

**Ultra Chip, Inc.**  
**2025 Annual General Shareholders' Meeting Minutes**  
**(Translation)**

**Convention Method:** Physical Convention of Annual General Shareholders' Meeting

**Date and Time:** June 11, 2025 9:00 a.m.

**Location:** No. 327, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City (Lily Conference)

**Total shares represented by shareholders present in person or by proxy:** 43,286,226 shares (including 6,801,940 shares casted electronically), accounting for 57.65% of total number of outstanding shares with voting right 75,076,028 shares(excluding 124,000 shares without voting rights).

**Directors present:** Chairman Yi-Tung Hsu, Director Chih-Cheng Chou, Independent Director He-Wei Wang.

**Non-voting delegates:** CPA Hai-Yueh Huang, Lawyer Litseng Chen.

**Chairman:** Yi-Tung Hsu

**Recorder:** Sheng-Fang Wang

**One. Call Meeting to Order:** The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**Two. Chairperson's Remarks:** (Ommitted)

**Three. Report Items:**

I. 2024 Business Report. (Please refer to attachment I)

II. Audit Committee's Review Report on the 2024 Financial Statements. (Please refer to attachment II)

III. Report on 2024 Remunerations of Directors and Employees.

Explanation: For the Company's profit in 2024, according to the provisions of the Article of Incorporation, remuneration of directors at an amount of NT\$2,606,121 is proposed for distribution, and remunerations of employees at an amount of NT\$15,636,728 proposed to be distributed in cash. Such amounts are consistent with the account estimates.

IV. Report on 2024 Implementation of Private Placement of Common Shares.

Explanation: On May 16, 2024, the shareholders' meeting resolved to authorize the board of directors to conduct a private placement for Common Shares for a total amount of up to 10,000,000 shares. The private placement may be carried out by installments within one year of the date of the resolution of the shareholders meeting. Because the issuance period is about to expire, it is planned not to continue to handle this private placement within the

remaining period, and resolution by the Board of Directors.

**V. Report on the Issuance of Domestic Unsecured Convertible Bonds.**

Explanation: The Company, in order to repay bank loans and enhance operational funds, issue the 3rd Domestic Unsecured Convertible Bonds in the domestic market on May 20, 2024. The total issuance amount was NT\$ 800 million. In accordance with Article 246 of the Company Act, reporting the reason and the related things of the bonds. Please refer to attachment III.

**VI. Report on the Share Repurchase Execution Status. (Please refer to attachment IV)**

**Four. Ratification Items:**

Proposal 1 Proposed by the Board of Directors

Proposal: 2024 Business Report and Financial Statements, submitted for ratification.

Explanation: I. The Company's 2024 consolidated financial statements, parent company only financial statements) and business report have been approved by the Board of Directors through resolution and have also been submitted to the Audit Committee for review.

II. For 2024 business report and financial statements (including consolidated financial statements), please refer to attachment I and attachment V, submitted for ratification.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 43,286,226 shares were represented at the time of voting.

	Votes in Favor	Votes against	Invalid Votes	Votes abstained / Not Voted
Voting Results	41,697,283 shares	41,170 shares	0 shares	1,547,773 shares
% of the Represented Share Present	96.32%	0.09%	0%	3.57%

Proposal 2 Proposed by the Board of Directors

Proposal: 2024 Earnings Distribution proposal, submitted for ratification.

Explanation: I. The Company's 2024 distributable earnings is NT\$1,086,532,719. According to the provisions of the Company Act and the Articles of Incorporation, it is proposed to distribute shareholders' cash dividends at an amount of NT\$38,000,000, and the undistributed earnings at the end of the period after distribution is NT\$1,048,532,719.

II. For the present shareholders' cash dividends, the earnings of 2024 are to be distributed in priority. For the insufficient amount, the distributable balances from other years are to be deferred for distribution. The cash dividend is calculated to the integer dollar value, and the numbers after the decimal places are truncated. For the total amount of the odd numbers less than one dollar, the Chairman is authorized to assign specific personnel to make adjustments.

III. After this proposal is approved by the general shareholders' meeting, for the ex-dividend date, issuance date and other relevant matters, the Chairman is authorized to specify such dates and matters for the distribution thereof.

IV. For the distribution of dividends, in case of subsequent change in the share capital of the Company and the number of outstanding shares is affected such that the shareholders' dividend ratio needs to be adjusted, the Chairman is authorized to handle such matter with full discretion.

V. For the 2024 earnings distribution table established, please refer to attachment VI, submitted for approval.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 43,286,226 shares were represented at the time of voting.

	Votes in Favor	Votes against	Invalid Votes	Votes abstained / Not Voted
Voting Results	41,697,284 shares	41,171 shares	0 shares	1,547,771 shares
% of the Represented Share Present	96.32%	0.09%	0%	3.57%

#### Five. Discussion Items:

Proposal 1 Proposed by the Board of Directors

Proposal: Amendments to "The Procedures for the loaning of funds." is submitted for review.

