

Code 3443



Global Unichip Corp.

2024 Annual Shareholders' Meeting

Meeting Handbook
(Translation)

May 16, 2024

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Global Unichip Corp.

2024 Annual Shareholders' Meeting

Meeting Procedure

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

Global Unichip Corp.
2024 Annual General Shareholders' Meeting
Meeting Agenda

(Translation)

Meeting type : Physical shareholders' meeting

Time: 9:30 a.m., May 16, 2024 (Thursday)

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

Attendants: All shareholders or their proxy holders

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

1. Call the Meeting to Order

2. Chairperson's Address

3. Report Items

- (1) To report the business of 2023.
- (2) To report 2023 employees' profit sharing and directors' compensation .
- (3) Audit Committee's review report.
- (4) Communication report between the convener of the Audit Committee, the members of independent directors and the head of Internal Audit.
- (5) To report the compensation received by the directors, including the compensation policy, the content and amount of individual compensation and their correlation with the performance evaluation results.

4. Proposed Resolutions

- (1) To accept 2023 Business Report and Financial Statements
- (2) To accept Company's 2023 Earnings Distribution

Voting by poll

5. Other Business and Special Motion

6. Meeting Adjourned

1. Call the Meeting to Order

2. Chairperson's Address

3. Report Items

Report No. 1

To report the business of 2023 (proposed by the Board of Directors)

Explanatory Notes:

2023 Annual Business Report of the Company is attached hereto as Attachment 1 (Please refer to pages 7~14).

Report No. 2

To report 2023 employees' profit sharing and directors' compensation (proposed by the Board of Directors)

Explanatory Notes:

1. The compensation of employees and directors of the Company in 2023 was approved by the Board of Directors on January 31st, 2024. The above-mentioned compensation was paid in cash.
2. The cash bonuses and compensation of employees totaled NT\$1,271,103,097.
3. The compensation of the directors is NT\$45,000,000.
4. There was no difference between the estimated compensation and the distributed compensation for employees and directors.

Report No. 3

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

Explanatory Notes:

The Audit Committee's review report is attached hereto as Attachment 2 (Please refer to page 15).

Report No. 4

Communication report between the convener of the Audit Committee, the independent director members and the head of Internal Audit (proposed by the Board of Directors)

Explanatory Notes:

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

Report No. 5

To report the compensation received by the directors, including the compensation policy, the content and amount of individual compensation and their correlation with the performance evaluation results(proposed by the Board of Directors)

Explanatory Notes:

1. The compensation, remuneration and travel expenses of the Company's directors shall be provided in accordance with the "Regulations on the Directors' Compensation, Remuneration and Travel Expenses" unless otherwise stipulated by laws and regulations and the Company's Articles of Incorporation. The total compensation of the directors shall be regulated in accordance with Article 26 of the Company's Articles of Incorporation, and shall not exceed 2% of the Company's profit for the current year, and the total amount does not exceed NT\$45 million. The compensation is paid based on the earnings distribution approved by the shareholders' meeting. The compensation of independent directors and the additional

compensation of directors serving as members of various functional committees shall be determined by the Board of Directors in accordance with industry standards.

2. The performance of the Company's Board of Directors, functional committees and individual directors is evaluated once a year in accordance with the "Regulations for the Performance Evaluation of the Board of Directors and Functional Committees". The proposed director's compensation has been reviewed by the Compensation Committee on January 31, 2024 and approved by the Board of Directors. It was proposed to distribute 0.81% of the Company's profit as the director's compensation, which is in line with industry standards. The distribution of the compensation is as follows: (Please refer to page 33~34 of the Annual Report)

4. Proposed Resolutions

Proposal No. 1

To accept 2023 Business Report and Financial Statements (proposed by the Board of Directors)

Explanatory Notes:

1. GUC's 2023 Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity and statement of cash flow were audited by independent auditors, Ming-Hui Chen and Su-Li Fang, of Deloitte Taiwan, and a report has been issued.
2. Please refer to Attachment 1 (pages 7-14) and Attachment 3 (pages 16-32) of this Handbook for the 2023 Annual Business Report and Financial Statements (including the Independent Auditor's Report).

Proposal No. 2

To accept Company's 2023 Earnings Distribution (proposed by the Board of Directors)

Explanatory Notes:

1. The 2023 Earnings Distribution was approved by the Board of Directors and reviewed by the Audit Committee, and the Audit Committee's Review Report

has been issued.

2. The Company proposes to distribute NT\$1,876,166,754 from the 2023 distributable earnings as shareholder dividends, all of which will be paid in cash. (Common stock cash dividends of NT\$14.0 per share). Cash dividends will be distributed in integers of NTD (rounded down to an integer) with fractions of NTD accounted for as other income of the Company.
3. Upon the approval of the General Shareholders' Meeting, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, and other relevant issues. In the event that the Company needs to cancel the shares or issue new shares due to the Company's repurchase of treasury shares or other reasons, which affects the total number of outstanding shares of the Company, it is proposed that the Chair of the Board be authorized to distribute the total earnings based on the ordinary shares resolved and adjust the shareholders' cash dividend distribution ratio based on the number of actual shares outstanding on the record date for distribution.
4. Please refer to Attachment 4 (page 33) of this Handbook for the 2023 Earnings Distribution Table.

Voting by poll

5. Other Business and Special Motion

6. Meeting Adjourned

Attachement1

Business Report

Over the past year, the demand for remote work and distance learning, which arose due to the pandemic, has subsided. A high degree of uncertainty in the overall economic and business environment has led to continuous inventory correction in consumer electronics products. Although the semiconductor industry has benefited from the rapid growth of emerging applications such as Artificial Intelligence (AI) and High-Performance Computing (HPC), the overall trend is still mostly downward. Nevertheless, Global Unichip Corporation (GUC) maintained its growth momentum in 2023 and continued to achieve impressive performance records. In 2023, GUC's consolidated annual revenue was NT\$262.41 billion, marking the fourth consecutive year of reaching new highs since 2020. The consolidated earnings per share stood at NT\$26.18, which is the second highest since GUC's establishment.

