation	Implementation Status		Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
(2) Has the Company established a mechanism to assess unethical conduct risks? Does that Company regularly analyze and evaluate the business activities within its scope of business that have a higher risk of unethical conduct? Has the Company accordingly formulated a plan to prevent unethical conduct, covering at a minimum the preventive measures for the acts mentioned in Article 7-2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	V		<p>The Company has specified matters of caution when performing business activities in "Operating Procedures for Ethical Management &amp; Business Code of Ethics". For business activities that involve higher risks of dishonest or unethical conduct, measures are taken to forbid the providing or receiving of improper benefits, the facilitation payment/handling fee, or the providing of political contributions. (Please refer to the Company's "Operating Procedures for Ethical Management &amp; Business Code of Ethics" for details of the measures.)</p> <p>Therefore, before a business relationship is established, the Company will first evaluate the legality and ethical management policies of the agents, suppliers, customers or other business partners, and check whether there has been any record of dishonest or unethical conduct to ensure that their businesses are operated in a fair and transparent way. And we will never ask, offer or accept bribes. The Company's personnel are required to explain the Company's ethical management policy and relevant regulations to transaction counterparties when engaging in business activities, and expressly refuse to directly or indirectly provide, promise, request or accept any form of improper benefits for any reason, including kickbacks, commissions, facilitation payments, or offering/receiving improper benefits through other means. To have all the employees across the company comply with the rule, the Company inculcates the rule in all new entrants when they report to work, and regularly provides educational training every year for the entire body of employees. The Company has also established specific complaint and reporting regulations and had the human resources unit and internal audit unit serve as the dedicated unit respectively. Externally, the Company has established a "reporting system for violations of professional ethics," reporting mailbox, and audit committee chairperson's mailbox. Internally, an employee complaint mailbox has been set up to prevent illegal acts.</p> <p>Relevant educational training and promotional programs are conducted on a yearly basis to help all personnel of the Company comply with these regulations. Specific complaint &amp; whistleblowing regulations are also formulated by the Company's HR Department. Externally, a "Mailbox for Business Ethics Violation Reporting" has been set; internally, a Mailbox for Employees' Major Complaints has been set to prevent the Company's personnel from violating regulations. Please refer to the Corporate Social Responsibility section on the Company's website.</p> <p>In order to completely put the above principles into practice, not only the Company's employees but also suppliers are required to abide by the Company's ethical standards and culture. Suppliers should sign "GUC's Collaborative Company's Business Ethics (Business Conduct) Commitment" as a declaration and guarantee.</p>

Items for evaluation	Implementation Status		Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
(3) Whether the Company has stipulated the operating procedures, conduct guidelines, disciplinary actions against violations as well as grievance system in the plan to prevent unethical conducts, implemented the execution thereof, and regularly reviewed and revised the aforementioned plan?	V		<p>The Company promises to comply with government laws and business ethics, and is committed to following the highest standards of openness, integrity and responsibility in its active realization of corporate citizenship/corporate social responsibility to maintain corporate ethics and integrity while expanding its business. Therefore, the Company has separately formulated "Operating Procedures for Ethical Management &amp; Business Code of Ethics" and "Regulations on Reporting and Whistleblowing/Complaints", and has proactively set up confidential channels for customers, shareholders, government agencies, society, academic research institutions, suppliers, employees of the Company, and other stakeholders (such as business partners, suppliers, general public, etc.) to report or file complaints against legal violations (e.g. fraud), dishonest/unethical conduct (e.g. corruption or bribery), or actual/potential violations of laws and/or the Company's policies. The Investigation Committee collaborates with Legal and HR units to accept complaints (whistleblowing disclosures) and deal with matters related to investigation, compilation, reporting and resolution implementation. There are dedicated personnel responsible for replying to complainants (or whistleblowers) about case review/handling progress, which will be regularly followed up and controlled/ managed at senior management meetings and by Audit committee.</p> <p>For the Company's dishonest/unethical conduct prevention operations, please refer to the section of Corporate Governance on the Company's website.</p>
2. The Materialization of Ethical Management			No major difference
(1) Has the Company evaluated the record on ethical practices of its counterparties, and has specified the clause of business ethic in the agreements binding the Company and its counterparties?	V		<p>The Company's personnel should avoid engaging in business transactions with dishonest/unethical agents, suppliers, customers or other business partners. If a business or collaboration partner is found to be involved in dishonest/unethical conduct, its related business dealings should be immediately stopped, and the partner should be listed as an object of transaction rejection to carry out the Company's ethical management policy. In addition, in order to avoid engaging in transactions with those who have a record of dishonest/unethical conduct, the Company has clearly stipulated honest/ethical conduct terms in its business activity contracts.</p>



Items for evaluation	Implementation Status		Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
(2) Has the Company established a dedicated (concurrently) unit under the Board of Directors to promote ethical corporate management, and to report to the Board of Directors on a regular basis (at least once a year) regarding ethical corporate management policies and plans, in order to prevent unethical conduct and to monitor their implementation?	V		The Company's HR Department is the dedicated unit in charge of the amendment, implementation, explanation, consultation services, reporting content data-entry & file creation, etc. as well as the supervision in relation to "Operating Procedures for Ethical Management & Business Code of Ethics". Other units also carry out the ethical management policy based on their own job duties and responsibilities to jointly ensure the actual implementation of the Best Practice Principles. The top managerial officer of HR Department is required to report to the board of directors on the previous year's implementation in the first quarter of each year.
(3) Has the Company mapped out the policy for the avoidance of the conflict of interest and has provided suitable channels for such purpose, and properly pursued the policy?	V		Policies related to recusals due to conflicts of interest are also clearly stipulated in the Company's "Operating Procedures for Ethical Management & Business Code of Ethics". When engaging in business activities, if the Company's personnel identify that such activities involve interests of their own or the juristic persons they represent, or may enable themselves, their spouses, parents, children, or their interested parties to obtain improper benefits, they are required to sign "Conflict of Interest Report" and proactively provide explanations, and meanwhile report to their direct supervisors and the Company's dedicated unit (i.e. HR Department) on relevant facts, for which the direct supervisors should provide proper instructions and advice. The Company's personnel should not use the Company's resources in any commercial activities outside the Company's scope, nor should their work performance be affected due to the participation in the commercial activities outside the Company's scope.
(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management? Has the internal auditing unit prepared an audit plan based on the assessment results for unethical conduct risks, and checked compliance with the unethical conduct prevention plan accordingly, or appointed a CPA to conduct the audit?	V		In order to realize ethical management through effective accounting and internal control systems, the Company has established effective accounting systems and internal control systems for business activities that involve higher risks of dishonest or unethical conduct. Such activities are also included in risk assessments for regular review, through which no external-purpose financial statements or reserved/secret accounts shall be allowed. The review is conducted on a rolling basis to ensure the continuing effectiveness of the systems' design and implementation. Internal auditors also regularly check the compliance status of the said systems.

Items for evaluation	Implementation Status		Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
(5) Has the Company organized internal and external training on ethical management?	V		The Company's HR Department is responsible for the promotion of ethical management training and awareness-raising education for all employees. The educational training is conducted through e-learning to help employees be aware of matters of caution when engaging in business activities. Moreover, online Business Code of Ethics courses were also offered for all the Company's directors in 2024, in which regulations related to insider trading were included.
3. The reporting system of the Company in action			No major difference
(1) Has the Company established a reporting and reward system and the channels for facilitating the report on unethical practices, and has appointed designated personnel to handle the subject of reporting?	V		The Company promises to comply with government laws and business ethics, and is committed to following the highest standards of openness, integrity and responsibility in its active realization of corporate citizenship/corporate social responsibility to maintain corporate ethics and integrity while expanding its business! Therefore, the Company has separately formulated "Operating Procedures for Ethical Management & Business Code of Ethics" and "Regulations on Reporting and Whistleblowing/Complaints", and actively sets up confidential channels for customers, shareholders, government agencies, society, academic research institutions, suppliers, employees of the Company, and other stakeholders (such as business partners, suppliers, general public, etc.) to report or file complaints against legal violations (e.g. fraud), dishonest/unethical conduct (e.g. corruption or bribery), or actual/potential violations of laws and/or the Company's policies.
(2) Has the Company created a standard procedure for the investigation of reported matters, follow-up measures to be taken after the completion of the investigation, and relevant confidentiality mechanisms?	V		To clearly distinguish between the scope of complaints and reporting, authorization and procedures, the Company revised its Employees' Complaint and Reporting Regulations in 2022 to become the Reporting Regulations and Complaint Regulations. Complaint cases cover unlawful infringement or unfair treatment in the workplace. Complaints of such cases are accepted by the human resources unit, and the legal unit can be consulted for advice. After the general manager approves the recommendation for a case resolution, the complaint case shall be carried out accordingly by the dedicated unit, and the complainant shall be notified of the result. Reporting cases include acts of unlawful interests or violations of good faith or professional ethics. Reporting of such cases shall be accepted by the internal audit unit and, by working with the legal unit, the relevant facts shall be brought to light. If necessary, external attorneys may be engaged to assist in the investigation. After a reported case is concluded, the Company, depending on the case's circumstances, will have the responsible unit notify the whistleblower of relevant resolution results.

Items for evaluation	Implementation Status		Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
(3) Has the Company taken protection measures to protect the informant from improper treatment after reporting on unethical practices?	V		Please refer to Appendix 1 for information about cases of reporting/whistleblowing received during the period of 2021-2024, and the investigations being conducted.  As stated above that a company should takes appropriate confidentiality measures in accordance with relevant laws, the Company deals with complaints or whistleblowing cases in a confidential manner, and handles them based on a prompt, fair and objective stance. If the complainant or whistleblower is an employee, the Company guarantees that the employee will not be treated inappropriately due to the complaint or whistleblowing.
4. Enhancing Information Disclosure			No major difference
Has the Company disclosed the content of Ethical Corporate Management Best Practice Principles and the result at its official website and MOPS?	V		The Company has uploaded the Board-approved "Operating Procedures for Ethical Management & Business Code of Ethics" to the Company's website and the Market Observation Post System as a disclosure of ethical management information. Currently, the Company's Reporting System for Business Ethics Violation on the website is presented in both Chinese and English. Dedicated HR personnel are designated for the collection and disclosure of the Company's relevant information. HR Department regularly provides learning materials and test questions for internal training, awareness-raising promotion and testing through e-learning in the fourth quarter of each year. For ethical management educational training programs conducted in 2024, and various complaints and corresponding handling progress, please refer to the section of Corporate Governance on the Company's website.
5. If the Company has established performance of good-faith management best practice principles based on "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" , please describe any discrepancy between the principles and their implementation: None			
6. Other important information for the understanding of the Company's ethical management status: For information about the Company's "Operating Procedures for Ethical Management & Business Code of Ethics", please refer to the Market Observation Post System or the Company's website.			

## Attachment 1:

	2024	2023	2022	2021
Independent Director's Mailbox (Audit Committee)	0	1	0	0
Reporting System for Business Ethics Violation	0	0	0	0
Others	2	0	0	0
Employees' Major Complaints	1 (note 1)	2	4	2
Sexual Harassment & Wrongful Harm Complaints	0	0	0	0
Cases Confirmed After Investigation	2 (note 2)	0	0	2

Note 1: This complaint is about a colleague's work habits that affect others, and is not a case of professional ethics or illegal infringement. After internal communication, the colleague's behavior has been adjusted.

Note 2: After an investigation by the investigation team commissioned by the chairman, the investigation and verification results were reported to the board of directors. The board of directors reviewed and determined that the complaint was inconsistent with the facts and closed the case.

**(8) Companies that have formulated their Corporate Governance Code and relevant regulations should disclose the referencing methods: Please refer to the Market Observation Post System (<http://mops.twse.com.tw>) or check on the Company's website (<http://www.guc-asic.com>)**

**(9) Other important information enhancing understanding of the state of the Company's corporate governance may also be disclosed: For the state of the Company's corporate governance, please refer to the Market Observation Post System or the Company's website.**

(10) Implementation Status of Internal Control System

1. Internal Control System Statement

Internal Control System Statement

Date: Janaury 23, 2025

With regard to the 2024 internal control system, the Company declares the following based on the self-evaluation findings:

- 1. The Company is fully aware that establishing, implementing, and maintaining an internal control system are the responsibility of its Board of Directors and managerial officers. The Company has established such a system to provide reasonable assurance for attaining the aims of the effectiveness and efficiency of business operations (including profits, performance, safeguarding of asset security, etc.); reliability, timeliness, transparency of reporting; and compliance with the governing laws and regulations.
- 2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system provides assurance to the aforementioned aims only to a reasonable extent. Moreover, due to changes of environments and circumstances, the effectiveness of an internal control system may change accordingly. Nevertheless, the internal control system of the Company is equipped with a self-monitoring mechanism, and the Company takes corrective actions as soon as any fault is identified.
- 3. The Company determines the design and operating effectiveness of its internal control system in accordance with the determining factors provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations" ). The internal control system determining factors specified in the Regulations divide an internal control system into five elements based on its management: 1. Control Environment, 2. Risk Assessment, 3. Control Operations, 4. Information and Communications, and 5. Monitoring. Each element further contains several items. Refer to the Regulations for the aforementioned items.
- 4. The Company has adopted the aforementioned internal control system determining factors to examine the design and operating effectiveness of its internal control system.
- 5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company deems that the internal control system as of December 31, 2022 (including supervision and management of subsidiaries), which encompass internal controls for knowledge of the accomplishment degree of operating effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with the governing laws and regulations, are effectively designed and implemented, and reasonably assure accomplishment of the abovementioned aims.
- 6. This Statement constitutes the main content of the Company's annual report and prospectus, and will be made public. Any wrongful act pertaining to falsification or concealment involving the above public declaration will be subjected to legal liabilities under Articles 20, 32, 171, and 174 of, and other regulations relating to, the Securities and Exchange Act.
- 7. This Statement was approved by the Board Meeting of the Company held on January 23, 2025, where none of the nine attending directors expressed dissenting opinions, and all consented to the content of this Statement.

Global Unichip Corp.

Chairman: F.C. Tseng (with seal)

President: Sean Tai (with seal)

2. If a CPA is appointed to review the internal control system, the review report shall be disclosed: N/A.

(11) If there has been any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year preceding the annual report publication date, where the result of such penalty may have a material effect on shareholder equity or securities prices, the penalty, the main shortcomings, and conditions for improvement shall be disclosed in the annual report: None

(12) Major resolutions of the Shareholders' Meeting and the Board in the most recent year to the date this report was printed

2024's Shareholders' Meeting:

Important Resolution	Description of Implementation
Acknowledgement of the proposal regarding the Company's 2023 earnings distribution	The distribution had been completed based on the resolution, in which June 9, 2024 was set as the base date for distribution, and the cash dividend distribution date was June 27, 2024. (Cash dividend: NT\$ 14/per share).

The important resolutions of the Board of Directors in 2024 and to the date of this report was printed

Session/Term	Important Resolution
The 4 <sup>th</sup> Session of the 10 <sup>th</sup> Term	1.Approved the Company's 2023 employee compensation and director remuneration allocation. 2.Adopted the 2023 financial statement and business report. 3.Approved the 2023 earnings allocation. 4.Adopted the 2023 "Internal Control System Statement." 5.Approved the date, location, and reasons for holding the Company's 2024 regular shareholders' meeting. 6.Approved the period and location for accepting shareholders' proposals to the 2023 regular shareholders' meeting. 7.Approved the Company's 2024 pay raise scheme. 8.Approved modification of "Strategic Committee Organization Rules."
The 5 <sup>th</sup> Session of the 10 <sup>th</sup> Term	1.Approved 2024 Q1 financial statements 2.Approved the Company's 2024 managerial personnel's long-term motivation proposal.
Extraordinary meeting of the 10 <sup>th</sup> Term	Approved 2023 ESG Report
Extraordinary meeting of the 10 <sup>th</sup> Term	Approval to authorize the Chairman to purchase real estate for use as a server room and office, with a budget not exceeding NT\$600 million.
The 6 <sup>th</sup> Session of the 10 <sup>th</sup> Term	1.Approved 2024 Q2 financial statements 2.Approved amendments to certain provisions of the Company's Audit Committee Organizational Charter



Session/Term	Important Resolution
The 7 <sup>th</sup> Session of the 10 <sup>th</sup> Term	1.Approved 2024 Q3 financial statements 2.Reviewed 2024 remuneration policy, system, structure and criteria of the Company's directors and managerial personnel. 3.Approved 2025 audit plan 4.Adopted managerial personnel's 2025 performance indicator. 5.Ratification of the acquisition of real estate for use as a server room and office. 6.Approved the renaming of the Audit Committee and the amendments to its organizational charter. 7.Approved the appointment of the Company's corporate governance officer.
The 8 <sup>th</sup> Session of the 10 <sup>th</sup> Term	1.Review of amendments to certain provisions of the Company's Internal Control System and Internal Audit Implementation Rules. 2.Approved the renaming of the Strategy Committee and the amendments to its organizational charter. 3.Approved the Company's 2025 capital expenditure plan. 4.Review of the fairness opinion issued by the accountants of Diwan & Company. 5.Investigated and confirm CPA's independence, competence (including performance and audit quality indicator), appointment and the 2025 remuneration.
The 9 <sup>th</sup> Session of the 10 <sup>th</sup> Term	1.Approved the Company's 2024 employee compensation and director remuneration allocation. 2.Adopted the 2024 financial statement and business report. 3.Approved the 2024 earnings allocation. 4.Adopted the 2024 "Internal Control System Statement." 5.Approved the date, location, and reasons for holding the Company's 2025 regular shareholders' meeting. 6.Approved the period and location for accepting shareholders' proposals to the 2025 regular shareholders' meeting. 7.Approved the Company's 2025 pay raise scheme. 8.Approved the revision of corporate article 9.Approved the amendment to the company's "Directors' Salary and Remuneration Policy" 10.Approved the Company's 2024 managerial personnel's long-term motivation proposal.