Explanation: I. To meet the requirements of the actual operating needs of the Company, it is proposed to amend part of the provisions of the Company's "The Procedures for the loaning of funds."

II. For the Comparison Table for "The Procedures for the loaning of funds." Before and After Amendment, Please refer to attachment VII.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 43,286,226 shares were represented at the time of voting.

	Votes in Favor	Votes against	Invalid Votes	Votes abstained / Not Voted
Voting Results	41,694,804 shares	43,567 shares	0 shares	1,547,855 shares
% of the Represented Share Present	96.32%	0.10%	0%	3.57 %

Proposal 2 Proposed by the Board of Directors

Proposal: Amendments to "The Articles of Incorporation" is submitted for review.

Explanation: I. To meet the requirements of the law and the actual operating needs of the Company, it is proposed to amend part of the provisions of the Company's Procedures for "The Articles of Incorporation."

II. For the Comparison Table for the procedures for "The Articles of Incorporation." Before and After Amendment, Please refer to attachment VIII.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 43,286,226 shares were represented at the time of voting.

	Votes in Favor	Votes against	Invalid Votes	Votes abstained / Not Voted
Voting Results	41,696,808 shares	41,565 shares	0 shares	1,547,853 shares
% of the Represented Share Present	96.32%	0.09 %	0%	3.57 %

## **Six. Elections Items:**

Proposal 1

Proposed by the Board of Directors

Proposal: Election of the directors, is submitted for election.

Explanation: I. The term of the directors conclude as of May 11, 2025. An election of the directions will be held.

II. According to the Articles of Incorporation, the term shall elect 7 directors (including 4 independent directors) at this year's Annual Shareholders' Meeting.

III. The new directors shall serve three years beginning with the date of their election in this year's Annual Shareholders' Meeting from June 11, 2025 to June 10, 2028 and can be re-elected if run for election continuously. The term of office of the former directors shall expire upon the completion of this annual shareholders' meeting

IV. The election of directors shall use a candidate nomination system in accordance with Article 192-1 of the Company Act.

V. List of Directors (including Independent Directors) Candidates and the related Information, Please refer to attachment IX.

V. The election shall be conducted in accordance with the Company's rules for the Election of Directors, is submitted for election.

Election Results: The list of directors

Title	Name	Elected Votes
Director	Yu-Tung Hsu	43,573,684 權
Director	Hsueh-Jen Chien	41,884,383 權
Director	Chiu-Yung Huang	41,817,543 權
Independent Director	Chien-Hua Hsu	40,451,472 權
Independent Director	He-Wei Wang	40,273,462 權
Independent Director	Tasy-Lin Lin	40,148,301 權
Independent Director	Meng-Ling Wu	40,130,384 權

## **Seven. Other Items:**

Proposal 1

Proposed by the Board of Directors

Proposal: Removal of restrictions on Directors' participation in completing business, is submitted

for review

Explanation: I. In accordance with Article 209 of the Company Act: A director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

II Without prejudice to the interests of the Company, if the newly elected directors and their representatives invest in other companies with the same or similar business scope as the Company, the Company proposed to lift the competition restrictions on such directors and their representatives.

III. The positions concurrently held by the new directors (including independent directors) in other companies is submitted for review.

Directors (including independent directors)	Concurrent position currently
Yu-Tung Hsu	Chairman and Corporate Director Representative of Ultradisplay Inc., Chairman and Corporate Director Representative of Ultra Capteur Co., Ltd. Chairman and Corporate Director Representative of Jinghong Electronics (Shanghai) Inc., Chairman and Corporate Director Representative of Dongguan Ultra Chip Inc.
Hsueh-Jen Chien	Chairman of Fu-Chu Investment Co., Ltd., Chairman of Fu-Chu General Contractor Co., Ltd., Director of Yong Cheng Construction Co., Ltd., Independent Director of Wistron Corporation, Independent Director of Nan Ya Printed Circuit Board Corporation, Independent Director of ION electronic materials Co.,Ltd.
Chiu-Yung Huang	Chairman of Ichia Technologies Co., Ltd., Chairman of Ferrari Investment Co., Ltd., Chairman of Creative Investment Co., Ltd., Director of Ichia Technologies(Malaysia) Co., Ltd., Chairman of ICHIA USA Inc, Director of ICHIA RUBBER INDUSTRY (M) SDN BHD.
Chien-Hua Hsu	Chairman and CEO of Corporate Director Representative of Episil Holding Inc., Chairman and CSO of Corporate Director Representative of Episil Technologies Inc., Chairman and President of Corporate Director Representative of Wellknown Holding Company Ltd.
He-Wei Wang	Chairman of Sulfurscience Technology Co.,Ltd.
Tasy-Lin Lin	Director of Wpg Holdings Limited, Director of Fantasystory Inc., Director of M2 Communication Inc., Director of H Bank Biopharma Corp., Director of H Bank Technology Inc., Independent Director of Simple Mart Art Retail Co.,Ltd.
Meng-Ling Wu	Vice president and Director and Partner of Darwin Venture Management Corporation, Director of Darjun Ventrue Corporation, Director of Darjun Ventrue Corporation, Director of Wison Technology Corp., Independent Director of Asolid Technology Corp., Corporate Director Representative of Smart Ageing Tech Co., Ltd., Corporate Director Representative of Spirit Scientific Co., Ltd., Corporate Director Representative of Sino Applied Technology Taiwan Co., Ltd.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 43,286,226 shares were represented at the time of voting.