FY2023 Operational Results

(1) Business Plan Implementation Performance

GUC's application-specific integrated circuit (ASIC) services and product portfolio target a wide range of applications. The pandemic has also driven digital transformation worldwide, increasing global demand for storage devices and network communication products. As the cost of storage chips has decreased, storage device applications have become more widespread and accessible—they are used not only in personal computers but are gradually expanding into high-end storage markets such as servers. In the future, AI-related applications will rely heavily on the completeness of infrastructure, including storage devices and network communication. In 2023, GUC benefited from various applications, such as storage devices and network communication products, leading to continuous revenue growth and driving the Company's overall operational performance to new historical highs. In 2023, for design services (or Non-Recurring Engineering [NRE]) business, GUC not only benefited from growth trends in applications like AI and network communication but also maintained a growth trend in design services revenue, driven by the demand for ASICs. In turnkey business, GUC primarily benefited from the growing demand for storage

devices and network communication products. In 2023, the annual growth rate of turnkey revenue was 12%, although the overall revenue was lower than initially predicted at the beginning of the year.

In terms of profitability, GUC's overall gross margin decreased in 2023 compared to the previous year. This was primarily due to the postponement of the N5 NRE project's tape-out, which resulted in NRE and turnkey business segments performing below expectations.

Additionally, the gross margin for turnkey business declined, causing net profit in 2023 fall short of the goal of continuous growth. Despite this, FY2023 was GUC's second most profitable year on record, and the Company has maintained profitability exceeding twice its capital for 2 consecutive years.

Additionally, in 2023, GUC invested heavily in research and development (R&D) resources for advanced process design services, advanced packaging technology, and related IP development. Through this investment, GUC aims to maintain its leading technological position, continuously earn the trust of world-class customers, and sustain long-term growth in both revenue and profitability. Regarding progress in advanced processes, the percentage of total revenue from products 16 nm and below grew steadily compared to the previous year, and the percentage of total revenue from products 7 nm and below grew significantly.

(2) Analysis of Operating Revenue and Profitability

In 2023, GUC's consolidated net operating revenue amounted to NT\$262.41 billion, representing an increase of 9% compared to the previous year's revenue of NT\$24.04 billion. The net profit after tax for the year was NT\$35.08 billion, which decreased of 5% compared to the previous year, and the earnings per share stood at NT\$26.18, which was a marginal decrease of 5% compared to the previous year's earnings of NT\$27.69.

GUC's gross margin was 30.4% in 2023, representing a 4.3 percentage point decrease from the previous year's 34.7%. This decrease can primarily be attributed to a slight decline in the percentage of revenue from NRE business and a decrease in the gross margin of turnkey business. The operating margin for the year declined to 2%, compared to 17.1% in the previous year. This small decline was mainly due to effective cost control. In 2023, the net profit after tax was 13.4%, representing a decrease of 2 percentage points compared to the previous

year's 15.4%.

(3) Technical Development Status

The use of advanced packaging technology employing CoWoS and InFO has become the mainstream for AI chip products. GUC's R&D team, through close collaboration with key partners, has continuously improved performance and power optimization in the development of HBM, UCIe, and GLink IPs, as well as the mass production of CoWoS products. In order to help customers gain an advantage in the 2.5D/3D advanced packaging field and maintain their leadership in the market, in 2023, GUC consistently demonstrated its long-term commitment to providing the most competitive 2.5D/3D comprehensive solutions. This included the successful advancement of the third-generation chip interconnect IP "GLink 2.3" from 5 nm to 3 nm, the introduction of the UCIe/32G 3-nm chip interconnect IP "GUCIe 1.0" in conjunction with TSMC's CoWoS-R packaging technology, and the support for 3-nm HBM3 8.6G (PHY & Controller) IPs compatible with TSMC's CoWoS-S and CoWoS-R packaging, all aimed at supporting customers' structural growth.

Moreover, by the end of 2023 our patent portfolio consists of 515 patents, demonstrating the achievements GUC has gained from active investment in R&D, and effectively enhancing our core competitiveness. Major technical breakthroughs and innovation achievements in 2023 are as follows:

- Combined with TSMC InFO/CoWoS packaging technology, GUC successfully ported the 3rd-generation chip interconnection IP "GLink 2.3" from 5nm and taped out in 3nm in Jan'23. The silicon will be verified in 1Q24 and is ready to provide customers with complete multi-chip interconnect solutions. The solutions have been adopted by several customers
- GUC's 3nm HBM3 8.6G (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.
- 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 expect to complete silicon verification in 1Q24
- GUC successfully enabled HPC customer's 6nm ASIC tapeout in

- 3Q23, which will enter production in 2024.
- GUC has successfully completed HBM3 (PHY & Controller) IP silicon validation with vendors' 12Hi HBM3 and HBM3E in Nov'23.
 - Combined with TSMC CoWoS-R packaging technology, GUC successfully proposed and taped out the UCIe/32G compliant, chip interconnection IP "GUCIe 1.0" in 3nm in Nov'23. The solution is ready to provide customers with complete multi-chip interconnect solutions following UCIe industrial standard for inter-operability
 - GUC successfully developed customer optical ASIC chip for datacenter communication in 5nm, which integrated 56G SerDes, and have been taped out in 4Q23, and expect to enter production in 2024. GUC is also successful in customer's 3nm new product's testchip tape-out in 4Q23, will start full mask development in 2024.
 - 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 HBM3 memory already taped out in 4Q23, and will enter production in 2024.
 - GUC early adopted TSMC 3nm technology, completed N3E design flow and verification in 4Q22, and taped out HBM3, GLink and UCIe IP in Jan'23 & Nov'23 for meeting customer's product design need from 2024
 - GUC has successfully enabled 5nm AI customer's SoC tapeout in 4Q23 using TSMC's 2.5D InFO advanced packaging technology along with GUC GLink die-to-die interconnect IP for hyperscale data center applications, which will enter production in 2024.
 - GUC early adopted TSMC 3nm technology, completed N3E design flow and verification in 4Q22, and taped out HBM3, GLink and UCIe IP in Jan'23 & Nov'23 for meeting customer's product design need from 2024