(13) Adverse opinion from directors over important resolution of the Board in the most recent year until the day the Annual Report was printed with records or written declaration, and the contents of such opinion: None

4. Information Regarding the Company's Independent Auditors

(1) Amounts of non-audit fees for attesting CPAs, the CPAs' firms, and the firm's affiliate(s) as well as the content of non-audit services:

Unit: NT\$ Thousand

Accounting Firm		Deloitte & Touche
Names of CPAs		Hsieh-Chang Li
		Ming-Hui Chen
Duration of Audit		2024
Auditing fee		3,293
Non-Auditing fee		1,690
Total		4,983

Note: Non-Auditing fee is for TCFD Report Assurance and Tax Report Audit.

(2) If there is a change in the accounting firm, and the audit fees paid for the fiscal year in which the change took place are lower than those paid for the fiscal year immediately preceding the change, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: N/A.

(3) When the audit fees paid for the current fiscal year are lower than those paid for the immediately preceding fiscal year by 10% or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: N/A.

## 5. Information about CPA Replacement:

### (1) Information on the predecessor CPA

Date of replacement	From Q4 2024 onward		
Reason for replacement and explanation	Accounting firm's internal adjustment		
Description of whether the Company or the CPA terminated or discontinued the engagement	Person involved		
	Situation	CPA	The Company
	Voluntarily ended the engagement	N/A	N/A
	Declined (Discontinued) further engagement	N/A	N/A
If the predecessor CPA issued an audit report during the past 2 years containing an opinion other than an unqualified opinion, state the opinion and reason	N/A		
Indicate whether there were any disagreements between the predecessor CPA and the Company	Yes	-	Accounting principles or practices
		-	Financial report disclosure
		-	Auditing scope or procedure
		-	Others
	No	V	
	Explanation		
Other disclosures (matters related to Article 10, paragraph 6, items 1(4) to 1(7) of the Regulations that must be disclosed)	None.		

### (2) Information on the successor CPA

Name of the accounting firm	Deloitte & Touche
Name of the CPA	CPA Hsieh-Chang Li
Date of Engagement	CPA Ming-Hui Chen
If the Company consulted the successor CPA prior to engagement regarding the accounting treatment of or application of accounting principles to a specific transaction as well as the type of audit opinion that might be rendered on the Company's financial report, indicate the subjects of those consultations and the consultation results	From Q4 2024 onward
Written views of the successor CPA regarding the matters on which the Company disagreed with the predecessor CPA	N/A

### (3) Content of the reply letter from the predecessor CPA regarding Article 10, paragraph 6, items 1 and 2(3) of the Regulations: N/A

6. The chairman, president, chief financial or accounting manager of the Company who holds position in the business under the commissioned CPA firm or its affiliates in 1 year: None

7. In the most recent year to the date this report was printed, directors, managerial officers and the shareholders holding more than 10% of the shares in the transfer of shares and pledge of shares under lien, and any change thereof.

### 1. Status of changes in shareholdings and pledge of shares under lien of directors, managerial officers and major shareholders holding more than 10% of the shares

Title	Name	2024		As of March 17, 2025	
		Increase (Decrease) in Number of shares	Increase (Decrease) in Number of Pledged Shares	ncrease (Decrease) in Number of shares	Increase (Decrease) in Number of Pledged Shares
Director	Representative:				
	F.C. Tseng 、 Sean Tai 、 Wendell Huang 、 L.C. Lu	0	0	0	0
Independent	Kenneth Kin	0	0	0	0
	Jesse Ding	0	0	0	0
	Huang, Tsui-Hui	0	0	0	0
Independent Director	Cheng-Wen Wu (resigned on 2024/5/15)	0	0	0	0
	Ho-Min Chen	0	0	0	0
President	Sean Tai	0	0	0	0
Senior Vice President & CFO	Daniel Chien	23,414 (23,648)	0	0	0
Senior Vice President	Louis Lin	23,532 (12,000)	0	0 (1,500)	0
Vice President	Justin Hsieh	11,233	0	436	0
	Jen-Tai Hsu (resigned on 2024/5/3)	7,715	0	0	0
	Patrick Wang	0	0	0	0
Accounting Controller	Blith Chiang	0	0	0	0
Corporate Governance Officer	Charels Huang	0		0	0

### 2. The counterparty of transfer of shares or pledge of shares is a related party: None.

## 8. Information on shareholders among the top 10 by proportion of shareholding who are related parties to one another or spouse, kindred within the 2nd degree of kinship

March 17, 2025

Name	Own shareholdings		Shares Held by Spouse & minor children		Shareholdings under the title of a third party		If there are related parties, spouses, kindred within the 2nd degree of kinship among the top 10 shareholders		Note
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Title (or Name)	Relation	
TSMC	46,687,859	34.84%	-	-	-	-	-	-	-
Investment account of SMALLCAP World Fund managed by Standard Chartered Bank Business Department	6,383,000	4.76%	-	-	-	-	-	-	-
New Labor Pension Fund	5,526,200	4.12%	-	-	-	-	-	-	-
Fubon Life Insurance Company, Ltd.	3,937,000	2.94%	-	-	-	-	-	-	-
Citibank (Taiwan) Ltd. in custody for Norges Bank	2,558,511	1.91%	-	-	-	-	-	-	-
LU,SI-HAO	2,500,000	1.87%	-	-	-	-	-	-	-
Allianz Global Investors Taiwan Technology Fund Dedicated Account	2,350,000	1.75%	-	-	-	-	-	-	-
Chunghwa Post Co., Ltd.	2,316,000	1.73%	-	-	-	-	-	-	-
Public Service Pension Fund Management Board	1,238,200	0.92%	-	-	-	-	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1,230,525	0.92%	-	-	-	-	-	-	-

## 9. Quantity of shareholdings of the same investee by the Company and Directors, Managerial Officers, and direct or indirect subsidiaries in proportion to the combined holdings of all, and combined to calculate the proportion of overall shareholding.

December 31, 2024

Investee (note)	Investment made by the Company		Investment made by directors, supervisors, managerial official and direct or indirect subsidiaries		Combined investment	
	Number of Shares	Rate of shareholding	Number of Shares	Rate of shareholding	Number of Shares	Rate of shareholding
Global Unichip Corporation-NA (GUC-NA)	800,000	100%	0	0%	800,000	100%
Global Unichip Japan Co., Ltd. (GUC-Japan)	1,100	100%	0	0%	1,100	100%
Global Unichip Corporation Korea (GUC-Korea)	44,000	100%	0	0%	44,000	100%
Global Unichip Corp. Europe B.V. (GUC-Europe)	Not applicable	100%	Not applicable	0%	Not applicable	100%
Global Unichip (Shanghai) Company, Limited (GUC-CN)	Not applicable	100%	Not applicable	0%	Not applicable	100%
Global Unichip (Nanjing) Ltd.	Not applicable	100%	Not applicable	0%	Not applicable	100%
Global Unichip (Vietnam) Ltd.	Not applicable	100%	Not applicable	0%	Not applicable	100%

Note 1: It is the Company's investee which is using the equity method.



# 03

## Capital Overview

1. Capital and shares
2. Status of Corporate Bond
3. Status of Preferred Stocks
4. Status of GDR/ADR
5. Status of Employee Stock Option Plan
6. Status of New Employee Restricted Stock Issuance
7. Status of New Shares Issuance in Connection with Mergers and Acquisitions
8. Financial Plans and Implementation

1. Capital and shares

(1) Sources of Capital Stock

Unit: Thousand share; NT\$ Thousand

Period	Price at issuance (NT\$)	Authorized shares capital		Paid in capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital Stock	Property other than cash is paid by subscribers	Date and File No. of Approval
January 1998	10	500	5,000	406	4,060	Establishment: 4,060	N/A	Omit
May 1998	10	3,000	30,000	3,000	30,000	Capital increased by cash: 25,940	N/A	Omit
November 1998	10	12,000	120,000	12,000	120,000	Capital increased by cash: 90,000	3,000,000 shares of know-how	Omit
October 1999	10	30,000	300,000	19,990	199,900	Capital increased by cash: 79,900	1,997,500 shares of know-how	Omit
December 1999	50	30,000	300,000	30,000	300,000	Capital increased by cash: 100,100	500,500 shares of know-how	Omit
January 2003	10.5	70,000	700,000	62,500	625,000	Capital increased by acquisition: 325,000	N/A	Omit
February 2003	10.5	95,000	950,000	82,500	825,000	Capital increased by cash: 200,000	N/A	Omit
June 2005	10.5	95,000	950,000	83,204	832,040	Transfer from employee stock options: 7,040	N/A	Note 1
August 2005	10、10.5	97,613	976,131	87,197	871,971	Capital increased by earnings recapitalization: 27,381 Transfer from employee stock options: 12,550	N/A	Note 1, Note3
December 2005	10	97,613	976,131	87,747	877,471	Transfer from employee stock options: 5,500	N/A	Note 1
March 2006	10	150,000	1,500,000	87,879	878,791	Transfer from employee stock options: 1,320	N/A	Note 1
June 2006	10	150,000	1,500,000	88,469	884,691	Transfer from employee stock options: 5,900	N/A	Note 1
September 2006	10、10.5	150,000	1,500,000	94,397	943,966	Capital increased by earnings recapitalization: 58,885 Transfer from employee stock options: 390	N/A	Note 1, Note 5
December 2006	38、10.5	150,000	1,500,000	108,724	1,087,236	Capital increased by cash: 122,880 Transfer from employee stock options: 20,390	N/A	Note 1, Note 6
March 2007	10、10.5	150,000	1,500,000	108,918	1,089,176	Transfer from employee stock options: 1,940	N/A	Note 1, Note 2
June 2007	10、10.5	150,000	1,500,000	109,614	1,096,136	Transfer from employee stock options: 6,960	N/A	Note 1, Note 2
August 2007	10	150,000	1,500,000	114,069	1,140,690	Capital increased by earnings recapitalization: 44,554	N/A	Note 7
September 2007	10.5、9.6	150,000	1,500,000	114,308	1,143,080	Transfer from employee stock options: 2,390	N/A	Note 1, Note 2
December 2007	10.5、9.6	150,000	1,500,000	114,803	1,148,030	Transfer from employee stock options: 4,950	N/A	Note 1, Note 2
March 2008	10.5、9.6	150,000	1,500,000	114,936	1,149,360	Transfer from employee stock options: 1,330	N/A	Note 1, Note 2
June 2008	10.5、9.6	150,000	1,500,000	115,238	1,152,380	Transfer from employee stock options: 3,020	N/A	Note 1, Note 2
August 2008	10、10.5、9.6	150,000	1,500,000	123,045	1,230,455	Capital increased by earnings recapitalization: 76,475 Transfer from employee stock options: 1,600	N/A	Note 1, Note 2, Note 8
December 2008	10.5、8.9、16.4	150,000	1,500,000	124,264	1,242,645	Transfer from employee stock options: 12,190	N/A	Note 1, Note 2, Note 4
March 2009	10.5、8.9、16.4	150,000	1,500,000	124,698	1,246,985	Transfer from employee stock options: 4,340	N/A	Note 1, Note 2, Note 4
May 2009	10.5、8.9、16.4	150,000	1,500,000	125,328	1,253,285	Transfer from employee stock options: 6,300	N/A	Note 1, Note 2, Note 4

Note 1: Approved on August 5, 2004 with No. Chin-kuan-cheng-yi-tzu-ti-0930134052.

Note 2: Approved on August 16, 2004 with No. Chin-kuan-cheng-yi-tzu-ti-0930136492.

Note 3: Approved on July 12, 2005 with No. Chin-kuan-cheng-yi-tzu-ti-0940128055.

Note 4: Approved on July 3, 2006 with No. Chin-kuan-cheng-yi-tzu-ti-0950127830.

Note 5: Approved on July 25, 2006 with No. Chin-kuan-cheng-yi-tzu-ti-0950132575.

Note 6: Approved on Oct. 13, 2006 with No. Chin-kuan-cheng-yi-tzu-ti-0950147102.

Note 7: Approved on June 8, 2007 with No. Chin-kuan-cheng-yi-tzu-ti-0960029372.

Note 8: Approved on June 26, 2008 with No. Chin-kuan-cheng-yi-tzu-ti-0970031756.

Note 9: Approved on June 15, 2009 with No. Chin-kuan-cheng-yi-tzu-ti-0980029455.

Note10: Approved with NO 1110003747.



(1) Sources of Capital Stock

Unit: Thousand share; NT\$ Thousand

Period	Price at issuance (NT\$)	Authorized shares capital		Paid in capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital Stock	Property other than cash is paid by subscribers	Date and File No. of Approval
July 2009	10	150,000	1,500,000	131,129	1,311,299	Capital increased by earnings recapitalization: 58,014	N/A	Note 9
September 2009	8.9 、 16.4	150,000	1,500,000	131,345	1,313,459	Transfer from employee stock options: 2,160	N/A	Note 2, Note 4
December 2009	8.4 、 15.5	150,000	1,500,000	131,503	1,315,039	Transfer from employee stock options: 1,580	N/A	Note 2, Note 4
March 2010	10.5 、 8.4 、 15.5	150,000	1,500,000	131,974	1,319,749	Transfer from employee stock options: 4,710	N/A	Note 1, Note 2, Note 4
May 2010	8.4 、 15.5	150,000	1,500,000	132,144	1,321,449	Transfer from employee stock options: 1,700	N/A	Note 2, Note 4
August 2010	8.3 、 15.3	150,000	1,500,000	132,229	1,322,299	Transfer from employee stock options: 850	N/A	Note 2, Note 4
November 2010	8.3 、 15.3	150,000	1,500,000	133,225	1,332,259	Transfer from employee stock options: 9,960	N/A	Note 2, Note 4
March 2011	8.3 、 15.3	150,000	1,500,000	133,566	1,335,669	Transfer from employee stock options: 3,410	N/A	Note 2, Note 4
May 2011	15.3	150,000	1,500,000	133,954	1,339,549	Transfer from employee stock options: 3,880	N/A	Note 4
August 2011	15.3	150,000	1,500,000	134,009	1,340,099	Transfer from employee stock options: 550	N/A	Note 4
November 2011	15.0	150,000	1,500,000	134,011	1,340,119	Transfer from employee stock options: 20	N/A	Note 4
January	-	180,000	1,800,000	134,011	1,340,119	-	-	Note 10

Note 1: Approved on August 5, 2004 with No. Chin-kuan-cheng-yi-tzu-ti-0930134052.

Note 2: Approved on August 16, 2004 with No. Chin-kuan-cheng-yi-tzu-ti-0930136492.

Note 3: Approved on July 12, 2005 with No. Chin-kuan-cheng-yi-tzu-ti-0940128055.

Note 4: Approved on July 3, 2006 with No. Chin-kuan-cheng-yi-tzu-ti-0950127830.

Note 5: Approved on July 25, 2006 with No. Chin-kuan-cheng-yi-tzu-ti-0950132575.