	Votes in Favor	Votes against	Invalid Votes	Votes abstained / Not Voted
Voting Results	41,647,202 shares	68,583 shares	0 shares	1,570,441 shares
% of the Represented Share Present	96.21%	0.15 %	0%	3.62 %

**Eight. Extraordinary Motions:** None.

**Nine. Adjournment:** The meeting was adjourned at 9:23 am

**<The video recording of this annual shareholder's meeting shall prevail in the event of any discrepancy between this meeting minutes and the video recording.>**

## I.2024 operating results

1. Planned implementation results for operating		Unit: NT\$ 1,000		
Accounting items		2023	2024	Difference in amount
Operating revenue		1,852,883	1,507,390	(345,493)
Gross profit		639,855	580,253	(59,602)
Net amount after tax (excluding non-controlling interests)		84,169	87,023	2,854
				3.39

In 2024, driven by AI technologies, new applications, and the recovery of markets, such as 5G and automotive electronics, shipments of industrial control and automotive products remained stable. However, electronic paper-related products experienced a decline in both shipment volume and revenue compared to 2023, due to price declines from market competition and delays in new product mass production. As a result, overall revenue and gross profit margin in 2024 decreased by 18.65% and 9.31%, respectively, compared to 2023. Nevertheless, thanks to product mix optimization and the depreciation of the New Taiwanese dollar against the U.S. dollar in 2024, the gross profit margin improved by approximately 3.96% compared to 2023. Additionally, supported by non-operating exchange gains, after-tax net profit grew by 3.39% compared to 2023.

## 2. Analysis of financial revenue and expenditure as well as profitability

Items		2023	2024
Financial structure	Percentage of liabilities to assets (%)	28.90	32.65
	Percentage of long-term funds to fixed assets (%)	596.68	867.93
Solvency	Current ratio (%)	244.35	584.87
	Quick ratio (%)	123.56	421.15
Profitability	Return on assets (%)	2.97	1.78
	Return on shareholders' equity (%)	4.15	2.07
	Net profit margin (%)	5.41	3.32
	Earnings per share (NT\$)	1.13	1.16

## 3. Research and development status

In terms of research and development, NT\$ 360,840 thousand was paid for research and development in 2024, accounting for about 24% of the turnover of NT\$ 1,507,390 thousand. In the future, the Company will continue to invest in the development of new display technologies in addition to continuously optimizing existing products to expand new application fields. It is estimated that the investment and expenses on research and development of new products and technologies will maintain 15%~25% of the total turnover in the future.

## II. The future of company

Post-pandemic shifts in consumption patterns and the global ESG trend toward energy conservation and carbon reduction have rapidly popularized electronic shelf labels (ESLs) in the retail industry worldwide. ESLs not only enhance automation and operational efficiency but also enable retailers to reduce recurring costs and efficiently adjust prices, product assortments, and promotion campaigns, making them a major trend in retail automation technology. The Company's have developed four-color electronic paper products and is progressively putting them into mass production and shipment. Moving forward, to meet diverse environmental demands, the Company will focus on improving product yield and optimizing cost structures while actively exploring new application markets beyond shelf labels to enhance the competitiveness of its electronic paper driver ICs. Since integrating touch technology, STN products have seen steady growth in applications, such as industrial control, home appliances, and automotive dashboards. Amid the global ESG trend, the Company will develop more energy-efficient products and actively introduce solutions for new energy vehicles, to maintain stable production capacity to meet customer order demands.

Looking ahead to 2025, the Company will continue to monitor the impact of U.S.-China trade war, international tariff policies, and geopolitical factors, while appropriately adjusting production capacity allocations across various manufacturing processes to ensure product quality, to reduce production costs, enhance capacity stability, and achieve the most efficient production mix. Simultaneously, the Company will actively invest in R&D of new products and technologies to boost product competitiveness, strengthen the stability of its R&D workforce, and provide customers with sustainable and smart diverse solutions. The Company aims to seize new opportunities in the green technology market, achieve outstanding revenue and profit performance when the global economy recovers in the future.