Summary of the 2024 Business Plan

In 2023, despite ongoing inventory correction in the semiconductor industry, due to factors such as geopolitical conflicts, inflation, and interest rate uncertainties, the inventory correction cycle for consumer electronics products lasted longer than anticipated. However, the surge in demand for AI-related equipment and applications, sparked by

ChatGPT and Nvidia, has led system and brand manufacturers to be more proactive in allocating resources for the development of custom ASICs to meet their specific AI application needs. Additionally, customers have become increasingly cautious about the Performance, Power, and Area (PPA) of ASICs; they aim to achieve economic benefits quickly after mass production in order to capture a significant share of the AI market. Whether through in-house chip development or collaboration with ASIC manufacturers to expedite design schedules for timely market entry, the emergence of numerous new applications and specialized requirements continues to drive the high-speed growth of the ASIC market. Furthermore, in the field of HPC integrated circuits, development is moving toward chiplet architecture, which relies on more advanced manufacturing processes and advanced packaging technologies.

ASICs offer higher performance compared to general-purpose AI chips like GPUs and FPGAs. As the data flow for AI chips continues to increase year by year, the need for processing and computation is growing rapidly, including demands for data centers, cloud computing, edge computing, and more. 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. This investment is aimed at enhancing the competitive edge of IC design services. GUC aims to provide customers with optimum performance, cost-effectiveness, and technological maturity while maintaining mutually beneficial relationships and effectively creating differentiation in competitive advantages.

(1) Sales Forecast

Looking ahead to 2024, GUC anticipates a continuous influx of AI-related design contracts from major manufacturers around the world. The demand for advanced manufacturing processes and advanced packaging from big brand customers remains robust. Consequently, GUC can expect ongoing opportunities in the global ASIC market, and operations are anticipated to grow accordingly. However, due to export control measures, GUC will continue to adhere to a cautious project selection policy to mitigate geopolitical risks. Over the past few years, investments in applications such as storage devices and network communication products have shown promising progress. GUC believes

that recent investments in AI-related endeavors will also gradually translate into medium- and long-term growth momentum.

(2) Important Production and Marketing Policies

Compared with general-purpose ICs, the demand for ASICs is relatively long-term and stable. Although service periods are longer, product life cycles are usually longer, creating long-term relationships with collaborative partners. While the Company is developing emerging applications related to AI and Networking, existing customers with long term cooperation continue to provide stable revenue and profits.

Therefore, in response to this rapid growth of business opportunities in the ASIC market, selecting customers with a meticulous attitude and carefully choosing NRE projects with potential for mass production can effectively improve the Company's return on investment in R&D resources, which is the ultimate way to improve GUC's steady profitability in the long run.

In 2024, GUC will continue to improve in order to provide customers with excellent design services. In addition to assisting important partners to continuously promote advanced manufacturing processes, the Company will also actively invest in IP rights required for advanced manufacturing processes. With industry-leading IC design capacity in advanced manufacturing processes and deployment of advanced packaging technology-related IPs, the competitiveness of accepted projects can be improved, putting more emphasis on enhancing the Company's design value. Moreover, while investing in emerging applications, the Company continues to strengthen the loyalty of existing core customers. As a professional design service company, GUC insists on the promise of not competing with customers; we neither develop our own brands, nor directly compete with customers.

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

As export control measures continue to tighten and related regulations change rapidly, GUC maintains a cautious approach to project selection, a stance that has been in place since the onset of the U.S.–China trade conflict. GUC remains committed to complying with all regulations and diligently scrutinizes whether customers adhere to relevant standards. This ensures that the Company can provide services to customers worldwide in a legal and responsible manner. In the future, GUC will

remain highly attentive to control measures in the U.S., aiming to mitigate geopolitical risks and safeguard the long-term interests of shareholders and employees.

The ongoing shifts in the supply chain landscape and the increasing complexity of IC design decisions in the wake of the U.S.–China trade conflict pose both challenges and opportunities that GUC must closely monitor. Nevertheless, the Company remains committed to collaborating with world-class customers and partners to seize critical opportunities for market growth. Looking ahead to 2024, the Company has confidence in its medium- to long-term operational goals.

Environmental, Social, and Corporate Governance (ESG)

Business management involves the shouldering of heavy responsibilities. In addition to focusing the development of technologies and pursuing the growth of profits, GUC is also committed to improving corporate governance and paying careful attention to the rights and interests of all stakeholders. Through the operation of ESG Committee, the Company practices corporate social responsibility and implement corporate governance, in hopes of contributing to society and the environment. In terms of corporate governance, GUC has voluntarily prepared an annual Corporate Social Responsibility (CSR) Report (sustainability report) since 2011, and starting from 2014, these reports have been verified by third-party independent organizations. To enhance the effectiveness of corporate governance, GUC implemented corporate governance best practice principles in 2022—preceding statutory requirements. These principles include limiting the tenure of independent directors to no more than three terms and ensuring 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 evaluation.

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 2014. Starting from the third quarter of 2018, GUC has been announcing its financial statements in both Chinese and English shortly after the Board meeting. In 2023, GUC was honored with the 2022 Investor Relations Excellence Award

(for both companies and individuals) by the Taiwan Investor Relations Institute in the category of large listed companies.

In 2023, 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 within the consolidated financial reports and establishing a timeline for carbon neutrality initiatives. Following the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company will actively assess the potential impacts of its products and services on society, the environment, and the economy while integrating climate-related opportunities and risk scenarios into its evaluations. Also this year, GUC published its first-ever Climate-related Financial Disclosures Report and submitted a commitment letter to the Science Based Targets initiative (SBTi), outlining both short-term and long-term carbon reduction targets. Despite GUC's status as a smaller 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 internal control processes—including risk management—to promote net-zero emissions and carbon reduction and to build a sustainable future for the benefit of future generations.

Finally, we would like to once again thanks our customers, suppliers, shareholders and the general public for all your long-term support and trust un GUC. Everyone in the Company will spare no efforts to create reasonable profits for our shareholders.

Last, let us wish you good health and all the best!