Note 6: Approved on Oct. 13, 2006 with No. Chin-kuan-cheng-yi-tzu-ti-0950147102.

Note 7: Approved on June 8, 2007 with No. Chin-kuan-cheng-yi-tzu-ti-0960029372.

Note 8: Approved on June 26, 2008 with No. Chin-kuan-cheng-yi-tzu-ti-0970031756.

Note 9: Approved on June 15, 2009 with No. Chin-kuan-cheng-yi-tzu-ti-0980029455.

Note10: Approved with NO 1110003747.

March 17, 2025

Type of Stock	Authorized shares capital			Note
	Outstanding shares	Unissued stock	Total	
記名式普通股	134,011,911	45,988,089	180,000,000	Listed company stock

Shelf registration system information: Not applicable.



## (2) List of Major Shareholders: Names, shareholding amounts and proportions of shareholders with a shareholding ratio of more than 5% or the top ten major shareholders with shareholding ratios

March 17, 2025

Place	Name of major shareholder	Shares	Number of shares	Shareholding ratio
1	TSMC		46,687,859	34.84%
2	Investment account of SMALLCAP World Fund managed by Standard Chartered Bank Business Department		6,383,000	4.76%
3	New Labor Pension Fund		5,526,200	4.12%
4	Fubon Life Insurance Company, Ltd.		3,937,000	2.94%
5	Citibank (Taiwan) Ltd. in custody for Norges Bank		2,558,511	1.91%
6	LU,SI-HAO		2,500,000	1.87%
7	Allianz Global Investors Taiwan Technology Fund Dedicated Account		2,350,000	1.75%
8	Chunghwa Post Co., Ltd.		2,316,000	1.73%
9	Public Service Pension Fund Management Board		1,238,200	0.92%
10	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		1,230,525	0.92%

## (3) Dividend policy and implementation status

1. The Company's dividend policy is formulated by the board of directors based on the Company's operating conditions, capital needs, capital expenditure budget, changes in the overall internal/external environment, and the consideration of shareholders' interests. Unless other special circumstances are considered, in principle, 50% to 90% of the current year's after-tax earnings shall be distributed.

2. Dividend policy stipulated in the Company's Articles of Incorporation

(1) The Company must not pay dividends or bonuses if no surplus earnings are provided.

When distributing the surplus earnings of each fiscal year, the Company shall first offset the losses accumulated over the years, and distribute the remaining earnings in the following order of priority:

- 10% shall be appropriated as legal reserve; however, this limit shall not apply if the legal reserve accumulation has reached the Company's total amount of capital stock.
- Special reserve can be appropriated in accordance with relevant laws or competent authorities' regulations based on shareholders' meeting resolutions.
- The remaining amount can be used as shareholders' dividends, and be distributed based on the proportion of the total number of shares in accordance with shareholders' meeting resolutions.

All or part of the reserve can be appropriated in accordance with relevant laws or competent authorities' regulations if there are no surplus earnings for distribution, or the surplus earnings available are much lower than the Company's distributed earnings in the previous year, or when factors in relation to the Company's finance, business, operation status are considered.

(2) The Company's dividend distribution shall be determined based on future expansion plans and capital needs for investment. For a year when there are surplus earnings for distribution, the proportion of cash dividend shall not be less than 60% of the total dividend amount.

3. Proposed distribution of dividend at this year's Shareholders' Meeting

The Company proposed that NT\$2,144,190,576 (NT\$16.0 per share) shall be appropriated from 2024 distributable surplus earnings for shareholders' dividends this time, and all dividends shall be paid in cash.

## (4) The effect of bonus share distribution proposed at this shareholders' meeting on the Company's 2024 operating performance and earnings per share: Not applicable as no bonus shares were distributed this year.

## (5) Remuneration for employees and directors

1. The percentage or scope of remuneration for employees and directors as stated in the Company's Articles of Incorporation:

Article 26 of the Articles of Incorporation:

The Company should allocate no less than 2% of a given year's earnings as employees' compensation, and allocate no more than 2% of the given year's earnings as directors' compensation. However, the said directors' compensation is not applicable to the directors concurrently serving as managers, and the Company's accumulated losses, if any, should be offset first.

Employees' compensation can be given in stock or cash, and those eligible for the stocks or cash can include employees of subordinate companies if they meet certain criteria.

The earnings of the given year mentioned in the first paragraph refer to the given year's pretax profit before distribution of employees' and directors' compensation.

The distribution of employees' and directors' compensation should be determined by the Board of Directors through a majority vote at a meeting attended by over two-thirds of the directors, and the resolution should be reported to Shareholders' Meeting.

2. The current year's estimation basis for employees' and directors' compensation, the calculation basis for number of shares distributed as employees' compensation, and the accounting treatment adopted when the actual distribution amount is different from the estimated amount:

The compensation amount payable to employees and directors is estimated based on the likely amount obtained on the Company's past experiences. 23% of the pretax profit before distribution of employees' cash bonuses & compensation and directors' compensation was estimated as the total amount for 2023 employees' bonuses and compensation, and 0.83% of the pretax profit before distribution of employees' compensation and directors' compensation was estimated as the total amount of directors' compensation and remuneration. If the actual distribution amount is different from the estimated amount, the difference shall be treated as "changes in accounting estimates", and shall be credited to corresponding accounts in the distribution year as an adjustment.

3. Remuneration distribution approved by the board of directors:

- (1) The total amount of employee compensation allocated in 2024 was NT\$1,245,288,011. After review by the Compensation Committee and discussion by the Board of Directors, the final amount approved for distribution by the Board was NT\$1,158,948,000.
- (2) The director's compensation is NT\$ 41,933,333. The discrepancy between the estimated amount and the actual distribution of directors' remuneration was due to the resignation of Dr. Cheng-Wen Wu as an independent director on May 15, 2024. Dr. Cheng-Wen Wu served for less than 1 full year and thus the directors' remuneration was allocated proportionally.
- (3) The stock compensation amount for employees, the percentage such compensation accounts for the net income as specified in the parent company only financial reports of the current year, and the percentage such compensation accounts for total employee compensation: Since all the compensation for employees approved by the Company's board of directors was given in cash, the stock compensation amount for employees, the percentage such compensation accounts for the net income as specified in the parent company only financial reports of the current year, and the percentage such compensation accounts for total employee compensation were all zero.

4. Previous year's actual compensation distributed for employees and directors (including number of shares and amount being distributed and the stock price); if there is a difference between the actual compensation and the originally recognized employees' and directors' compensation, the discrepancy, reason(s) and status of treatment should be clearly stated:

In 2023, the cash compensation for employees was NT\$1,271,103,097, and that for directors was NT\$45,000,000. There was no difference between the actual distribution and the proposed distribution originally approved by the board of directors.

**(6) Repurchase of Company shares: None**

**2. Status of Corporate Bond: None**

**3. Status of Preferred Stocks: None**

**4. Status of GDR/ADR: None**

**5. Status of Employee Stock Option Plan: None**

**6. Status of New Employee Restricted Stock Issuance: None**

**7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None**

**8. Financial Plans and Implementation: None**



# 04

## Operational Highlights

ENVIRONMENTAL

1. Description of the business
2. Analysis of the market, and the production and marketing situation
3. Human Capital
4. Environmental protection expenditure information
5. Labor-management relations
6. Maintenance of Shareholder and Investor Relations
7. Information-Communication Security Management
8. Important Contracts



# 1. Description of the business

## 1-1. Scope of business

### 1-1.1. GUC's major lines of business

- (A) Engaging in research & development, production, testing and sales of:
- Embedded memory, logic, and analog components for application ICs;
  - Cell libraries for application ICs; and
  - EDA tools for application ICs.
  - Customization, design, tech support, and licensing of intellectual property (IP).

(B) Providing technological support and consulting services related to the aforementioned products.

### 1-1.2. Revenue breakdown by category

Units: NT\$ Thousand

Sales breakdown	2023		2024	
	Amount	%	Amount	%
Turnkey	18,980,971	72.34%	16,161,027	64.53%
NRE	6,763,015	25.77%	8,435,858	33.68%
Others	496,728	1.89%	447,307	1.79%
Total	26,240,714	100.00%	25,044,192	100.00%

### 1-1.3. Primary products and services

- (A) Turnkey: Providing complete design, wafer manufacturing, packaging, and testing services.
- (B) NRE (non-recurring engineering): Providing circuit design cell library and IPs required in the process of product design; providing circuit layouts needed for mask-making; subcontracting mask-making, wafer-manufacturing, dicing, and packaging to vendors; conducting final testing to get prototype samples to clients for their production testing.
- (C) MPW (multiple-project wafer): MPW integrates multiple design projects from different clients within a single mask and a single engineer run. It is an effective and fast time-to-market chip verification service that spreads out masking and engineering costs. MPW allows design engineers, before the phase of mass production, to verify their prototype designs using advanced process technologies, in a timely way, and at much lower costs.
- (D) IP (intellectual property): These are silicon-verified reusable IC designs with specific functions. With the rapid advancement of semiconductor processing technologies, the design industry is trending toward multi-functional chips and even SoC (System on a Chip). GUC provides reusable IPs to help clients reduce investment of time and resources into design.

### 1-1.4. Products and services planned for development

GUC is not only continuing the development of advanced IPs at 7nm/6nm, 5nm/4nm, 3nm and 2nm, including our chip interconnection and stacking IPs (GLink/UCIe), HBM3/3E/4 controller and PHY, mixed signal IP and more. GUC is also continuing to migrate key components, such as power management solutions and clock generators, to the latest advanced processing nodes. GUC's R&D team has also developed in-house memory IP and customized standard cell libraries that enrich the IP/library portfolio of competitive IP and subsystem solutions.

## 1-2. Industry overview

### 1-2.1. Current status and future development of the industry

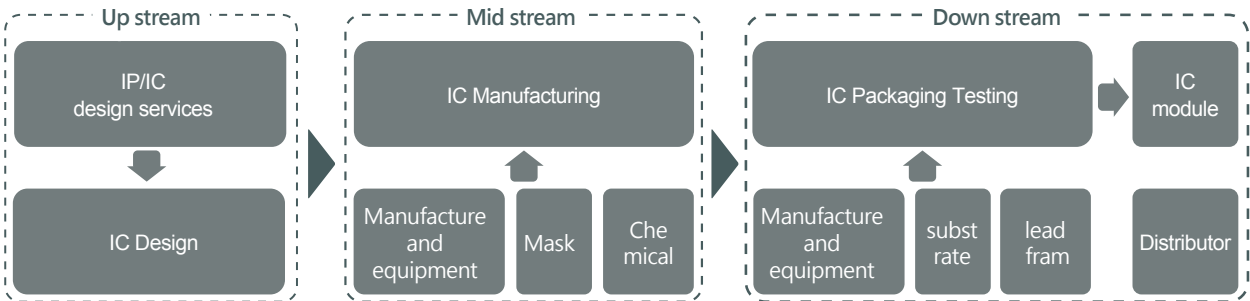
As semiconductor processes advance, IC design and mask costs continue to rise. In addition, the trend toward incorporating multiple functions on a single chip continues to grow. Chip design projects are thus expected to experience a minor downward trend in terms of numbers each year. However, thanks to the market growth in Artificial Intelligence (AI), High Performance Computing (HPC), 5G and Datacenter Networking, the Internet of Things (IoT), Low Earth Orbit (LEO), Advanced Driver-Assistance Systems (ADAS) and Virtual Reality/Augmented Reality (VR/AR) applications, the decline trend in ASIC and ASSP is being alleviated.

Consolidation is currently sweeping across the global semiconductor industry. Taiwan is also faced with challenges from Mainland China's full support for its semiconductor industry, poaching of top Taiwanese semiconductor talent, and M&A activity among IC design companies as they seek to strengthen their product lines, minimize costs, and expand their economies of scale. This changing landscape is driven by user demand for advanced semiconductor technologies that will help them maintain market share. Although clients may have fewer vendor choices in the future, there is still demand for product diversity. Standard products can no longer create the unique features and characteristics that clients demand, so a growing number of the world's leading companies are seeking to customize their IC designs. For GUC, this means more future opportunities.

To keep pace with rapidly changing client demand and a rapidly changing semiconductor industry, GUC's Advanced ASIC Services include a robust IP portfolio and design service. Our Advanced ASIC Services assist clients at every step in the semiconductor supply chain, from product conception, spec definitions, development, and verification, to mass production. Advanced ASIC Services cover three core elements: IP solutions; chip implementation; and ASIC manufacturing. Precisely-targeted IP and attentive client service reduces design time and costs, while giving clients the customized ICs they want. GUC has formed a close chip implementation partnership for advanced process technology with TSMC, to help clients move to high yield mass production and achieve strong market competitiveness. GUC also offers ASIC manufacturing that provides clients with ideal coordination between foundry, testing, and packaging services.

### 1-2.2. Links between the upstream, midstream, and downstream segments of the supply chain

The upstream, midstream, and downstream of Taiwan's semiconductor industry supply chain is divided into four major segments: Design; manufacturing; packaging; and testing services.



### 1-2.3. Development trends and competition for GUC products

The smartphone market has been the largest application in recent years, both in terms of growth and in terms of absolute numbers, as leading smartphone manufacturers attempt to highlight their unique brand personalities. However, more and more smartphone manufacturers are designing and manufacturing proprietary application processors (AP). This means shrinking space for ASIC designers to make their mark in this market.

With all the development and creativity in data center, IoT, automotive, drone, and robotics applications in recent years, the technologies and business models necessary for these applications have taken shape. These are the primary source of business for ASIC design service companies at present. In terms of emerging market trends, AI, HPC, Datacenter Networking, LEO, IoT, ADAS and VR/AR applications have been widely discussed. Although still in the early stages of development, these areas are likely to be the driving forces for the future technology and business growth.

To accommodate the expected increase in ASIC demand, GUC is providing industry-leading design service and 2.5D/3D advanced packaging technologies for clients using TSMC 7nm, 6nm, 5nm and 3nm process nodes. With proven design expertise and a track record of superior manufacturing results, and by meeting our clients' demands for high-performance, low-power ASIC products, GUC will maintain a leading position in the fiercely competitive ASIC design service market.

## 1-3. Overview of GUC's technologies and R&D work

### 1-3.1. Research and development expenses during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Unit: NT\$ Thousand

Item	Year	2024	2025
R&D expenditures		3,223,366	-

Note: Numbers for Q125 is not available by printing date.

### 1-3.2. Technologies and products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

- 1.2nm, 3nm, 4nm, 5nm, 6nm, and 7nm design flows are in place.
- 2.GLink-2.5D 3nm, 5nm, 6nm and 7nm chip interconnection IPs are silicon-proven.
- 3.GLink-3D 5nm and 6nm chip stacking IP test chips for 3D SoIC applications are silicon-proven.
- 4.HBM3E 3nm, 5nm PHY & controller with TSMC CoWoS are silicon-proven.
- 5.UC1e, GLink-2.5D and HBM3/3E/4 PHY & controller total solutions are available.

## 1-4. Long- and short-term business development plans

### 1-4-1. Short-term

- (1) Develop total solutions by bundling GUC in-house IP with advanced process technologies and packaging design through multiple-project wafer (MPW) test-chip verification to significantly lower clients' barriers to entry and mitigate their risks.
- (2) Consolidate the current client base using 28nm/22nm, 16nm/12nm, 7nm/6nm, 5nm/4nm and 3nm technologies; proactively work with new clients on 2nm ASIC design using advanced process technologies.
- (3) Enhance domain knowledge by working closely with leading clients on specialized targeted applications.
- (4) Collaborate with upstream and downstream vendors/partners to create open client possibilities.
- (5) Provide competitive and complete application-based platform solutions incorporating IP portfolios, system design integration know-how, and SoC manufacturability.

### 1-4-2. Long-term

- (1) Strengthen our leading-edge 7nm/6nm, 5nm/4nm, 3nm and 2nm design service capability to deepen technical differentiation and raise competitive barriers to entry.
- (2) Increase worldwide market share by engaging with market-leading clients in selected applications that best fit and promote GUC's brand.
- (3) Seize business opportunities with IDMs (integrated device manufacturers) transitioning to fab-lite business models.
- (4) Forge a closer relationship with GUC's exclusive foundry partner to develop leading-edge "total solution" design service platforms and 2.5D/3D advanced packaging technologies that require complex system integration know-how.
- (5) Cultivate solid partnerships with global system companies to collaborate on core technology development projects.
- (6) Foster long-term strategic collaboration relationships with third-party IP suppliers.
- (7) Enhance front-end SoC design capabilities that will help develop lead time-reducing platforms for system design verification and expedite client time-to-market.
- (8) Continue to expand market share in emerging AI, HPC ,5G and Datacenter Networking, LEO, AR/VR, ADAS, and robotics applications.