Attachment 2

Audit Committee's Review Report

The Company's 2023 financial statements approved by the Audit Committee and resolved by the Board of Directors has been audited by Deloitte & Touche appointed by the Board, and an Audit Report has been issued when Deloitte & Touche completed the audit.

As for the Company's 2023 business reports and the proposal regarding earnings distribution prepared and submitted by the Board, the Audit Committee, after completing relevant audits, considers that the said reports and proposal comply with provisions stipulated in Company Act. Thus, this report is hereby issued in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of Company Act, and submitted for your Honor to approve.

To:

Global Unichip Corp. 2024 Regular Shareholders' Meeting

Audit Committee Convener: Jesse Ding

January 31, 2024

Attachment 3

Independent Auditors' Report (Consolidated Financial Statements)

Global Unichip Corp.

Opinion

We have audited the accompanying consolidated financial statements of Global Unichip Corp. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventory

Due to the current rapid changes in technology and the high level of competition in the business environment, the prices of products are fluctuating quickly; consequently, the changes in the net realizable value of inventory could have a material impact on the financial statements. As of December 31, 2023 the carrying amount of inventory was NT\$4,850,717 thousand, which accounted for 23% of the total assets in the consolidated balance sheet. Please refer to Notes 4, 5 and 8 to the consolidated financial statements for the details of the information and accounting policy about inventory. The Company's primary business is rendering of services and producing and selling of products in the semiconductor industry. The rapid technological changes in the semiconductor industry require management to timely estimate possible loss on inventory that is expected to be scrapped or disposed of according to the Company's inventory control and accounting policy and the clients' orders. As

uncertainty exists in management's judgment when determining loss on inventory, the valuation of inventory has been identified as a key audit matter.

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

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

Other Matter

We have also audited the parent company only financial statements of Global Unichip Corp. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of components constituting the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

January 31, 2024

Notice to Readers

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

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

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Note 27)	\$ 7,637,809	36	\$ 5,848,557	28	Contract liabilities (Notes 16 and 27)	\$ 6,250,159	30	\$ 6,349,476	30
Financial assets at fair value through profit or loss (Note 7)	2,080,000	10	1,780,000	8	Accounts payable	1,174,487	6	1,512,480	7
Accounts receivable, net (Notes 6 and 16)	1,967,388	9	2,981,616	14	Payables to related parties (Note 27)	513,654	2	1,470,933	7
Receivables from related parties (Note 27)	22,040	-	18,617	-	Accrued employees' compensation and remuneration to directors (Note 23)	1,454,645	7	740,818	3
Inventories (Note 8)	4,850,717	23	6,562,722	31	Payables on machinery and equipment	16,416	-	17,452	-
Other financial assets (Note 27)	3,862	-	1,531	-	Current tax liabilities (Note 21)	261,573	1	592,932	3
Other current assets (Notes 12 and 27)	<u>2,874,469</u>	<u>14</u>	<u>2,364,874</u>	<u>11</u>	Lease liabilities - current (Notes 10, 24 and 27)	78,372	-	68,808	-
Total current assets	<u>19,436,285</u>	<u>92</u>	<u>19,557,917</u>	<u>92</u>	Accrued expenses and other current liabilities (Note 13)	<u>1,204,559</u>	<u>6</u>	<u>1,845,578</u>	<u>9</u>
NON-CURRENT ASSETS					Total current liabilities	<u>10,953,865</u>	<u>52</u>	<u>12,598,477</u>	<u>59</u>
Property, plant and equipment (Note 9)	558,637	3	646,035	3	NON-CURRENT LIABILITIES				
Right-of-use assets (Note 10)	236,721	1	270,017	1	Deferred income tax liabilities (Note 21)	127,918	1	116,463	1
Intangible assets (Note 11)	587,286	3	541,432	3	Lease liabilities - non-current (Notes 10, 24 and 27)	172,196	1	214,981	1
Deferred income tax assets (Note 21)	15,655	-	19,322	-	Other long-term payables (Note 13)	112,618	-	165,659	1
Prepayments for business facilities	1,244	-	1,036	-	Net defined benefit liabilities (Note 14)	22,312	-	27,287	-
Refundable deposits (Note 27)	215,904	1	129,580	1	Guarantee deposits (Note 24)	<u>3,464</u>	<u>-</u>	<u>3,474</u>	<u>-</u>
Pledged time deposits (Notes 27 and 28)	<u>22,200</u>	<u>-</u>	<u>22,200</u>	<u>-</u>	Total non-current liabilities	<u>438,508</u>	<u>2</u>	<u>527,864</u>	<u>3</u>
Total non-current assets	<u>1,637,647</u>	<u>8</u>	<u>1,629,622</u>	<u>8</u>	Total liabilities	<u>11,392,373</u>	<u>54</u>	<u>13,126,341</u>	<u>62</u>
TOTAL	<u>\$ 21,073,932</u>	<u>100</u>	<u>\$ 21,187,539</u>	<u>100</u>	EQUITY (Note 15)				
					Share capital	1,340,119	6	1,340,119	6
					Capital surplus	32,801	-	32,676	-
					Retained earnings				
					Appropriated as legal reserve	1,428,010	7	1,056,442	5
					Appropriated as special reserve	18,234	-	38,471	-
					Unappropriated earnings	6,896,402	33	5,611,724	27
					Others	<u>(34,007)</u>	<u>-</u>	<u>(18,234)</u>	<u>-</u>
					Total equity	<u>9,681,559</u>	<u>46</u>	<u>8,061,198</u>	<u>38</u>
					TOTAL	<u>\$ 21,073,932</u>	<u>100</u>	<u>\$ 21,187,539</u>	<u>100</u>

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

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

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

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Notes 16 and 27)	\$ 26,240,714	100	\$ 24,039,671	100
COST OF REVENUE (Notes 23 and 27)	<u>18,265,019</u>	<u>70</u>	<u>15,704,686</u>	<u>65</u>
GROSS PROFIT	<u>7,975,695</u>	<u>30</u>	<u>8,334,985</u>	<u>35</u>
OPERATING EXPENSES				
Sales and marketing (Notes 23 and 27)	393,573	1	381,394	2
General and administrative (Notes 23 and 27)	496,950	2	564,931	2
Research and development (Notes 23 and 27)	<u>3,116,402</u>	<u>12</u>	<u>3,289,727</u>	<u>14</u>
Total operating expenses	<u>4,006,925</u>	<u>15</u>	<u>4,236,052</u>	<u>18</u>
INCOME FROM OPERATIONS	<u>3,968,770</u>	<u>15</u>	<u>4,098,933</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 17 and 27)	98,173	1	42,195	-
Other income (Notes 10 and 18)	74,367	-	78,238	-
Other gains and losses (Note 19)	19,474	-	129,818	1
Finance costs (Notes 20 and 27)	<u>(5,504)</u>	<u>-</u>	<u>(4,411)</u>	<u>-</u>
Total non-operating income and expenses	<u>186,510</u>	<u>1</u>	<u>245,840</u>	<u>1</u>
INCOME BEFORE INCOME TAX	4,155,280	16	4,344,773	18
INCOME TAX EXPENSE (Note 21)	<u>647,395</u>	<u>3</u>	<u>634,331</u>	<u>3</u>
NET INCOME	<u>3,507,885</u>	<u>13</u>	<u>3,710,442</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 14)	4,291	-	5,238	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations (Note 15)	<u>(15,773)</u>	<u>-</u>	<u>20,237</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(11,482)</u>	<u>-</u>	<u>25,475</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,496,403</u>	<u>13</u>	<u>\$ 3,735,917</u>	<u>15</u>
EARNINGS PER SHARE (Note 22)				
Basic earnings per share	<u>\$ 26.18</u>		<u>\$ 27.69</u>	
Diluted earnings per share	<u>\$ 26.02</u>		<u>\$ 27.47</u>	

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

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

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

	Share Capital - Common Stock		Capital Surplus	Retained Earnings			Total	Others	Total Equity
	Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Foreign Currency Translation Reserve	
BALANCE, JANUARY 1, 2022	134,011	\$ 1,340,119	\$ 32,641	\$ 910,172	\$ 22,153	\$ 2,996,715	\$ 3,929,040	\$ (38,471)	\$ 5,263,329
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	146,270	-	(146,270)	-	-	-
Special reserve	-	-	-	-	16,318	(16,318)	-	-	-
Cash dividends to shareholders - NT\$7.00 per share	-	-	-	-	-	(938,083)	(938,083)	-	(938,083)
Total	-	-	-	146,270	16,318	(1,100,671)	(938,083)	-	(938,083)
Dividends from claims extinguished by prescription	-	-	35	-	-	-	-	-	35
Net income in 2022	-	-	-	-	-	3,710,442	3,710,442	-	3,710,442
Other comprehensive income in 2022, net of income tax	-	-	-	-	-	5,238	5,238	20,237	25,475
Total comprehensive income in 2022	-	-	-	-	-	3,715,680	3,715,680	20,237	3,735,917
BALANCE, DECEMBER 31, 2022	134,011	1,340,119	32,676	1,056,442	38,471	5,611,724	6,706,637	(18,234)	8,061,198
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	371,568	-	(371,568)	-	-	-
Reversal of special reserve	-	-	-	-	(20,237)	20,237	-	-	-
Cash dividends to shareholders - NT\$14.00 per share	-	-	-	-	-	(1,876,167)	(1,876,167)	-	(1,876,167)
Total	-	-	-	371,568	(20,237)	(2,227,498)	(1,876,167)	-	(1,876,167)
Donations from shareholders	-	-	50	-	-	-	-	-	50
Dividends from claims extinguished by prescription	-	-	75	-	-	-	-	-	75
Net income in 2023	-	-	-	-	-	3,507,885	3,507,885	-	3,507,885
Other comprehensive income in 2023, net of income tax	-	-	-	-	-	4,291	4,291	(15,773)	(11,482)
Total comprehensive income in 2023	-	-	-	-	-	3,512,176	3,512,176	(15,773)	3,496,403
BALANCE, DECEMBER 31, 2023	134,011	\$ 1,340,119	\$ 32,801	\$ 1,428,010	\$ 18,234	\$ 6,896,402	\$ 8,342,646	\$ (34,007)	\$ 9,681,559

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

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,155,280	\$ 4,344,773
Adjustments for:		
Depreciation	266,989	318,014
Amortization	347,745	333,986
Gain on financial assets at fair value through profit or loss	(22,551)	(10,884)
Finance costs	5,504	4,411
Interest income	(98,173)	(42,195)
Gain on disposal of property, plant and equipment, net	(110)	-
Loss (gain) on foreign exchange, net	(29,423)	22,126
Gain on lease modification	-	(5)
Changes in operating assets and liabilities:		
Accounts receivable, net (including related parties)	1,010,805	(1,487,183)
Inventories	1,712,005	(3,774,150)
Other current assets	(833,740)	(514,003)
Contract liabilities	(99,317)	1,035,526
Accounts payable (including related parties)	(973,754)	898,427
Accrued employees' compensation and remuneration to directors	713,827	441,323
Accrued expenses and other current liabilities	(685,447)	274,308
Net defined benefit liabilities	(684)	(863)
Cash generated from operations	5,468,956	1,843,611
Income tax paid	(960,765)	(249,075)
Net cash generated from operating activities	<u>4,508,191</u>	<u>1,594,536</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at fair value through profit or loss	(2,380,000)	(2,030,000)
Property, plant and equipment	(101,565)	(320,057)
Intangible assets	(376,185)	(359,745)
Proceeds from disposal of:		
Financial assets at fair value through profit or loss	2,102,551	2,390,884
Property, plant and equipment	163	-
Refundable deposits paid	(86,758)	(72,470)
Refundable deposits refunded	3,055	3,368
Interest received	95,842	41,446
Net cash used in investing activities	<u>(742,897)</u>	<u>(346,574)</u>

(Continued)

GLOBAL UNICHIP CORP. AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Guarantee deposits received	\$ 48	\$ 314
Guarantee deposits refunded	(50)	(57)
Repayment of the principal portion of lease liabilities	(79,965)	(64,879)
Cash dividends paid	(1,876,167)	(938,083)
Interest paid	(5,504)	(4,411)
Donations from shareholders	50	-
Dividends from claims extinguished by prescription reclassified to capital surplus	<u>75</u>	<u>35</u>
Net cash used in financing activities	<u>(1,961,513)</u>	<u>(1,007,081)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>(14,529)</u>	<u>20,444</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,789,252	261,325
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,848,557</u>	<u>5,587,232</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,637,809</u>	<u>\$ 5,848,557</u>

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

(Concluded)

Independent Auditors' Report

(Parent Company Only Financial Statements)

The Board of Directors and Shareholders
Global Unichip Corp.