## 2. Analysis of the market, and the production and marketing situation

### 2-1. Market Analysis

#### 2-1-1. Geographic areas where GUC's main products/services are provided

In 2024, the Company's largest market for sales (calculated based on business regions) was Asia, accounting for 67% of the Company's turnover; the second largest market was North America, accounting for 32%; and the European market, accounting for 1%.

#### 2-1-2. Market share, and future market demand and supply conditions

##### (1) Market share

GUC is the leading design service company in Taiwan and ranks among the top pure ASIC design service companies in the world in terms of revenue.

##### (2) Future market demand and supply conditions

According to research by the World Semiconductor Trade Statistics (WSTS), In 2024, driven by strong demand in both the memory and logic semiconductor sectors, the market is expected to grow significantly by 19% compared to the low point in 2023, which was affected by a severe decline in consumer electronics demand and high inventory levels among manufacturers, reaching a global market value of \$627 billion. Looking ahead to 2025, this growth momentum is anticipated to continue, and with a recovery in demand for other semiconductor categories, the overall semiconductor market is projected to grow by 11.2% throughout the year. (See Appendix 1)

In addition, the TSIA survey showed that the output value of Taiwan's IC industry will reach NT\$5.3151 trillion (USD\$165.6B) in 2024, a increase of 22.4% from 2023. Among them, the output value of the IC design industry is NT\$1.2721 trillion (USD\$39.6B), a increase of 16% compared with 2023. (See Appendix 2)

With the rise of generative AI applications, the number of AI and HPC ASIC design service request from major international companies is expected to continue. The demand for advanced process technology and advanced packaging technology from major brand customers is still strong. In addition, the construction expansion of 5G, Datacenter Networking and LEO infrastructure will continue to drive the development of related applications such as unmanned driving, drones, smart factories, smart medical care, smart agriculture, smart cities, etc. It is expected that the global ASIC market will continue to have business opportunities.



## Appendix 1

### 2023~2025 Global Semiconductor Revenues

Year	Amount (US\$B)			YoY Growth		
	2023	2024	2025(E)	2023	2024	2025(E)
Global semiconductor market	520.1	627.0	697.0	-9.4%	19%	11.2%

Note: E = Estimate; source: WSTS (Dec. ,2024).

## Appendix 2

### 2021~2025 Taiwan IC Industry Revenues

Unit: NT\$ billion

	2021	YoY	2022	YoY	2023	YoY	2024	YoY	2025(E)	YoY(E)
IC Industry Revenue	40,820	26.7%	48,370	18.5%	43,428	-10.2%	53,001	22.0%	61,785	16.2%
IC Design	12,147	42.4%	12,320	1.4%	10,965	-11.0%	12,769	16.5%	14,155	11.3%
IC Manufacturing	22,289	22.4%	29,203	31.0%	26,626	-8.8%	33,957	27.5%	40,827	19.4%
IC packaging	4,354	15.3%	4,660	7.0%	3,931	-15.6%	4,270	8.6%	4,608	8.9%
IC Testing	2,030	18.4%	2,187	7.7%	1,906	-12.8%	2,005	5.2%	2,195	9.6%

註：(E) 表示預估値 (Estimate)

Sources: TSIA, ISTI/ITRI (Feb., 2025)

### (3) Market growth potential:

Clients for mainstream applications (e.g., consumer electronics, storage devices, IoT, automotive electronics, drones, robots, etc.) will continue to integrate more functions into a single SoC, in pursuit of cost reductions and added features. We expect chip design projects from this type of client to grow continuously.

As process technologies advance, the chip design costs sharply increase. In an effort to focus on their core businesses and reduce costs, some IDMs have been outsourcing chip design to design service providers. Meanwhile, system companies also been leaning toward designing their own ASIC chips with competitive PPA (power, performance, area) as a way to differentiate themselves. These two trends are creating potential business opportunity for design service companies such as GUC with advanced platform solutions. GUC has provided 7nm/6nm, 5nm/4nm and 3nm design and mass production services to clients, and continuously invested in 2nm and advanced design flow technologies. We are confident in our ability to not only satisfy clients' demands for design services and silicon IPs, but also to lead the growth momentum in the semiconductor industry.

The 5G specifications were formulated in 2019. The deployment of 5G base stations has been expanded around the world; major mobile phone manufacturers have continued to roll out their new generations of 5G mobile phones. Apple's latest iPhone has also boosted the transformation of mobile communications. 5G networking provides performance ten times better or more than existing 3G/4G systems, and supports a wide variety of different scenarios and applications that demand low latency and high-bandwidth transmission, such as AI, AR/VR, 8K video, and the Internet of Vehicles. In the future, service providers for these applications will also need more cloud data centers and larger data storage, which will drive growth in related chips such as CPUs, AI accelerators, switches, fiber-optical, and storage chips.

AI ASICs are custom chips dedicated to performing specific operations (application scenarios) requiring significant power efficiency and cost effectiveness over application-specific standard product (ASSP) chips. The generative AI technologies are booming, and application scenarios are becoming a part of everyday life, so many market research institutions forecast a positive outlook for AI ASIC business opportunities and demand for both ASIC design services and IP. From AI cloud training/inference accelerators to end-point/edge devices, we foresee a sustained growth trend in the future that will drive demand for ASIC design services and silicon IPs.

The announcement of UCle for die-to-die interface standardization in March 2022 paves the way for the chiplet era. Its motivation is to establish a platform for packaging and align industry around an open platform, enabling chiplet-based solutions. Chiplet market momentum is expected to ramp up when the ecosystem becomes complete in the next few years.

To meet growing ASIC demand from the system companies, and to maintain its position as the leading advanced ASIC design service, GUC has developed world-class system-design platforms that span IP sub-systems, design methodology, system integration, 2.5D and 3D advanced packaging technologies, as well as manufacturing and supply chain management to help clients develop their own chips. We expect that the advanced ASIC application market will continue to boost in the future.

### 2-1-3. GUC's competitive niche, positive and negative factors for future development, and GUC's response to such factors

#### (1) Competitive niche

##### A. Advanced design flow and 2.5D/3D advanced packaging technologies

GUC works closely with TSMC on the development of advanced process technologies and their design flows. GUC also strives to excel in chip/package design methodology innovation and IP quality assurance, expediting client time-to-market. In addition to mature technologies, GUC has successfully achieved production tape-outs for 7nm, 6nm, 5/4nm and 3nm projects, as well as collaborated with strategic partners to provide 2nm design eco-system solutions. In the meantime, GUC has also invested heavily in the development of industry-leading 2.5D and 3D advanced packaging technologies. Our deep hands-on expertise in Advanced ASIC design and production service is the strongest backing for clients' success.

##### B. Technology-leading R&D team

GUC is dedicated to developing in-house technologies. Over the years, GUC has formed a world-class R&D team that has successfully turned clients' designs into competitive products.

##### C. Profound IP development and integration experience

GUC has successfully developed a competitive IP portfolio that has been licensed to IC design houses and system companies worldwide, as well as being integrated into numerous products for production.

##### D. Mature, robust design and verification processes

GUC's well-developed and comprehensive processes serve to shorten the time needed for IC verification while also reducing IC design risks. This helps clients complete product designs within the shortest possible timeframes.

##### E. Silicon IP partnerships

GUC provides a comprehensive, best-in-class IP ecosystem platform by developing selected in-house IPs, and by collaborating with the top semiconductor IP vendors, such as Analog Bits, Aragio, ARM, Arteris, Cadence, CAST, Ceva, Credo, Chips&Media, Dolphin Design, eMemory, Imagination, M31, NSCore, OmniDesign, proteanTecs, PUFsecurity, Rambus, Silicongate, Silicon Creations, Synopsys, TCI, and TSMC.

##### F. Diversified service models

GUC provides one-stop-shop services to clients through our complete SoC solutions, and supports clients "from concept to market". Clients can choose services and delivery methods to suit their technology capacity and needs.

##### G. Providing SIP trading services through the SIP Mall

GUC offers a trading platform for our IP providers and users. Clients thus have accesses to information and services of the types of IP they need, as well as the verification information and quality assurance of these IPs through a single contact window.

#### (2) Positive and negative factors for future development, and GUC's response to such factors

##### A. Positive factors

###### a. The world's top foundry and advanced process technology

TSMC is the world's largest foundry, with a global market share of more than 50%, and is located in Taiwan. It is the top leader in advanced manufacturing processes. The technology and services provided by Taiwanese companies have earned a world-wide reputation. Companies in Taiwan can always provide a complete and competitive solution to their clients, no matter whether they choose to work directly with foundries for production or cooperate with design service providers. With the close cooperation between IC foundries and designer service providers, Taiwan has become an indispensable partner and production stronghold for the semiconductor industry.

###### b. Booming new technologies and new startups

From personal computers, system-on-a-chip SoC, analog mobile communications, to 5G technology, new applications and services have always been the driving force of industrial progress. With the rapid development in artificial intelligence, high-speed computing, and data center cloud services, many start-up companies are investing in new technologies and products to realize ideas and applications. Because of resource and labor limitations, startups have to collaborate with design service providers and utilize the silicon-proven IPs to quickly implement their ideas in their products. New technologies and startups form positive feedback loops, providing strong momentum for growth of the semiconductor industry.

###### c. The trend of IDM Fab-lite and labor division of IC design and design service

In order to focus on the core businesses and save large-scale capacity investment in advanced process nodes, IDMs throughout the world are moving toward the Fab-lite trend; they are starting to outsource projects to design services providers. For system companies and IC design houses, products require advanced processes to achieve greater performance. This means larger investments in engineering teams and advanced hardware/software equipment. Further, with the high cost of masks for advanced process nodes, such huge investments are not affordable by the average companies. With the support from design service providers, system and chip companies are able to concentrate on the front-end function development and circuit design. They can outsource their back-end physical implementation (floor-planning, P&R, layout, production, packaging, and testing) and the development of silicon intellectual property integration to design service companies. This allows them to complete cutting-edge chip development in a fast, efficient, reliable way.

## B. Negative factors, and GUC's response to such factors

### a. Lack of key IPs with respect to certain product applications

Some of GUC's client applications are in uses such as HPC, AI, and Datacenter Networking applications. These require key IPs, such as chip interconnection and stacking IP, HBM and customized SRAM. These key IPs are critical in the client's decision-making process.

#### Countermeasures

GUC has a professional R&D team that is specialized in developing and customizing key IPs, such as chip interconnection and stacking IPs (GLink and UCle), HBM3/3E/4 PHY & controller and customized SRAM. GUC also works with the world's top-tier IP partners to provide comprehensive IP solutions.

### b. Specialized industry data is essential for diversified client applications

Applications vary from one client to another. GUC needs to gain more comprehensive understandings of different applications and to provide high-quality services.

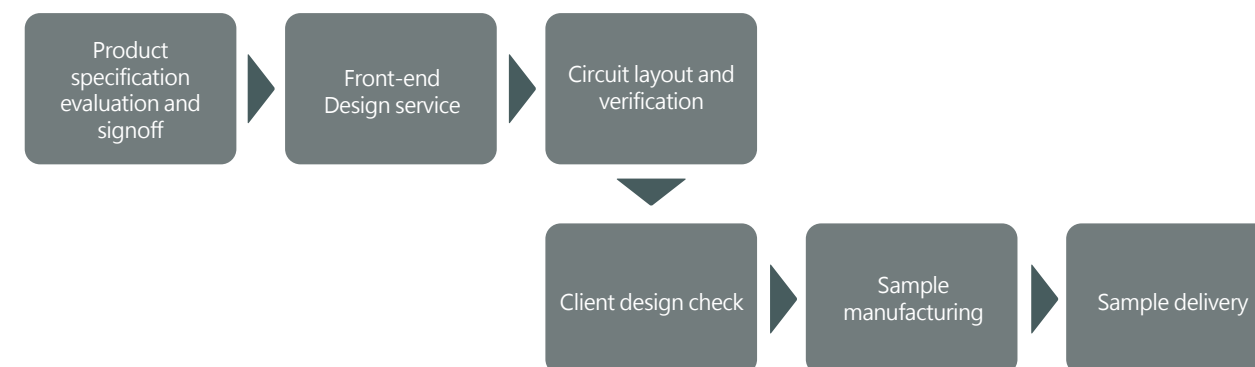
#### Countermeasures

Before entering new markets and exploring different applications, GUC conducts a thorough study. This process allows GUC to leverage our strengths and offer the best service to clients. In addition to attracting professionals from different domains, GUC also works closely with TSMC to provide robust, specialized service to clients.

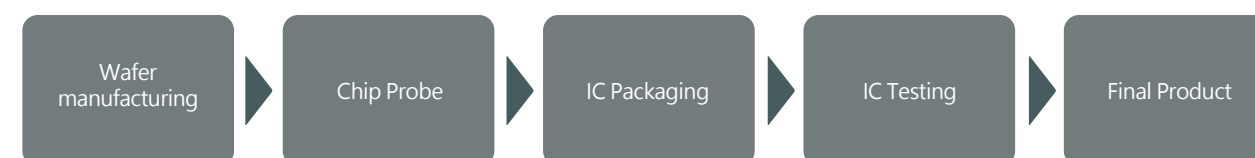
## 2-2. Usage and manufacturing processes for GUC's main products

The company's production flow includes two major steps: Front-end design service, and mass production.

Step 1: The process of front end design:



Step 2: Once the sample has been verified by the client, the mass production process starts:





2-3. Supply situation for GUC's major raw materials

GUC's product materials are wafers. The only supplier is TSMC, the world's foundry leader. Since TSMC is GUC's largest shareholder, a long-term cooperative relationship has been well-established. Therefore, the supply of raw materials is stable.

2-4. Customers that constituted more than 10% of net purchases (sales) in any of the last two years

2-4-1. Customers that constituted more than 10% of net sales in any of the last two years

Unit: NT\$ Thousand

2023				2024			
Client's Name	Amount	Percentage of annual net sales	Relationship with the issuer	Client's Name	Amount	Percentage of annual net sales	Relationship with the issuer
A	5,676,864	22%	None	Note	Note	Note	None
B	3,688,240	14%	None	Note	Note	Note	None

Note: The customers were not disclosed as the sales to them did not reach more than 10% of the Company's net operating revenue of the year.

2-4-2. The names of customers that have accounted for 10% or more of the net purchases in any of the most recent 2 years

Unit: NT\$ Thousand

2023				2024			
Client's Name	Amount	Percentage of annual net purchase	Relationship with the issuer	Client's Name	Amount	Percentage of annual net purchase	Relationship with the issuer
TSMC	6,395,587	70%	(note 1)	TSMC-NA	4,671,773	49%	(note 2)
TSMC-NA	2,495,246	27%	(note 2)	TSMC	4,367,165	46%	(note 1)

Note 1: An investing company that adopts the "equity method evaluation" for the Company

Note 2: A subsidiary 100% owned by TSMC

Explanation: The Company's major suppliers are foundries, and the main raw materials purchased are wafers.

3. Human Capital

Year		2023	2024	As of March 17, 2025
Number of employees	Managerial officer	7	7	7
	Professionals	852	873	875
Total		859	880	882
Average age		39.4	39.5	39.6
Average years of seniority		6.5	6.9	7.0
Educational level	Ph. D	2.3%	1.9%	2.1%
	Master	61.1%	61.7%	62.0%
	Bachelor	36.2%	36.0%	35.6%
	High School	0.3%	0.4%	0.3%

Note 1: The above information was presented based on consolidated statements.

Note 2: The above information did not include fixed-term contract employees.

4. Environmental protection expenditure information

The total amount of losses (including compensation) and penalties due to environmental pollution in the most recent year up to the publication date of this annual report; and explanation of countermeasures to be taken in the future (including improvement measures) and the likely expenditures (including estimated amounts of possible losses, penalties and compensation if countermeasures are not taken; if the amount cannot be reasonably estimated, the facts resulting in the failure for not being able to give a reasonable estimation should be stated): None.