Opinion

We have audited the accompanying parent company only financial statements of Global Unichip Corp. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventory

Due to the current rapid changes in technology and the high level of competition in the business environment, the prices of products are fluctuating quickly; consequently, the changes in the net realizable value of inventory could have a material impact on the parent company only financial statements. As of December 31, 2023 the carrying amount of inventory was NT\$4,850,717 thousand, which accounted for 23% of the total assets in the parent company only balance sheet. Please refer to Notes 4, 5 and 8 to the parent company only financial statements for the details of the information and accounting policy about inventory. The Company's primary business is rendering of services and producing and selling of products in the semiconductor industry. The rapid technological changes in the semiconductor industry require management to timely estimate possible loss on inventory that is expected to be scrapped or disposed of according to the Company's inventory control and accounting policy and the clients' orders. As uncertainty exists in management's judgment when determining loss on inventory, the valuation of inventory has been identified as a key audit matter.

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

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

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of components constituting the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

January 31, 2024

Notice to Readers

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

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

GLOBAL UNICHIP CORP.

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

ASSETS	December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Note 28)	\$ 7,064,578	34	\$ 5,192,497	25	Contract liabilities (Notes 17 and 28)	\$ 6,250,159	30	\$ 6,349,476	30
Financial assets at fair value through profit or loss (Note 7)	2,080,000	10	1,780,000	8	Accounts payable	1,174,487	6	1,512,246	7
Accounts receivable, net (Notes 6 and 17)	1,967,388	9	2,981,616	14	Payables to related parties (Note 28)	736,968	3	1,480,285	7
Receivables from related parties (Note 28)	22,040	-	18,617	-	Accrued employees' compensation and remuneration to directors (Note 24)	1,454,645	7	740,818	4
Inventories (Note 8)	4,850,717	23	6,562,722	31	Payables on machinery and equipment	16,416	-	17,452	-
Other financial assets (Note 28)	3,428	-	1,498	-	Current tax liabilities (Note 22)	258,361	1	589,288	3
Other current assets (Notes 13 and 28)	<u>2,808,336</u>	<u>13</u>	<u>2,267,195</u>	<u>11</u>	Lease liabilities - current (Notes 11, 25 and 28)	38,073	-	37,853	-
Total current assets	<u>18,796,487</u>	<u>89</u>	<u>18,804,145</u>	<u>89</u>	Accrued expenses and other current liabilities (Notes 14 and 28)	<u>1,237,081</u>	<u>6</u>	<u>1,846,129</u>	<u>9</u>
NON-CURRENT ASSETS					Total current liabilities	<u>11,166,190</u>	<u>53</u>	<u>12,573,547</u>	<u>60</u>
Investments accounted for using equity method (Note 9)	922,659	4	787,568	4	NON-CURRENT LIABILITIES				
Property, plant and equipment (Note 10)	538,510	2	628,152	3	Deferred income tax liabilities (Note 22)	127,626	1	116,014	1
Right-of-use-assets (Note 11)	118,546	1	143,456	1	Lease liabilities - non-current (Notes 11, 25 and 28)	83,591	-	108,638	-
Intangible assets (Note 12)	587,286	3	541,432	3	Other long-term payables (Note 14)	112,618	-	165,659	1
Deferred income tax assets (Note 22)	15,298	-	18,780	-	Net defined benefit liabilities (Note 15)	22,312	-	27,287	-
Prepayments for business facilities	1,244	-	1,036	-	Guarantee deposits (Note 25)	<u>3,071</u>	<u>-</u>	<u>3,071</u>	<u>-</u>
Refundable deposits (Note 28)	194,737	1	108,645	-	Total non-current liabilities	<u>349,218</u>	<u>1</u>	<u>420,669</u>	<u>2</u>
Pledged time deposits (Notes 28 and 29)	<u>22,200</u>	<u>-</u>	<u>22,200</u>	<u>-</u>	Total liabilities	<u>11,515,408</u>	<u>54</u>	<u>12,994,216</u>	<u>62</u>
Total non-current assets	<u>2,400,480</u>	<u>11</u>	<u>2,251,269</u>	<u>11</u>	EQUITY (Note 16)				
TOTAL	<u>\$ 21,196,967</u>	<u>100</u>	<u>\$ 21,055,414</u>	<u>100</u>	Share capital	1,340,119	6	1,340,119	6
					Capital surplus	32,801	-	32,676	-
					Retained earnings				
					Appropriated as legal reserve	1,428,010	7	1,056,442	5
					Appropriated as special reserve	18,234	-	38,471	-
					Unappropriated earnings	6,896,402	33	5,611,724	27
					Others	<u>(34,007)</u>	<u>-</u>	<u>(18,234)</u>	<u>-</u>
					Total equity	<u>9,681,559</u>	<u>46</u>	<u>8,061,198</u>	<u>38</u>
					TOTAL	<u>\$ 21,196,967</u>	<u>100</u>	<u>\$ 21,055,414</u>	<u>100</u>

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

GLOBAL UNICHIP CORP.

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

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Notes 17 and 28)	\$ 26,240,714	100	\$ 23,995,308	100
COST OF REVENUE (Notes 24 and 28)	<u>18,280,005</u>	<u>70</u>	<u>15,706,539</u>	<u>65</u>
GROSS PROFIT	<u>7,960,709</u>	<u>30</u>	<u>8,288,769</u>	<u>35</u>
OPERATING EXPENSES				
Sales and marketing (Notes 24 and 28)	409,132	1	396,617	2
General and administrative (Notes 24 and 28)	482,081	2	553,689	2
Research and development (Notes 24 and 28)	<u>3,171,821</u>	<u>12</u>	<u>3,336,611</u>	<u>14</u>
Total operating expenses	<u>4,063,034</u>	<u>15</u>	<u>4,286,917</u>	<u>18</u>
INCOME FROM OPERATIONS	<u>3,897,675</u>	<u>15</u>	<u>4,001,852</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 18 and 28)	92,118	-	39,275	-
Other income (Notes 11 and 19)	6,237	-	15,692	-
Other gains and losses (Note 20)	14,692	-	143,532	1
Finance costs (Notes 21 and 28)	(1,657)	-	(1,776)	-
Share of profit of subsidiaries	<u>122,512</u>	<u>1</u>	<u>123,410</u>	<u>-</u>
Total non-operating income and expenses	<u>233,902</u>	<u>1</u>	<u>320,133</u>	<u>1</u>
INCOME BEFORE INCOME TAX	4,131,577	16	4,321,985	18
INCOME TAX EXPENSE (Note 22)	<u>623,692</u>	<u>3</u>	<u>611,543</u>	<u>3</u>
NET INCOME	<u>3,507,885</u>	<u>13</u>	<u>3,710,442</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 15)	4,291	-	5,238	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations (Note 16)	<u>(15,773)</u>	<u>-</u>	<u>20,237</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(11,482)</u>	<u>-</u>	<u>25,475</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,496,403</u>	<u>13</u>	<u>\$ 3,735,917</u>	<u>15</u>
EARNINGS PER SHARE (Note 23)				
Basic earnings per share	<u>\$ 26.18</u>		<u>\$ 27.69</u>	
Diluted earnings per share	<u>\$ 26.02</u>		<u>\$ 27.47</u>	

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

GLOBAL UNICHIP CORP.

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

	<u>Share Capital - Common Stock</u>		<u>Capital Surplus</u>	<u>Retained Earnings</u>			<u>Total</u>	<u>Others</u>	<u>Total Equity</u>
	<u>Share</u> <u>(In Thousands)</u>	<u>Amount</u>		<u>Legal</u> <u>Reserve</u>	<u>Special</u> <u>Reserve</u>	<u>Unappropriated</u> <u>Earnings</u>		<u>Foreign</u> <u>Currency</u> <u>Translation</u> <u>Reserve</u>	
BALANCE, JANUARY 1, 2022	134,011	\$ 1,340,119	\$ 32,641	\$ 910,172	\$ 22,153	\$ 2,996,715	\$ 3,929,040	\$ (38,471)	\$ 5,263,329
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	146,270	-	(146,270)	-	-	-
Special reserve	-	-	-	-	16,318	(16,318)	-	-	-
Cash dividends to shareholders - NT\$7.00 per share	-	-	-	-	-	(938,083)	(938,083)	-	(938,083)
Total	-	-	-	146,270	16,318	(1,100,671)	(938,083)	-	(938,083)
Dividends from claims extinguished by prescription	-	-	35	-	-	-	-	-	35
Net income in 2022	-	-	-	-	-	3,710,442	3,710,442	-	3,710,442
Other comprehensive income in 2022, net of income tax	-	-	-	-	-	5,238	5,238	20,237	25,475
Total comprehensive income in 2022	-	-	-	-	-	3,715,680	3,715,680	20,237	3,735,917
BALANCE, DECEMBER 31, 2022	134,011	1,340,119	32,676	1,056,442	38,471	5,611,724	6,706,637	(18,234)	8,061,198
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	371,568	-	(371,568)	-	-	-
Reversal of special reserve	-	-	-	-	(20,237)	20,237	-	-	-
Cash dividends to shareholders - NT\$14.00 per share	-	-	-	-	-	(1,876,167)	(1,876,167)	-	(1,876,167)
Total	-	-	-	371,568	(20,237)	(2,227,498)	(1,876,167)	-	(1,876,167)
Donations from shareholders	-	-	50	-	-	-	-	-	50
Dividends from claims extinguished by prescription	-	-	75	-	-	-	-	-	75
Net income in 2023	-	-	-	-	-	3,507,885	3,507,885	-	3,507,885
Other comprehensive income in 2023, net of income tax	-	-	-	-	-	4,291	4,291	(15,773)	(11,482)
Total comprehensive income in 2023	-	-	-	-	-	3,512,176	3,512,176	(15,773)	3,496,403
BALANCE, DECEMBER 31, 2023	134,011	\$ 1,340,119	\$ 32,801	\$ 1,428,010	\$ 18,234	\$ 6,896,402	\$ 8,342,646	\$ (34,007)	\$ 9,681,559

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

GLOBAL UNICHIP CORP.

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,131,577	\$ 4,321,985
Adjustments for:		
Depreciation	218,936	279,116
Amortization	347,745	333,986
Gain on financial assets at fair value through profit or loss	(22,551)	(10,884)
Finance costs	1,657	1,776
Interest income	(92,118)	(39,275)
Share of profit of subsidiaries	(122,512)	(123,410)
Loss (gain) on foreign exchange, net	(29,423)	22,126
Gain on disposal of property, plant and equipment, net	(110)	-
Gain on lease modification	-	(5)
Changes in operating assets and liabilities:		
Accounts receivable, net (including related parties)	1,010,805	(1,487,183)
Inventories	1,712,005	(3,774,150)
Other current assets	(842,600)	(489,916)
Contract liabilities	(99,317)	1,035,526
Accounts payable (including related parties)	(779,617)	942,335
Accrued employees' compensation and remuneration to directors	713,827	441,323
Accrued expenses and other current liabilities	(653,476)	266,522
Net defined benefit liabilities	(684)	(863)
Cash generated from operations	<u>5,494,144</u>	<u>1,719,009</u>
Income tax paid	<u>(939,525)</u>	<u>(219,306)</u>
Net cash generated from operating activities	<u>4,554,619</u>	<u>1,499,703</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at fair value through profit or loss	(2,380,000)	(2,030,000)
Equity interest in subsidiary	(30,602)	-
Property, plant and equipment	(91,405)	(312,698)
Intangible assets	(376,185)	(359,745)
Proceeds from disposal of:		
Financial assets at fair value through profit or loss	2,102,551	2,390,884
Property, plant and equipment	163	-
Refundable deposits paid	(85,299)	(71,278)
Refundable deposits refunded	2,628	2,558
Interest received	90,188	38,463
Dividends received	<u>64,449</u>	<u>-</u>
Net cash used in investing activities	<u>(703,512)</u>	<u>(341,816)</u>

(Continued)

GLOBAL UNICHIP CORP.