## 5. Labor-management relations

### (1) The Company's employee benefits, further education, training, retirement system and the implementation status as well as status of labor-management agreements and measures taken to preserve employee rights and interests

#### 1. Employee Benefits

The Company's "Employee Welfare Committee" has been set up since December 20, 1999, and was approved by Hsinchu Science Industrial Park Administration. Funds are allocated on a monthly basis for organizing regular activities to enhance employees' welfare. Detailed benefits programs and budget planning are carried out every year, including gift vouchers for festivals, health-promotion and leisure activities for employees, family days, local/overseas tours, wedding and funeral subsidies, hospitalization subsidies for employees and their families, birthday parties, prizes for year-end parties, health check, labor/health/group insurance, etc. In addition, the Company also provides the following benefits:

- (1) From the date of employment, employees are entitled to special leaves that are better than those stipulated in Labor Standards Act.
- (2) Female employees are entitled to 12 weeks of maternity leave before and after childbirth, which is better than the provisions prescribed by the Labor Standards Act.
- (3) To cater to the employees' dietary needs, GUC provides a generous meal subsidy, facilitating access to balanced meals at the employee cafeteria and coffee bar.
- (4) Provide free parking for cars and motorcycles to meet employees' parking needs.
- (5) Set up outdoor basketball courts for employees to exercise.
- (6) A gym with professional equipment as well as basketball shooting machines and video game consoles are provided to create a sports space that is not affected by the weather.
- (7) Employees can enjoy professional massage and stress-relieving services in the Company at a discount price, and meanwhile help the visually impaired workers from "Hsinchu County Blind Welfare Association", achieving two purposes (stress relief and charity) at the same time.
- (8) Collaborate with Hsinchu City Lifeline Association to offer employees comprehensive consultation service programs. Employees can make phone calls or appointments to consult with professional personnel about issues related to career/work, family/parenting, interpersonal relationships, love problems, physical/mental stress, etc.
- (9) Discount offer for various tickets or vouchers such as Vieshow Cinemas tickets and department store gift vouchers
- (10) Organize various activities and year-end banquets to show appreciation for employees' efforts over the past year.
- (11) Organize GUC Family Day for employees' family to learn more about GUC and to shorten the distance between the family and the Company.
- (12) Organize local day trips, encouraging employees to get close to Nature.
- (13) Provide high allowances for employees' local/overseas tours and club activities to help employees enjoy a balanced life after work.
- (14) The Company organized health promotion activities with high rewards to actively encourage employees to be more health conscious.

#### 2. Further education and training

With the aim of responding to the rapid changes in industrial technologies and ensuring employees' capability and career development to achieve the Company's operating goals, employee learning and development is considered a priority for the Company's human resource management. The educational training is planned based on core competency and extended from the Company's operational strategies to connect with the Professional Training Roadmap. In addition, diverse training approaches and the combination of virtual e-classrooms, knowledge management systems, physical courses, blended courses and workshop design are employed to promote various training activities and talent training programs. Moreover, the Company also provides a variety of training options and opportunities as well as abundant training resources to support employees' in-service training, externally-held professional upgrading training, and language learning. The achievements of the Company's educational training in the most recent year are as follows:

Course category	Sessions	Total participants	Total hours	Total expenditure (NT\$)
Professional Training	157	1,999	8,157.75	2,555,728
Management Capabilities	8	112	669.5	
General Training	22	674	1,378.5	
New Employee Training	24	245	825.5	
Language Learning& Self-inspiration	99	128	1,006	
Digital Learning	37	2,079	891.75	
Total	347	5,237	12,929	

Additionally, the Company collaborated with an external online learning platform in late 2024 to provide training for a limited number of participants. This program was designed to foster an atmosphere of learning throughout the organization while enabling employees to enrich themselves and enhance their career competencies for the future through self-directed learning. The achievements are as follows:

Course category	Sessions	Total participants	Total hours
External online learning platform	698	95	790.9

A variet Learning platforms have been introduced to provide the best learning environment for employees. In addition to learning in physical classrooms, the Company has also constructed virtual e-classrooms, developed e-learning and knowledge management systems, and established a mechanism for Online Teaching Satisfaction Survey. Dedicated personnel are designated to plan and promote various learning/training activities and talent development programs, in which unit heads' active participation is also encouraged and invited. Through effective operations, GUC has created the following courses:

- (1) New Employee Orientation (NEO): This course helps new employees know the past, present and future of GUC in hope that through the in-service supervisors' experience sharing and the introduction to the rights and obligations for individuals, new employees can quickly adapt to the environment.
- (2) Professional Training Roadmap: The Professional Training Roadmap is developed based on employees' positions, tenures, job levels, etc., and various professional training courses are provided to help employees acquire the professional skills required for their jobs.
- (3) Personal Effectiveness Training (PET): This is a course available for all employees, which aims at assisting employees in improving work effectiveness, e.g. communication skills, time management, etc.

- (4) Management Development Program (MDP): This program aims to strengthen supervisors' leadership management skills through various courses such as performance management, team leadership, etc. for junior and middle managerial personnel.
- (5) Executive Leadership Forum (ELF): This management learning forum is set up for senior managerial personnel to enhance their various leadership skills through the sharing and exchange of practical experiences.
- (6) Self-Development (SD): The Company provides scholarships/grants to support employees pursuing their degrees, and language learning grants to encourage language proficiency improvement.
- (7) Dept. Learning Workshop: The Company plans and organizes tailored learning activities based on the needs of each department.

To promote the Company's sustainable operations and growth, GUC actively cultivates high-quality talents and skills. Employee education, training, and growth are closely linked to the Company's sustainable development strategy and employee capability enhancement plan. The Company has established dedicated units to design and provide appropriate training and learning resources for employees and supervisors of all levels and positions. By enhancing employee and supervisor competencies and helping them advance their careers, the Company has become an industry leader while ensuring sustainable operations and growth. "Learning makes GUC better." With this philosophy of continuous improvement and steadfast progress, GUC aims to ceaselessly provide all employees with the highest quality and most effective learning and growth opportunities.

### 3. Retirement System

In order to help employees to secure their post-retirement life, for employees under the old pension system regulated by Labor Standards Act, pension fund is allocated on a monthly basis in accordance with Labor Standards Act. The fund is supervised by the Company's Employee Pension Supervisory Committee, and is deposited in the name of the Committee in Bank of Taiwan for receiving/paying, custody and utilization. For employees under the new pension system regulated by Labor Pension Act, the Company shall follow the Monthly Contribution Classification Table approved by the Executive Yuan to make pension contributions for employees at a minimum rate of 6% every month in accordance with Labor Pension Act, and deposit the fund in employees' Individual Retirement Account kept in the Bureau of Labor Insurance.

### 4. Status of labor-management agreements and employee communication

The Company regularly holds labor-management meetings to extensively collect employees' opinions, showing the Company's emphasis on communication and improvement of labor-management relations. The Quarterly Employee Communication Meeting also provides opportunities for employees to communicate with their supervisors. The specific communication methods are listed as follows:

- The Company's general announcements (on an irregular basis)
- Quarterly Employee Communication Meeting
- Quarterly Labor-management Meeting
- Annual Engagement survey
- Mailbox for Employee Complaint and Everyday Services
- Employee Service Center

### 5. Measures for Employee Stock and Employee Stock Ownership Trust

By connecting with the Company's operating goals, the Employee Profit Sharing Plan allows employees to share the Company's operating results based on their actual commitment. As stipulated in the Company's Articles of Incorporation, if there are surplus earnings at the end of a fiscal year, the earnings should be first used for tax payment, offset for losses accumulated over the years, and 10% of the earnings should be appropriated as legal reserve; then no less than 2% of the remaining earnings shall be appropriated as the entire employees' compensation. In the event of cash capital increase, the Company can offer a certain percentage of capital increase for employee share ownership, which gives an opportunity for the entire employees to purchase the Company's stock based on their wishes. In addition, if employees allocate a certain percentage of their salaries every month to their trust accounts for company stock purchase, the Company will also appropriate a certain percentage of the amount allocated by the employees to the employees' trust accounts for them to buy the Company's stock, thereby encouraging employees' saving and enhancing company cohesion.

### 6. Employee Conduct or Ethics Rules

The Company has formulated "Operating Procedures for Ethical Management & Business Code of Ethics", based on which all GUC's employees, both inside and outside the Company, are required to maintain a high level of personal conduct and business ethics. The Company's personnel should clearly understand and abide by the following principles:

- (1) One should perform one's duties with honesty, conscientiousness and respect.
- (2) One should be loyal to one's job without being involved in any illegal or inappropriate activities;
- (3) One should avoid any conflicts of interest between the individual and the Company.
- (4) One must not conduct oneself in a way that may disgrace the Company.
- (5) The scope of such compliance is not limited to laws and regulations; the more important is self-discipline and self-judgment without going against common rationality.

When engaging in everyday work and business, employees should strictly abide by the Company's business code of ethics to maintain the Company's reputation, and to earn respect and trust from customers, suppliers and the public. The main contents are:

- (1) Employees should be aware of and abide by the business code of ethics and the principle of personal integrity.
- (2) Employees should avoid any conflict between their personal and the Company's interests, or any possible impact on the Company.
- (3) The highest-standard business code of ethics should be maintained when interacting with suppliers, contractors, customers, and other people from all walks of life related to the Company's business (including government agencies). It is prohibited to offer or accept any improper benefits, or to give any presents, cash gifts or entertainment, by which the normal business relationship and judgment might be affected. Bribery of any kind should be absolutely prohibited.
- (4) Prohibition on intellectual property infringement, prohibition on unfair competition, prevention from damage by products or services to stakeholders, proprietary information protection, prohibition on proprietary information disclosure and insider trading, confidentiality agreements, etc.



The Company follows and declares the Ethical Management Policy. Ethical Management Evaluation is conducted before business relationships are established. The Ethical Management Policy is clearly explained to business partners, and the ethical management principles are specified in all contracts/agreements, through which dealing with dishonest firms/companies is avoided. All employees are responsible for the compliance with this policy and relevant procedures. Supervisors of all levels should implement the policy with all efforts and ensure that their subordinates understand, accept and abide by relevant regulations.

## 7. Work environment safety and employee safety protection measures

Protecting employees' safety has been the first consideration since the Company designed the hard & soft services facilities of its office environment, ensuring that employees can receive the best protection at work. Swipe-card devices for access control are set at all entrances/exits of the Company. Emergency buttons are set in car parks and ladys' toilets. The office areas are equipped with AED rescue kits, and qualified first-aiders are designated for each floor. The main entrances/exits are also guarded by security personnel 24 hours a day to protect employees' safety.

GUC understands the importance of workplace and employee personal safety measures. The Company has obtained certification through the ISO 45001 Occupational Health and Safety Management System, which effectively ensures workplace safety for employees. Additionally, the Company conducts office environment monitoring every 6 months, environmental disinfection twice a year, building public safety inspections and reporting operations every 2 years in compliance with regulations, regular monthly maintenance of fire safety equipment, and annual inspection and reporting of fire safety equipment in accordance with regulations, monthly maintenance and testing of high and low voltage electrical equipment, monthly automatic inspection and maintenance of plant facilities, etc. All equipment undergoes regular maintenance and inspection to ensure that it is in optimal condition at all times, thereby providing a safe and healthy work environment for employees.

The Company is committed to promoting environmental, safety and health policies, with zero occupational accidents as its safety goal. Every six months, we invite firefighting authorities to conduct fire prevention drills. In order to develop employees' concepts of disaster prevention measures and response, we set up an employee self-defense and firefighting team within the company, and implement emergency evacuation drills every year on a regular basis to ensure that all employees can respond correctly and quickly when they encounter unexpected situations.

The Company cares for the health of its employees and arranges annual health checkups (surpassing governmental regulations). The Company has established a health classification system and conducts employee health management, providing on-site physician services at least once every 2 months to safeguard employee health. In 2023, GUC organized multiple practical and diverse health promotion seminars and activities and periodically updated its website with health education information to ensure employee access to comprehensive health management services and resources.

The Company has implemented a variety of plans to reduce the occurrence of occupational diseases and mitigate company risks, including the "Abnormal Workload Induced Illness Prevention Plan", the "Maternal Health Protection Plan", the "Human Factors Hazard Prevention Plan", and the "Prevention Plan for Incidents of Illegal Acts in the Performance of Duties". Each of these plans was formulated with reference to the guidelines for workplace safety related preventive measures issued by the Occupational Safety and Health Administration of the Ministry of Labor.

The Company's efforts in work environment safety and employee safety protection have been recognized by Ministry of Labor, making the Company one of the "Friendly Workplace Award" winners. In addition, the Company has been recognized with the Badge of Accredited Healthy Workplace – Health Promotion issued by the Health Promotion Administration, Ministry of Health and Welfare. And the Company was also recognized by the Hsinchu City Public Health Bureau with the 2024 Excellent Breastfeeding Room certification.

**(2) The losses suffered by the company due to labor disputes in the most recent year up to the publication date of this annual report; and disclosure of the amounts incurred at present and in the future as well as the countermeasures being taken; if the amounts cannot be reasonably estimated, the facts resulting in the failure for not being able to give a reasonable estimation should be stated: None.**

## 6. Maintenance of Shareholder and Investor Relations

GUC management team has formulated management guidelines based on feedback received from relationship maintenance, which has also been incorporated into everyday work schedules or annual plans. Effectiveness of the management guidelines is regularly reviewed and evaluated to construct an important basis for the Company to develop sustainable business strategies. Different degrees of interactions are carried out based on the significance of stakeholders to effectively utilize the Company's resources and create a win-win relationship for mutual benefits. The major communication methods are as follows:

- Holding Shareholders' Meeting in May each year
- Issuing the Sustainability Report every year, and publishing the Annual Report before Shareholders' Meeting
- Communicating with shareholders by means of phone calls or E-mails
- Holding two investor briefings every year
- Quarterly financial reports
- Participating in investor forums or investor briefings held by domestic/international investment institutions and securities firms
- Receiving visits from corporate shareholders, domestic/international investment institutions and securities firms on an irregular basis
- Announcing information in the Market Observation Post System and on the Company's official website

The information about the number of investor meeting sessions and participants from 2020~2024 is as follows:

Year	2020	2021	2022	2023	2024
Number of meeting sessions	81	82	124	214	192
Number of meeting participants	749	971	1,647	1,959	1,771
Average number of participants per session	9.25	11.84	13.28	9.15	9.22

## 7. Information-Communication Security Management

### (1) Information-communication security risk management framework, Information-communication security policy, specific management programs and resources invested in information-communication security management:

#### 1. Information security governance systems, goals and strategies

GUC aims at building a tight and effective information security defense network as its information security vision. With consistency in information security governance, the Company is gradually improving its comprehensive protection capabilities, and hopes to become an enterprise with outstanding performance and maturity in information security governance. The Information Security Department is in overall charge of the information security system and relevant compliance. It also promotes the implementation of relevant operations to continue the improvement of information security awareness and professional capabilities. Through the application of technologies, the information security risks and weaknesses are identified, for which effective reinforcement measures are taken to build up a sound governance system and comprehensive information security protection capabilities, and meanwhile to cultivate employees' information security awareness.

#### 2. Implementation of information security policy

- (1) Formulate information security management guidelines in line with regulatory and customers' requirements.
- (2) Build a consensus on the comprehensive implementation of information security protection through all employees' awareness.
- (3) Protect the confidentiality, completeness, availability and legal compliance of the Company's and customers' information.

#### 3. Organizations for information security

##### (1) Security Committee

The "Information Security Committee" is responsible for the management and planning of information operations security, and the establishment and maintenance of information security management systems. As the top information security supervisors, they oversee the execution of the company's entire information security operations and the efficacy of the information security risk management mechanism, report to president, update the progress in the management meeting of senior executives each quarter, and present the execution outcome of the overall information security management organization related information security operation and system to the Board of Directors each year to ensure that senior

executives and Board members fully understand the company's current information security management status and enforce management's requirements for information security policies. Act as the highest-ranking officer responsible for information security. A "meeting of information security representatives" is held at least once per year and the meeting participants cover the responsible personnel of relevant information systems and external information security consultants in a number exceeding 13 persons to review the information security development plans and implementation results, and to announce policies related to information security and implementation focuses.

## (2) Proprietary Information Protection (PIP) Committee

PIP Committee: The PIP is constituted by the representatives designated by supervisors of the respective divisions of the entire company (including its branches throughout the world). The committee has a total of 21 colleague members including the chairperson; the executives at the vice general manger level holds quarterly meetings, responsible for the research/discussion, establishment, audit, promotion, etc. of all the Company's proprietary information control operations. Protecting proprietary information is GUC's commitment to customers, shareholders and the Company's employees. GUC understands that proprietary information protection is closely related to the Company's current and future competitive advantages. Thus, the 《Proprietary Information Protection (PIP) Policy》 has been formulated to clearly define the Company's proprietary information protection management procedures and regulations, by which the Company can properly control its trade secrets and undisclosed confidential information related to GUC to ensure the best interests of the Company, shareholders, employees, customers and suppliers. GUC's proprietary information protection is carried out based on the management cycle of Plan-Do-Check-Act (PDCA), which continuously strengthens the ability to protect proprietary information, and enhances personnel's correct concept about and vigilance over proprietary information protection, thereby reducing the risk of proprietary information leakage. GUC has also formulated management measures to incorporate information security and ethical management within employee performance evaluations.

- (2.1) Inspections are conducted on a quarterly basis to ensure the implementation of the Company's proprietary information protection measures.
- (2.2) Raise the awareness of proprietary information and the rules to follow through everyday work and various occasions.
- (2.3) Conduct educational training to improve employees' information security awareness and capability. In addition to listing proprietary information control as a mandatory topic for new employees' training, all employees should also be re-trained twice every year to continuously strengthen and enhance their information security awareness.

PIP training	2022	2023	2024
Total number of employees in the prevailing year	759	819	839
Ratio of employees who completed the training	100%	100%	100%

- (2.4) Regarding PIP violations, management measures have been formulated, and reporting mechanisms have been established to assess responsibility and administer penalties. Relevant punishments and required corrections have been made in accordance with the cause of the violation and the degree of the impact, and dissemination as well as educational training has continued. The PIP violations occurring over the years are listed as follows:

The total number of violations resulting from employee's failure to comply with the proprietary information protection procedure in 2024 accounts for 0.12% of the number of employees.

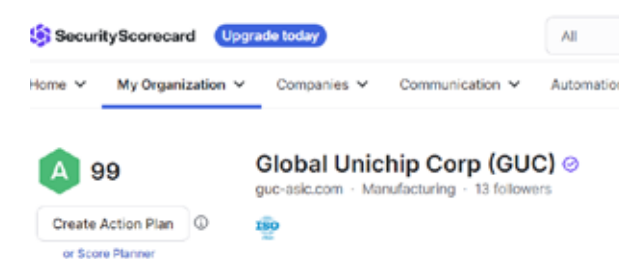
PIP violation condition	2022	2023	2024
Number of violations by colleagues	1	1	1
Number of violations by outsourcing suppliers	0	0	0

## 4. Security risk management framework countermeasures

- (1) Information security defense capability reinforcement and maturity evaluation:

Conduct regular information security tests for system strengthening, and continue the implementation of business continuity drills. Develop cybersecurity incident response plans, and take corresponding reporting and recovery actions. At the same time, risk analysis is conducted through third-party verification (3rd-Party Risk Assessment), utilizing objective results and threat intelligence from platforms such as Security Scorecard and Panorays to further enhance the information security management framework.

The target score for Security Scorecard in 2024 is set at 95 or above, with the score maintained at 98 or higher since January 2024.

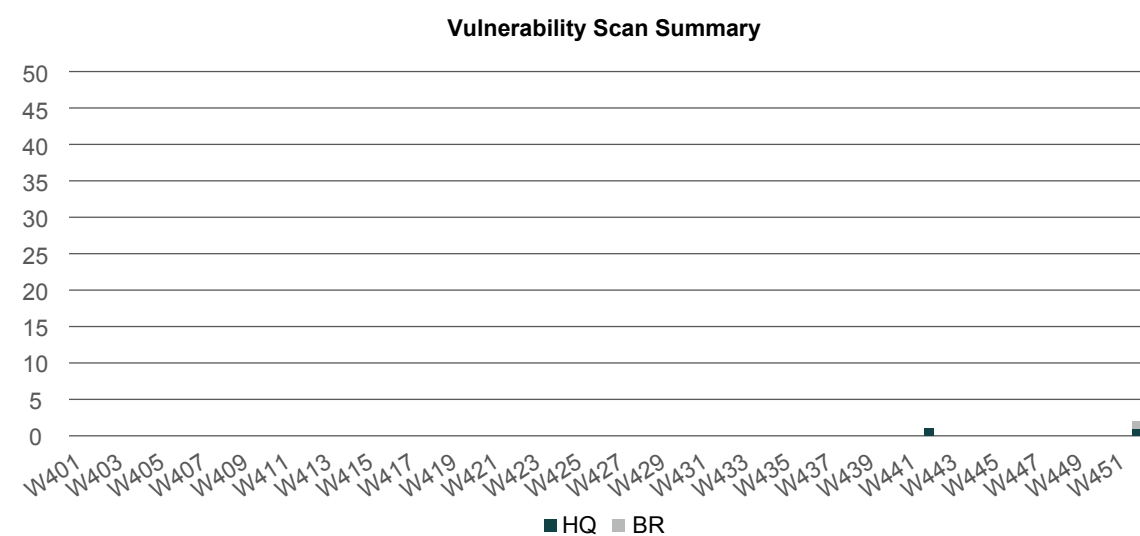


The target score for Panorays in 2024 is set at 90 or above, with the score maintained at 97 or higher since January 2024.





The frequency of External Vulnerability Scan has been increased from once per week to currently once per day. Any high-risk vulnerability being identified can be fixed at once.



To further reinforce its anti-hacking capabilities, the Company engaged a locally-renowned white hat hacker team to simulate offensive and defensive assessments with a Red Team in 2022 and conducted penetration testing in 2024. Apart from taking the initiative to understand hacker's thinking and strengthening employees' anti-hacking awareness, such experience has been used to continue to improve the intranet automatic joint defense system.

## (2) Information security management procedures upgrade:

Creative Electronic successfully met the ISO 27001 international standard for information security in 2021 and obtained certification. Through annual surveillance audits, the company continuously improves its information security management system.

In response to the International Organization for Standardization (ISO) officially releasing the ISO/IEC 27001:2022 standard on October 25, 2022, the company completed the document review and on-site audit in October 2024, Passing the transition review and re-certification audit with no nonconformities.



## (3) Risk management

The major risks concluded from the analysis of various possible combinations of threats and weaknesses assessed in annual risk assessments are as follows:

- (3.1) Fraudsters use fake emails to trick company's employees into sending money or transactions.
- (3.2) Those who commit industrial espionage or a company's competitors use hacking techniques to continuously hack into the company's internal hosts and steal the company's internal information.
- (3.3) Crime groups work with hackers to distribute contents with malicious links through emails, text messages, social software, and communication software. A victim's computer data may be encrypted and kidnapped, and a high ransom will then be asked for the recovery.
- (3.4) Hackers launch a large number of connection requests through the Internet, interrupting the normal operations of a company's network.
- (3.5) Internal employees use illegal software, or copy the company's confidential and sensitive information to portable storage devices, which may lead to information leakage if the devices are lost, stolen or sold.
- (3.6) Information software/hardware may be damaged due to natural or man-made disasters, resulting in service interruption or data loss.
- (3.7) The evaluation suggests that likely losses resulting from the overall information security risk is still low and falls within the range of self-protection. The results of annual evaluations are also reported to the Board of Directors.
- (3.8) Currently no Information Security Insurance has been taken out; however, for the above-mentioned risk concerns, several measures such as the application of information security management principles, introduction of technological solutions, and reinforcement of information security educational training are concurrently employed to establish fortified information security management mechanisms. The key measures are as follows:
  - (3.8.1) Regular internal and external audits are conducted to ensure compliance. The company obtained ISO 27001:2013 certification in Q4 2021 and successfully passed the annual certification audit and transition review to the updated standard in October 2024. The company has obtained the new ISO 27001:2022 certification and continues to enhance its information security management system.
  - (3.8.2) Two social engineering attack simulation exercises are conducted every year. Employees who fail an exercise or who fail two consecutive exercises are required to then attend information security reinforcement training. Such training enhances employees' sense of alertness against email fraud.

social engineering attack simulation	2022	2023	2024
Total number of employees in the prevailing year	759	819	839
Ratio of employees who completed the simulation	100%	100%	100%

- (3.8.3) Install antivirus and MDR(Managed Detection and Response) protection systems on the client side to provide real-time anomaly detection and alerting as well as forensic analysis and endpoint recovery functions. Block USB storage device connection and stop users from installing software. Moreover, provide Backup File Server for users to back up important data.
- (3.8.4) With respect to the network layer, incorporate the use of firewalls to control network traffic and applications. Develop a security monitoring and management mechanism for intranet protection and database access.

- (3.8.5) Employ the DRM (Digital Right Management) confidential and sensitive document management system and disk encryption technologies to protect the confidentiality of documents.
- (3.8.6) Adopt mail filtering and auditing systems and Anti-APT solutions to reduce the risks arising from email usage.
- (3.8.7) Introduce fingerprint identification systems and swipe-card systems in gateway management to meet the physical security requirements of two-factor authentication.
- (3.8.8) Centralize the management of hosts and establish environmental control and alarm mechanisms for the data center. Perform regular data backups and carry out emergency recovery drills on a yearly basis.
- (3.8.9) The multi-factor authentication mechanism has been compulsorily used for the remote access, so as to reduce the risk of password theft and credential stuffing attack. In addition, full video-taping has also been made to effectively record the use behavior and establish the audit track.
- (3.9) An important information system's disaster recovery drill has been performed twice per year to ensure timely response when system abnormalities occur, reduce system downtime, and lower the impact on the company's operations.
- (3.10) The Red Team Assessment was conducted in 2022 to simulate an invasion attack while not affecting the company's operations so as to authenticate information security detection and response abilities and grasp the potential risk condition. The eight information security leaks found in the assessment have all been promptly improved upon and protection measures have been adopted.
- (3.11) In 2024, a penetration test was conducted to identify and remediate potential vulnerabilities in systems containing highly sensitive data. This initiative aimed to further improve and strengthen security measures. As a result, two vulnerabilities have already been addressed and reinforced.
- (3.12) The responsible persons of respective information systems have been weekly convened to discuss current week's information security incidents and adopt required protection measures.

#### (4) Educational training

The Information Security Department also conducts Information Security Awareness-raising Educational Training for all employees on a quarterly basis. The topics are determined based on the encountered internal/external threats. The topic for each quarter of 2023 is listed as follows:

#### 2024 Information Security Awareness-raising Educational Training

Quarter	Topic
Quarter 1	What is Stealer Malware
Quarter 2	Precautions When Using Social Media
Quarter 3	How to Prevent Deepfake AI Scam Videos
Quarter 4	How to Identify Fake News in the Digital Age

#### (5) Resources invested for information security

The Company keeps investing resources in information security related fields. Resources being invested in improving the fundamental structure for governance and technology, strengthening the equipment for information security defense, information/data monitoring and analysis, incident response drills, educational training, etc. to comprehensively enhance the information security capabilities.

#### (6) Information security incidents

A specific information security reporting and handling process has been established to report and handle information security incidents. Information security incidents are accepted and graded by the reporting point of contact of the information unit. If the incident is a major information security incident, it will be reported to the risk management panel, and the information unit shall eliminate and solve the incident within the scheduled time limit, and conduct a root cause analysis and adopt remedy measures after the incident is fully handled, so as to prevent a repeat occurrence.

Cyber security incidents	2022	2023	2024
Material cyber security incidents	0	0	0
Number of data leaks	0	0	0
Number of employee and customer's personal information leaks	0	0	0
Amount of penalties resulting from information security incidents	0	0	0

### (2) The losses suffered by the company due to major information-communication security incidents in the most recent year up to the publication date of this annual report, the possible impact, and the countermeasures being taken:

The Company did not suffer any losses due to major information-communication security incidents in 2024 and up until the publication date of this annual report.

8. Important Contracts

(1) License and Transfer Contract

Contract period: From December 1, 2003 to December 1, 2008. Unless one of the parties provides the other party with written non-extension notice, the contract shall be automatically extended for one year from its expiration date, and the same rules shall be followed when the extension expires.

Contract party: Taiwan Semiconductor Manufacturing Co., Ltd.

Contract content/restriction clauses: The two parties reached an agreement on the license and transfer of specific intellectual properties. For part of the license, GUC should pay license fee to Taiwan Semiconductor Manufacturing Co., Ltd.

(2) License Agreement

Contract period: Effective from September 1, 2007

Contract party: Taiwan Semiconductor Manufacturing Co., Ltd.

Contract content/restriction clauses: The two parties reached an agreement on specific license that GUC should pay license fee to Taiwan Semiconductor Manufacturing Co., Ltd.

(3) License Contract

Contract period: From March 27, 2021 to March 26, 2024

Contract party: A certain company

Contract content/restriction clauses: The two parties reached an agreement on the license of the certain company's intellectual property that GUC should pay license fee to the company.

(4) License Contract

Contract period: From May 30, 2021 to May 29, 2024

Contract party: A certain company

Contract content/restriction clauses: The two parties reached an agreement on the license of the certain company's intellectual property that GUC should pay license fee to the company.

(5)License Contract

Contract period: From November 24, 2021 to November 23, 2024

Contract party: A certain company

Contract content/restriction clauses: The two parties reached an agreement on the license of the certain company's intellectual property that GUC should pay license fee to the company.

(6) License Agreement

Term of the Agreement: from March 29 2022 until March 28, 2025.

Agreement object: a company

Agreement content/restriction clauses: In accordance with the agreement between the two parties on the authorization of a company's relevant intellectual property rights, Global Unichip Corp. shall pay a royalty fee to the company.

(7) License Agreement

Term of the Agreement: from March 31, 2022 until March 30, 2025

Agreement object: a company

Agreement content/restriction clauses: In accordance with the agreement between the two parties on the authorization of a company's relevant intellectual property rights, Global Unichip Corp. shall pay a royalty fee to the company

(8) License Agreement

Term of the Agreement: from April 29, 2022 until April 28, 2025

Agreement object: a company

Agreement content/restriction clauses: In accordance with the agreement between the two parties on the authorization of a company's relevant intellectual property rights, Global Unichip Corp. shall pay a royalty fee to the company

(9) License Agreement

Term of the Agreement: The Agreement has come into effect from June 30, 2022.

Agreement object: a company

Agreement content/restriction clauses: In accordance with the agreement between the two parties on the authorization of a company's relevant intellectual property rights, Global Unichip Corp. shall pay a royalty fee to the company

(10) Long-term Supply Agreement

Term of Agreement: From June 30, 2021, to March 31, 2028.

Counterparty to Agreement: a company

Agreement content/restriction clauses: Both parties have reached an agreement regarding the long-term supply of a company's product in accordance with its production capacity, and \ Global Unichip Corp. shall pay a security deposit to the company.

(11) Long-Term High-End Packaging Production Guarantee Contract

Term of the Agreement: November 7, 2022 to December 31, 2035.

Contracting party: Taiwan Semiconductor Manufacturing Company.

Contract stipulations/restrictions: The two parties reached an agreement regarding a long-term guarantee of packaging capacity;GUC shall pay a guarantee bond to said company.

(12) License Contract

Term of the Agreement: July 28, 2023 to July 27, 2036.

Agreement object: a company

Agreement content/restriction clauses:The two parties reached an agreement on the license of said certain company's intellectual property that GUC shall pay a license fee to the company.

(13) License Contract

Term of the Agreement: Takes effect August 23, 2023.

Agreement object: a company

Agreement content/restriction clauses: The two parties reached an agreement on the license of said certain company's intellectual property that GUC shall pay a license fee to the company.

(14) License Contract

Term of the Agreement: February 29, 2024 to January 31, 2027.

Agreement object: a company

Agreement content/restriction clauses: The two parties reached an agreement on the license of said certain company's intellectual property that GUC shall pay a license fee to the company.

(15) License Contract

Term of the Agreement: December 30, 2023 to December 28, 2026.

Agreement object: a company

Agreement content/restriction clauses: The two parties reached an agreement on the licensenof said certain company's intellectual property that GUC shall pay a license fee to the company.

(16) License Contract

Term of the Agreement: October 28, 2023 to October 27, 2026.

Agreement object: a company

Agreement content/restriction clauses: The two parties reached an agreement on the license of said certain company's intellectual property that GUC shall pay a license fee to the company.