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

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (39,128)	\$ (35,541)
Cash dividends paid	(1,876,167)	(938,083)
Equity interest in subsidiary	(62,199)	-
Interest paid	(1,657)	(1,776)
Donations from shareholders	50	-
Dividends from claims extinguished by prescription reclassified to capital surplus	<u>75</u>	<u>35</u>
Net cash used in financing activities	<u>(1,979,026)</u>	<u>(975,365)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,872,081	182,522
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,192,497</u>	<u>5,009,975</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,064,578</u>	<u>\$ 5,192,497</u>

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

Attachment 4

Global Unichip Corp. 2023 Profit Distribution Table

Unit: NTD

Retained earnings at the beginning of the period	3,384,225,794
2023 Net profit	3,507,884,861
Plus: Actuarial gain of defined benefit plan	4,290,860
The net profit after tax of the current period with the amount for items other than the net profit after tax of the current period are included in the undistributed earnings of the current year	3,512,715,721
Less: Appropriation for legal reserve	(351,217,573)
Less: Appropriation for special reverse	(15,772,538)
Earnings available for distribution by the end of 2023	6,529,411,404
Items of distribution:	
—Shareholders' cash dividend (NT\$14 per share)	(1,876,166,754)
Undistributed earnings at the end of the period	4,653,244,650

Chair: F.C. Tseng

Manager: Sean Tai, Daniel Chien

Chief Accountant: Blithe Chiang

Appendix 1

Global Unichip Corp. Rules and Procedures of Shareholders' Meeting

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

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

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

9. The agenda of the shareholders' meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The meeting shall proceed in accordance with the agenda unless otherwise resolved at the meeting. In addition to the resolutions listed on the agenda, other resolutions proposed by shareholders, amendments to or alternatives to the original resolutions shall be seconded by other shareholders.
10. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting that is convened by any person other than the Board of Directors entitled to convene a meeting.
Unless otherwise resolved at the meeting, the chairperson cannot announce adjournment of the meeting before all the items (including extemporaneous motions) listed in the agenda are resolved.
The shareholders cannot designate any other person as chairperson and continue the meeting in the same or another place after the meeting is adjourned unless the chairperson violates the rules of procedure and declares the meeting adjourned, in which case the meeting may continue to be held with the consent of more than half of the voting rights of the shareholders present.
11. The shareholders present have the obligation to abide by the rules of the meeting, obey the resolutions, and maintain the order of the meeting.
12. Any legal entity designated as proxy by a shareholder to be present at the meeting may appoint only one representative to attend the meeting.
13. Unless otherwise permitted by the chair, each shareholder shall not speak more than twice on the same discussion item and each speech may not exceed five minutes. If a shareholder violates the rules outlined in the preceding paragraph or exceeds the scope of the discussion item, the chair may stop the shareholder's speech. If one refuses to accept the correction from the chair and disrupts the order of the meeting, the chair may instruct

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

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

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

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

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

Appendix 2

Articles Of Incorporation of Global Unichip Corp.

Section I - General Provisions

Article 1

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

Article 2

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

CC01080 Electronic Parts and Components Manufacturing

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

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

ii. Cell libraries for various applications ICs; and

iii. EDA tools for various applications ICs.

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

Article 3

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

Article 4

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

Article 5

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

Section II - Capital Stock

Article 6

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

Article 6 -1

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

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

Article 7

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

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

Article 8

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

Article 9

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

Section III – Shareholders’ Meeting

Article 10

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

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

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

Article 11

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

Article 12

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

Article 13

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

Article 14

Each share of stock shall be entitled to one vote.

Article 15

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

According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders’

meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Section IV –Directors and Supervisors

Article 16

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

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

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

Article 16-1

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

Article 16-2

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

Article 17

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

Article 18

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

Article 19

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

Article 20

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

Section V- Executives Officers

Article 21

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

Article 22

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

directors at a meeting of the Board of Directors attended by a majority of the directors of the Company.

Article 23

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

Section VI-Financial Reports

Article 24

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

Article 25

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

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

Article 26

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

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

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

Article 27

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

- a. Legal reserve at ten percent of the remaining profits except when the accumulated legal capital reserve has equaled the total capital of the Company;

- b. Special reserve in accordance with the relevant laws or regulations or the resolution of the shareholders' meeting;
- c. Any balance remaining may be distributed to the shareholders pro rata based on the number of shares held in accordance with the resolution of the shareholders' meeting.

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

Article 28

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

Article 29

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

Section VII- Supplementary Provisions

Article 30

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

Article 31

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

Appendix 3

Shareholdings of Directors

Book closure date : March 18, 2024

Position	Name	No. of shares held as of the book closure date	Percentage of shares held as of the book closure date
Chair	Taiwan Semiconductor Manufacturing Co., Ltd. Legal representative: F.C. Tseng	46,687,859	34.84%
Director	Taiwan Semiconductor Manufacturing Co., Ltd. Legal representative: Sean Tai		
Director	Taiwan Semiconductor Manufacturing Co., Ltd. Legal representative: Wendell Huang		
Director	Taiwan Semiconductor Manufacturing Co., Ltd. Legal representative: L.C. Lu		
Independent director	Jesse Ding	0	0%
Independent director	Huang, Tsui-Hui	0	0%
Independent director	Cheng-Wen Wu	0	0%
Independent director	Ho-Min Chen	0	0%
Independent director	Kenneth Kin	0	0%
Shareholdings of all directors (not including independent directors)		46,687,859	34.84%
Minimum No. of shares required to be held by all directors (not including independent directors)		8,040,714	6%

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