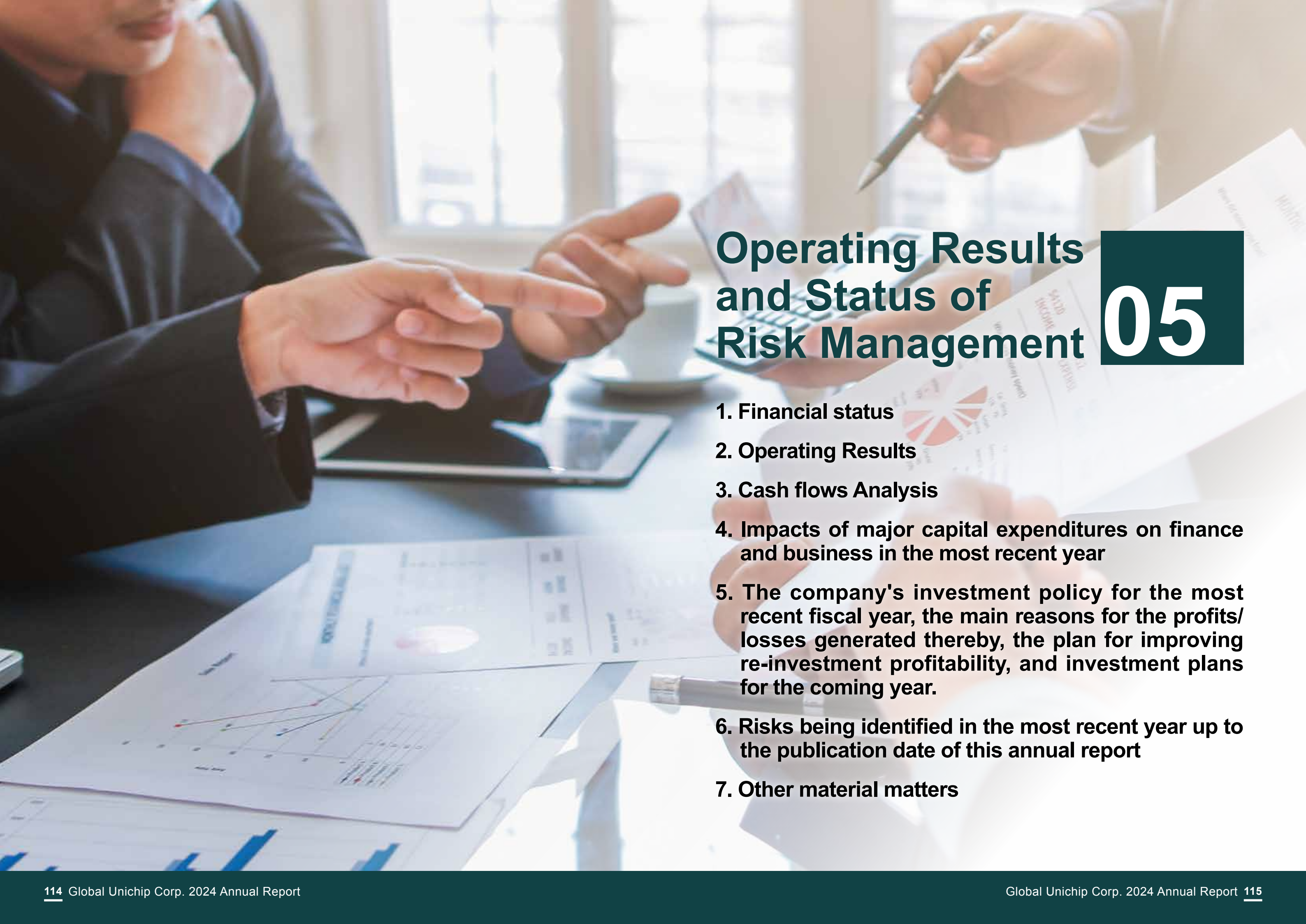
(17) License Contract

Term of the Agreement: May 28, 2024 to May 27, 2027.

Agreement object: a company

Agreement content/restriction clauses: The two parties reached an agreement on the license of said certain company's intellectual property that GUC shall pay a license fee to the company.



A background image showing a business meeting. In the foreground, a person's hands are gesturing while talking. In the background, another person is holding a pen over a document. There are various financial documents, charts, and a calculator on a desk. The scene is brightly lit, likely from a window.

# Operating Results and Status of Risk Management

05

1. Financial status
2. Operating Results
3. Cash flows Analysis
4. Impacts of major capital expenditures on finance and business in the most recent year
5. The company's investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.
6. Risks being identified in the most recent year up to the publication date of this annual report
7. Other material matters

1. Financial status

Unit: NT\$ Thousand

Item \ Year	2024	2023	Variation	
			Amount	%
Current assets	24,480,186	19,436,285	5,043,901	25.95
Property, plant and equipment	941,947	558,637	383,310	68.62
Intangible assets	437,800	587,286	(149,486)	(25.45)
Other non-current assets	449,326	491,724	(42,398)	(8.62)
Total assets	26,309,259	21,073,932	5,235,327	24.84
Current liabilities	14,668,647	10,953,865	3,714,782	33.91
Non-current liabilities	346,333	438,508	(92,175)	(21.02)
Total liabilities	15,014,980	11,392,373	3,622,607	31.80
Share capital	1,340,119	1,340,119	0	0.00
Capital surplus	32,843	32,801	42	0.13
Retained earnings	9,924,451	8,342,646	1,581,805	18.96
Other equity	(3,134)	(34,007)	30,873	(90.78)
Total equity	11,294,279	9,681,559	1,612,720	16.66

- Description:
1. The increase in current assets was primarily due to the increases in cash and cash equivalents and prepayment for purchases.
  2. The increase in property, plant, and equipment was primarily due to the acquisition of land and plant.
  3. The decrease in intangible assets was primarily due to the amortization of intangible assets.
  4. The increases in current liabilities and total liabilities were primarily due to the increase in contract liability.
  5. The decrease in non-current liabilities was primarily due to the decreases in lease liabilities and other long-term payables.
  6. The increases in retained earnings and total equity were primarily due to a net profit of NT\$3,450,588,000 and the distribution of cash dividends of NT\$1,876,167,000 in 2024.
  7. The decrease in other equity was primarily due to the discrepancy in currency conversion of financial statements from foreign-operating institutions.

2. Operating Results

Unit: NT\$ Thousand

Item \ Year	2024	2023	Increase (decrease) amount	Change percentage (%)
Operating revenue	25,044,192	26,240,714	(1,196,522)	(4.56)
Operating cost	16,936,638	18,265,019	(1,328,381)	(7.27)
Gross operating profit	8,107,554	7,975,695	131,859	1.65
Operating expenses	4,304,666	4,006,925	297,741	7.43
Net operating profit	3,802,888	3,968,770	(165,882)	(4.18)
Non-operating revenue and expenses	259,515	186,510	73,005	39.14
Net profit before tax	4,062,403	4,155,280	(92,877)	(2.24)
Income tax expense	611,815	647,395	(35,580)	(5.50)
Net profit of this period	3,450,588	3,507,885	(57,297)	(1.63)
Other comprehensive income for the year	38,257	(11,482)	49,739	(433.19)
Total comprehensive income for the year	3,488,845	3,496,403	(7,558)	(0.22)

- Analysis of increase/decrease changes:
1. The decrease in operating revenue was primarily due to the decrease in revenue from wafer products.
  2. The decrease in operating costs was primarily due to the decrease in operating revenue.
  3. The increase in operating expenses was primarily due to the recognition of expected credit losses.
  4. The increase in non-operating income and expenses was primarily due to interest revenue, gains on financial assets at fair value through profit or loss, and foreign exchange gains.
  5. The increase in other comprehensive income for the year was primarily due to the discrepancy in currency conversion of financial statements from foreign-operating institutions.



### 3. Cash flows Analysis

#### (1) Analysis of cash flow changes in the recent most year

Unit: NT\$ Thousand

Item \ Year	2024	2023	Increase (decrease) amount	Change percentage (%)
Operating activities	6,242,286	4,508,191	1,734,095	38.47
Investment activities	(1,521,715)	(742,897)	(778,818)	104.84
financing activities	(1,961,980)	(1,961,513)	(467)	0.02
Total	2,758,591	1,803,781	954,810	52.93

Analysis description:

1. The increase in cash provided by operating activities was primarily due to the increase in contract liability.
2. The increase in cash used in operating activities was primarily due to the increased investments in financial assets at fair value through profit or loss and the acquisition of property, plant, and equipment.

#### (2) Analysis of liquidity

Item \ Year	2024	2023	Increase (decrease) ratio %
Cash flow ratio (%)	42.56	41.16	3.40
Cash flow adequacy ratio(%)	144.23	105.62	36.56
Cash flow reinvestment ratio (%)	31.83	21.54	47.77

Analysis description:

1. The increase in cash flow adequacy ratio was primarily due to the increase in net cash flow from operating activities.
2. The increase in cash flow reinvestment rate was primarily due to the increase in net cash flow from operating activities.

#### (3) Analysis of cash liquidity for the next year

Unit: NT\$ Thousand

Beginning of year cash balance (1)	Expected annual net cash inflow from operating activities (2)	Expected annual net cash outflow (3)	Cash surplus (deficit) (1)+(2)-(3)	Remediation measures against expected cash flow deficit	
				Investment plans	Wealth management
10,427,431	7,759,961	(3,803,702)	14,383,690	0	0

1. Analysis of changes in cash flows:

Operating activities: The net cash inflow projected for 2025 is primarily due to the profit before tax in 2025.

Investing activities: The net cash outflow projected for 2025 is primarily due to the acquisition of equipment and software.

Financing activities: The net cash outflow projected for 2025 is primarily due to the distribution of cash dividends.

2. The remedy measures and liquidity analysis of expected cash deficiency: None

### 4. Impacts of major capital expenditures on finance and business in the most recent year:

Company entered into an agreement with K.H. Closures Inc. on October 11, 2024, for the acquisition of a property designated as a data center, with a total contract price of NT\$420,000,000. The source of funding for the capital expenditure came from the Company's working capital; therefore, it did not significantly impact the Company's finances.

### 5. The company's investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.

Investee \ Description	Reinvestment Policy	2024 Investment profit/loss (NT\$1,000)	Main reason for profit or loss	Improvement Plan	Investment plan for the coming year
Global Unichip Corp.-NA	The main purpose is to help expand the US market, and to directly provide product design, technical support and consulting services for customers on a local basis.	8,851	The main profit source is the stable revenue from product design, technical support and consulting services	N/A	None
Global Unichip Japan Co., Ltd.	The main purpose is to help expand the Japanese market, and to directly provide product consulting services for customers on a local basis.	12,944	The main profit source is the stable revenue from product design, technical support and consulting services	N/A	None
Global Unichip Corp. Europe B.V.	The main purpose is to help expand the European market, and to directly provide product consulting services for customers on a local basis.	751	The main profit source is the stable revenue from consulting services	N/A	None
Global Unichip (Shanghai) Co., Ltd.	The main purpose is to help expand the Mainland China market, and to directly provide product consulting services for customers on a local basis.	6,453	The main profit source is the stable revenue from product design, technical support and consulting services	N/A	None
Global Unichip Corp.Korea	The main purpose is to help expand the Korean market, and to directly provide product consulting services for customers on a local basis.	495	The main profit source is the stable revenue from consulting services	N/A	None
Global Unichip Nanjing Co., Ltd.	The main purpose is to help expand the Mainland China market, and to directly provide product consulting services for customers on a local basis.	58,133	The main profit source is the stable revenue from product design, technical support and consulting services	N/A	None
Global Unichip Vietnam Co., Ltd.	Assist in technical support, and consulting services for GUC.	1,785	The main profit source is the stable revenue from product design, technical support and consulting services	N/A	None



## 6. Risks being identified in the most recent year up to the publication date of this annual report

### 6-1. Impact of interest/exchange rate changes and inflation on the company's profit/loss, and the countermeasures to be taken in the future:

#### 6-1-1. Impact of interest rate changes on the company's profit/loss, and the countermeasures to be taken in the future:

The Company's interest revenue was NT\$153,858 thousand, and interest expense was NT\$4,187 thousand in 2024, both of which accounted for a low percentage of annual operating revenue and profit/loss. It is expected that changes in interest rates in the future will not have a significant impact on the Company's overall operations and profit/loss.

The Company's interest rate risk is mainly derived from its investment positions and lease liabilities. Changes in interest rates can affect the interest income accrued from company's cash, cash equivalents, financial assets at fair value through profit or loss and the interest expense paid for lease liabilities. The Company's cash and cash equivalents, including time deposit investments at a fixed interest rate and financial assets at fair value through profit or loss, can all bear a certain degree of interest rate risk. The interest income of cash, cash equivalents and financial assets at fair value through profit or loss at a floating rate may be lower than expected as a result of the decline in the interest rate. According to a sensitivity analysis conducted on the Company's fixed income investment on the close day of the reporting period, assuming that an increase of 0.1% of the interest rate occurred on the interest of different periods of time, the before-tax net profit in 2024 would increase by NT\$10,449 thousand.

For the Company's lease liabilities, floating interest rates are adopted for the discount rate, so any rise in interest rates may accrue a higher interest expense than expected. According to a sensitivity analysis conducted on the Company's lease liabilities on the close day of the reporting period, assuming that an increase of 0.1% of the interest rate occurred to the interest of different periods of time, the before-tax net profit in 2024 would decrease by NT\$187 thousand.

#### 6-1-2. Impact of exchange rate changes on the company's profit/loss, and the countermeasures to be taken in the future:

The Company's main operating activities are foreign currency transactions, so it is exposed to the risk of fluctuations in foreign exchange rates. To avoid future volatility in cash flows resulting from changes in exchange rates, the Company adopts economic hedge measures to maintain the balance of its net assets and liabilities of foreign currencies. Regarding the sensitivity analysis of the foreign currency exchange rate risk, foreign monetary items are mainly calculated on the close day of the reporting period. If the New Taiwan Dollar has appreciated 10% against relevant foreign currencies, the Company's before-tax net profit in 2024 would decrease by NT\$79,476 thousand.

The Company's gain on currency exchanges in 2024 was NT\$47,587 thousand, accounting for a low percentage of the annual operating revenue and net income. Since export accounts for a considerable percentage of the Company's revenue, changes in TWD to USD exchange rate may have an impact on the Company's profit/loss. Thus, the Company has been paying attention to the exchange rate fluctuations in the global market, and continues the implementation of the following countermeasures:

- (1) By paying the accounts payable of foreign currency arising from purchasing materials with the foreign currency cash received from selling products in overseas markets, most of the currency risks can be hedged through natural hedging strategies. Only the risks of exchange rate changes in relation to net assets (liabilities) in foreign currency need to be hedged through financial instruments in a timely manner in response to exchange rate fluctuations.
- (2) The finance department maintains close contact with the foreign exchange department of financial institutions, and collects real-time exchange rate information to stay on top of the exchange rate trends and changes in the global market and actively respond to the negative impact of exchange rate fluctuations.
- (3) The finance department makes an internal evaluation report on the net asset (liability) positions in foreign currency that need to be hedged on a monthly basis, which shall be submitted to the Company's managerial personnel for deciding the hedging measures to be taken.
- (4) The Company has formulated "Handling Procedures for Assets Acquisition or Disposal" in accordance with regulations set by Securities and Futures Bureau of Financial Supervisory Committee. Moreover, strict operating procedures for financial derivative transactions, risk management, supervision and auditing have also been formulated for the Company to strengthen risk control/management when using financial derivative instruments for exchange rate risk hedging.

#### 6-1-3. Impact of inflation on the company's profit/loss, and the countermeasures to be taken in the future:

Since prices of the raw materials required for the Company's production are relatively stable, short-term inflation will not have significant impact on the Company's future income.

### 6-2 Policies for activities involving high risks, highly leveraged investments, fund lending, endorsements/guarantees and derivatives trading, the main reasons for profit or loss, and the countermeasures to be taken in the future

The Company does not engage in any activities involving high risks, highly leveraged investments, fund lending, endorsements/guarantees or derivatives trading. With the formulation of "Operating Procedures for Fund Lending", "Operating Procedures for Endorsement/Guarantee" and "Handling Procedures for Assets Acquisition or Disposal", if any of the above transactions shall be taken in the future, relevant regulations and corresponding measures will be followed to preserve the best interests of the Company.

### 6-3. Research and development work to be carried out in the future, and further expenditures expected for research and development work

To meet the growing ASIC demand for high-performance computing (e.g., 5G networking, AI/machine learning, and servers), GUC will continue to develop leading-edge system design solutions and invest in 2nm, 3nm, 5nm, 6nm, and 7nm R&D, with emphasis on higher speed interface, stacking and memory IP development, such as our GLink & UCle, HBM PHY & controller and mixed signal IPs. GUC plans to invest over NT\$1.65 billion into R&D over the next two years. The plans are as follows.

R&D Area	Test Chip Tape-out Schedule/ Development Status	System Validation Schedule
3nm HBM3 controller & PHY	Completed taped out	Silicon-proven is completed in Q1, 2024
3nm HBM4 controller & PHY	To be taped out in Q1, 2025	Silicon-proven to be completed in Q4, 2025
3nm PLL, THM, Process Monitor	Completed taped out	Silicon-proven is completed in Q4, 2024
2nm PLL, THM, Process Monitor	Taped out in Sep, 2024	Silicon-proven to be completed in Q3, 2025
3nm GLink 2.3 chip interconnection IP PHY	Completed tape-out	Silicon-proven is completed in Q1, 2024
3nm UCle IP	Completed tape-out	Silicon-proven is completed in Q4, 2024
5nm UCle LP IP	Taped out in Oct, 2024	Silicon-proven to be completed in Q4, 2025
5nm UCle LP/Up IP	To be taped out in Q3, 2025	Silicon-proven to be completed in Q3, 2026
3nm UCle LP 64G IP	To be taped out in Q4, 2025	Silicon-proven to be completed in Q4, 2026
6nm and 5nm GLink-3D chip stacking IP	Completed tape-out	Silicon-proven is completed Q1, 2024
2nm UCle-3D IP	Taped out in Sep, 2024	Silicon-proven to be completed in Q3, 2025
3nm and 5nm UCle-3D IP	To be taped out in Q3, 2025	Silicon-proven to be completed in Q3, 2026
3nm design flow	Completed N3P V1.0 design flow in Jun, 2024 N3P customer's product tape-out is completed in Q4, 2024	Customer's product Silicon-proven to be completed in Q2, 2025
2nm design flow	N2 V0.9 design flow is completed in Apr, 2024 N2P V0.9 design flow is completed in Sep, 2024 N2P test chip taped out in Sep, 2024	N2 V1.0 design flow is completed in H1, 2025 N2P test chip Silicon-proven to be completed in Q3, 2025
2.5D Advanced Package design flow	Completed CoWoS-S & CoWoS-R design flow	CoWoS-L design flow to be completed in H2, 2025
3D Advanced Package design flow	Completed SoIC-WoW design flow Completed SoIC-WoW-3Layer design in Q4, 2024	SoIC-WoW-3Layer Silicon-proven to be completed in Q3, 2025

### 6-4. Impact of changes in critical domestic/foreign policies and laws on the company's finance/business, and the countermeasures to be taken

All business of the Company is operated in accordance with laws and regulations set by the competent authorities. The Company's finance/business has not been impacted by changes in critical domestic/foreign policies and laws in the most recent year up to the publication date of this annual report.

### 6-5. Impact of technological development and industrial changes on the company's finance/business, and the countermeasures to be taken

The Company has been putting emphasis on the enhancement of research and development capabilities, and actively establishes strategic partnership with TSMC to jointly promote the progress of advanced technologies. In addition to continuing R&D investment, the Company also maintains stable and flexible financial management to meet the challenges of technological change. In terms of information security risk control/management, the Company has established and implemented information security management systems, and has formulated documents in relation to information security policies to regulate the Company's information security operations. Moreover, Information Security Risk Assessment and Internal/External Information Security Cycle Audit are conducted every year to ensure the effectiveness and regulatory compliance of the management systems. For the Company's information security management, please refer to the Company's website and page of this annual report. Besides, the Company has been promoting intellectual property management plans since 2000. Please refer to the Company's website for the implementation status.

### 6-6. Impact of corporate image change on the company's crisis management, and the countermeasures to be taken: No such condition

### 6-7. Expected benefits, possible risks, and the countermeasures to be taken for M&A: No such condition

### 6-8. Expected benefits, possible risks, and the countermeasures to be taken for plant expansion: No such condition

### 6-9. Risks arising from concentration of purchase or sales, and the countermeasures to be taken

Since the Company's major supplier is a world-renowned foundry, and also the Company's major shareholder holding stakes more than 10%, the purchase-related risk is still low. There is no concern about concentration of product sales in the Company.

**6-10. Impact and risks of the transfer of stakes held by directors or major shareholders holding stakes over 10 %, and the countermeasures to be taken: No such condition**

**6-11. Impact and risks of changes in ownership of the company, and the countermeasures to be taken: No such condition**

**6-12. Litigious or non-litigious events: It is necessary to list the major adjudicated or pending litigious/non-litigious or administrative dispute events in which the company or any of the company's directors, president, de facto responsible person, any of the major shareholders holding stakes over 10%, or any of the subordinate companies is involved. For events whose consequences may have a material impact on shareholders' equity or the price of securities, it is necessary to disclose the disputed facts at issue, the claim amount, the litigation start date, and the main parties involved as well as the processing status up until the publication date of this annual report: No such condition**

As is the case with many companies in the semiconductor industry, the Company has received from time to time communications from third parties asserting that its technologies, its manufacturing processes, or the design of the semiconductors made by TSMC or the use of those semiconductors by its customers may infringe upon their patents or other intellectual property rights. These assertions have at times resulted in litigation by or against the Company and settlement payments by the Company. Irrespective of the validity of these claims, the Company could incur significant costs in the defense thereof or could suffer adverse effects on its operations. The Company is also subject to antitrust compliance requirements and scrutiny by governmental regulators in multiple jurisdictions. Any adverse results of such proceeding or other similar proceedings that may arise in those jurisdictions could harm TSMC's business and distract its management, and thereby have a material adverse effect on its results of operations or prospects, and subject the Company to potential significant legal liability.

Currently, TSMC's material legal proceeding is as follows:

In February 2025, Longitude Licensing Ltd. and Marlin Semiconductor Limited (collectively, "Marlin" ) filed complaints in the U.S. International Trade Commission ( "ITC" ) and the U.S. District Court for the Eastern District of Texas alleging that TSMC and customers infringe five U.S. patents. The ITC instituted an investigation on March 21, 2025. The outcome cannot be determined, and we cannot make a reliable estimate of the contingent liability at this time.

Other than the matter described above, as of the date of this Annual Report, TSMC is not currently a party to any other material legal proceedings.

**6-13. Other important risks and countermeasures: None**

**7. Other material matters: None**





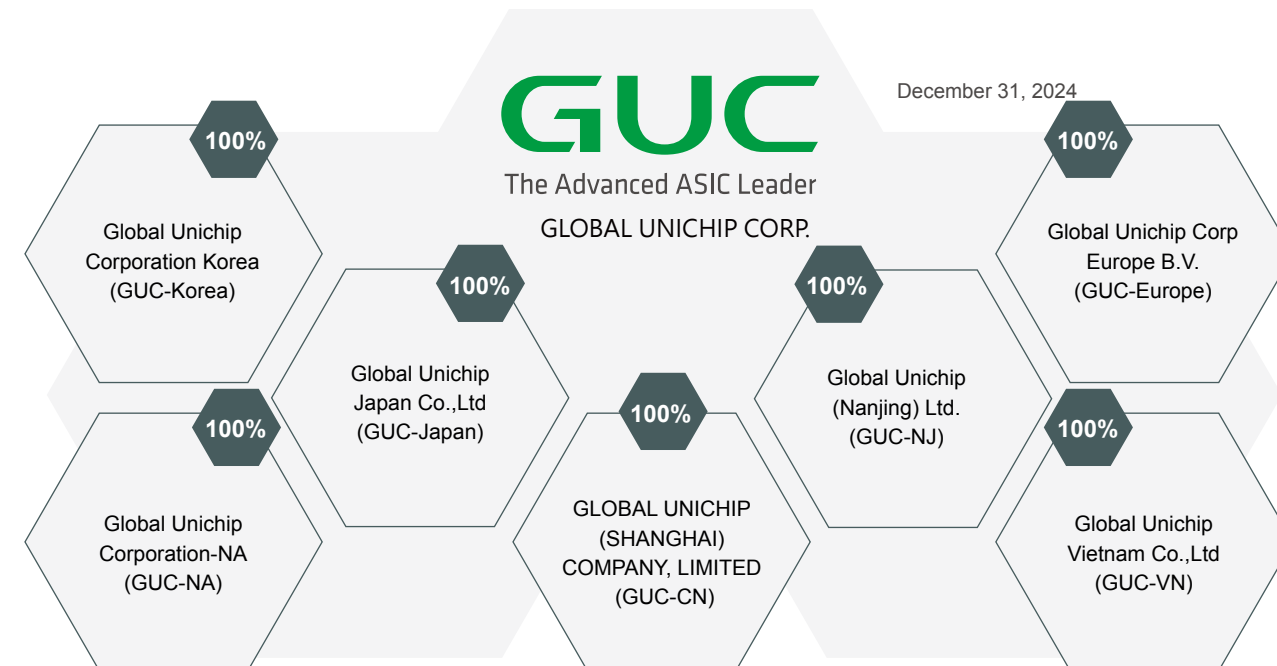
# Special Disclosure **06**

- 1. Summary of affiliated companies**
- 2. Private placement of securities in the most recent year and up to the date of publication of the annual report**
- 3. Subsidiaries' holding or disposal of the Company's shares in the most recent year and up to the date of publication of the annual report**
- 4. Other necessary supplementary notes**

# 1. Summary of affiliated companies

## (1) Affiliated companies' consolidated business report

### 1. Organizational chart of the company's affiliated companies



### 2. Profiles of the Company's affiliated companies

Name of enterprise	Date of establishment	Address	Paid-in Capital	Main business or production items
GUC-NA	2004.02.02	2841 Junction Ave. Suite 201, San Jose, CA 95134	USD800,000	Assist in product design, technical support, and consulting services for GUC's North American market.
GUC-Japan	2005.06.16	Yokohama Landmark Tower 16F, 2-2-1, Minatomirai, Nishiku, Yokohama, 220-8116, Japan	YEN55,000,000	Assist in product design, technical support, and consulting services for GUC's Japan market.
GUC-Europe	2008.05.09	World Trade Center, Tower H - 6th Floor, Zuidplein 58, 1077 XV Amsterdam.	EUR200,000	Assist in consulting services for GUC's Europe market.
GUC-CN	2009.11.04	Room 2305, No. 1350, Sichuan North Road, Hongkou District, Shanghai	USD1,000,000	Assist in technical support, and consulting services for GUC's Mainland China market.
GUC-Korea	2016.11.21	3F, 208 Teheran-ro, Gangnam-gu, Seoul	KRW220,000,000	Assist in consulting services for GUC's Korea market.
GUC-NJ	2017.07.24	14th Floor, Block C, Fuying Building, No. 99, Tuanjie Road, Pukou District, Nanjing City	USD6,000,000	Assist in technical support, and consulting services for GUC's Mainland China market.
GUC-VN	2023.02.20	7th Floor, No. 71 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam	USD1,000,000	Assist in technical support, and consulting services for GUC.

3. Information on overlap shareholders of companies deemed to have controlling and subordinate relationships: None.

### 4. The industries covered by the business of the overall affiliated enterprises:

Businesses operated by the Company and its affiliates include IC R&D, production, sales, and relevant consulting services.

### 5. Profiles of Directors, Supervisors and Presidents of the Company's affiliates:

Name of enterprise	Title	Name or Representative	Number of shares	
			Number of shares	Shareholding ratio
GUC-NA	Director and CEO	Aditya Raina	GUC holds 800,000 shares	100%
	Director	Patrick Wang, Louis Lin		
GUC-Japan	Director and CEO	Alex Huang	GUC holds 1,100 shares	100%
	Director	Patrick Wang		
GUC-Europe	Director	Patrick Wang, Alex Huang	GUC holds 100% shares	100%
GUC-CN	Chairman and President	Patrick Wang	GUC holds 100% shares	100%
	Director	Louis Lin, Brad Chou		
	Supervisor	Daniel Chien		
GUC-Korea	Director and Representative	Yung-Chi Hsu	GUC holds 44,000 shares	100%
	Director	Patrick Wang		
GUC-NJ	Chairman and President	Brad Chou	GUC holds 100% shares	100%
	Director	Louis Lin, Patrick Wang		
GUC-VN	Supervisor	Daniel Chien	GUC holds 100% shares	100%
	Director and President	Logan Tsai		
	Director	Louis Lin, Chris Chen		

## 6. Operation overview of the Company's affiliates

December 31, 2024  
Unit: unless otherwise specified, NT\$1,000

Name of enterprise	Paid-up capital	Total assets	Total liabilities	Net worth	Operating revenue for current period	Operating profit for current period	Profit or loss for current period (After tax)	Earnings per share (NT\$) (After tax)
GUC-NA	USD 800,000	244,412	52,867	191,545	228,914	14,923	8,851	11.06
GUC-Japan	YEN 55,000,000	138,243	47,317	90,926	301,710	19,744	12,944	11,767.46
GUC-Europe	EUR 200,000	36,637	19,420	17,217	12,317	1,072	751	Not applicable
GUC-CN	USD 1,000,000	74,887	6,932	67,955	116,736	7,557	6,453	Not applicable
GUC- Korea	KRW 220,000,000	8,171	684	7,487	9,077	655	495	11.24
GUC-NJ	USD 6,000,000	649,975	14,902	635,073	970,820	33,551	58,133	Not applicable
GUC-VN	USD 1,000,000 (VND 23,670,000,000)	37,189	4,448	32,741	37,313	2,692	1,785	Not applicable

1. The exchange rates adopted in Balance Sheet are as follows:

USD 1= TWD32.785, JPY 1=TWD0.2099

EUR 1= TWD34.14, KRW 1= TWD0.02246

RMB 1= TWD4.478, VND1= TWD0.00127

2. The exchange rates adopted in Income Statement were the average buying/selling exchange rates of the current month and current period announced by Bank of Taiwan in 2024.

## (2) Consolidated Financial Statements with Affiliates:

### Declaration for consolidated financial statements of affiliates

The companies to be included in the consolidated financial reports of affiliates pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, and the companies to be included in the consolidated financial reports pursuant to IFRS 10 in 2024 (From January 1 to December 31, 2024) are the same for the Company. Furthermore, since the information to be disclosed in the consolidated financial reports of affiliates has been disclosed in the aforesaid consolidated financial reports, the consolidated financial reports of affiliates will not be prepared in addition.

Global Unichip Corp.



Chairman: F.C. Tseng



January 23, 2025



### (3) Affiliation reports

1. Overview of the relationship between the subordinate company and the controlling company: N/A.

#### 2. Transaction/Interaction

- (1) Purchase (sales) transactions: N/A.
- (2) Property transactions: None
- (3) Fund financing: None
- (4) Asset leasing: None
- (5) Other important transactions/interactions: None

3. Endorsement/guarantee: None

4. Derivatives trading: None

**(4) The Company's affiliates do not engage in any activities involving endorsements/guarantees, fund lending, or derivatives trading.**

**2. Private placement of securities in the most recent year and up to the date of publication of the annual report: None**

**3. Subsidiaries' holding or disposal of the Company's shares in the most recent year and up to the date of publication of the annual report: None**

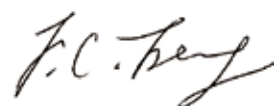
#### 4. Other necessary supplementary notes:

**(1) Occurrence of events that have a significant impact on shareholders' equity or the price of securities as specified in Article 36, Paragraph 3, Subparagraph 2 of Securities and Exchange Act in the most recent year up to the publication date of this annual report: None.**

**(2) Personnel's license acquisition in the Company's Finance/Accounting Department and Internal Audit:**

- 1. CPA: 2 in Finance/Accounting Department and 1 in Internal Audit
- 2. Certified Securities Investment Analyst (CSIA): 1 in Finance/Internal Audit
- 3. Certified Public Bookkeeper: 1 in Finance/Accounting Department
- 4. Certified Information Systems Auditor( CISA): 1 in Internal Audit
- 5. ISO 27001 Lead Auditor : 2 in Internal Audit
- 6. Certified Internal Auditor (CIA): 1 in Internal Audit

F. C. Tseng  
Chairman



# GUC

The Advanced ASIC Leader

No. 10, Li-Hsin 6th Road, Hsinchu Science Park,  
Hsinchu City 300096, Taiwan

TEL +886-3-5646600

FAX +886-3-6668208