Under the rapidly changing global economy, the sustainable management is still our goal. The Company will actively invest in the research and development of new display technologies, and pursue the driver IC with higher quality and saving energy and electricity, to hope to create maximum benefits for all shareholders!

Chairman      Yu-Tung Hsu

President      Yu-Tung Hsu

Accounting Officer Sheng-Fang Wang

Attachment II

**ULTRA CHIP, INC.**  
**Audit Committee's Review Report**

The Board of Directors have prepared the Company's 2024 consolidated financial statements and parent company only financial statements, which have been audited by CPAs Hai-Yueh Huang and Cheng-Chuan Yu of Deloitte Taiwan, and audit reports of unqualified opinion with emphasized paragraphs or paragraphs of other matters and of unqualified opinion have been issued respectively. Accordingly, we have reviewed the aforementioned financial statements and the audit reports along with the business report and earnings distribution proposal, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted to

The Company's 2025 Annual General Shareholders' Meeting

Audit Committee Convener: Chien-Hua Hsu

February 21, 2025

**ULTRA CHIP, INC.**  
**The Issuance of Domestic Unsecured Convertible Bonds**

Name	The 3rd Domestic Unsecured Convertible Bonds
Approval date	The letter FinancialSupervisory-Securities-Corporate-1130339873 on April 26, 2024.
Reason of fund	To repay bank loan and increase working capital.
Issuance amount	Total issued amount is NTD 800 million (Face value of per bond is NTD 100 thousand , Issue price is 101% of par value.)
Date of Issue	May 20, 2024.
Issuance period	3 years. The due date is on May 20, 2027.
Issuance rate	The coupon rate is 0%
Repayment Method	Except for the early conversion by bondholders or the early redemption by the Company, the early reverse resale by bondholders, or the redemption by the Company for cancellation, the bonds will be repaid in cash at the par value in one time after the maturity date.
Issuance price	NTD 94.5 dollars.
The condition of convertible and Buyback	Due to cooperation with shareholder meeting procedures, the stop conversion period for our company's bonds was from April 13, 2025 to June 11, 2025. As of April 12, 2025, the 3rd domestic unsecured convertible bonds hasn't been converted with 0 share.

**ULTRA CHIP, INC.**  
**Share Repurchase Execution Status**

The publication date of handbook : 2025/04/30

The number of repurchase	The fifth time
Purpose of the share repurchase	To transfer shares to employees
Type of shares to be repurchased	Common shares
Scheduled period for the repurchase	2025/04/09~2025/06/08
Repurchase price range	NTD 37.50~100.00
No. of shares to be repurchased	2,000,000 shares
Accumulated number of company shares repurchased	1,074,000 shares
Value of shares repurchased	NTD 62,495,304 dollars
Quantity of repurchased shares as a percentage of total shares to be repurchased (%)	53.7%
Average of repurchase price	NTD 58.19 dollars
Accumulated number of company shares held (shares)	1,198,000 shares
Percentage of total company's stock (%)	1.59%
Reason for non-completion of the share repurchase	To balance market mechanisms and don't influence the stock price, the company adopted a phased share repurchase strategy based on stock price fluctuations and trading volume conditions. The repurchase has not been fully executed.

## **Independent Auditors' Report**

To the Board of Directors and Shareholders of Ultra Chip, Inc.,

### **Audit Opinion**

We have audited the accompanying consolidated balance sheets of Ultra Chip, Inc. (the "Company") and its subsidiaries (collectively, the "Group") for the years ended December 31, 2024 and 2023 and the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We have conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The auditors of the firm subject to the independence regulations have maintained independent from the Group in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **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 of the Group for the year 2024. Such matters have been reflected in the entirety of the consolidated financial statements audited

and throughout the process of the opinion formation. We do not provide opinions separately for such matters.

Key audit matters for the Group's 2024 consolidated financial statements for the year are stated as follows:

Authenticity of operating revenue from key audit customers

The operating revenue of the Group mainly comes from the design and sale of display driver IC, and the customers (referred to as "key audit customers") with operating revenue fluctuations greater than the Group's overall average level of change who are among the top 10 sales customer groups in 2024, their operating revenues are considered material to the consolidated financial statements. Whether the income actually occurred is the significant risk predefined in the Statements of Auditing Standards. Accordingly, we have listed whether the operating revenue from some of the key audit customers actually occurred as a key audit matter of the current year.

Please refer to Note 4 (12) of the consolidated financial statements for detailed accounting policy on the income recognition. Please refer to Notes 24 and 40 of the consolidated financial statements for relevant disclosure of the operating revenue.

Through understanding of relevant internal control procedures, we have designed relevant internal control audit procedures to cope with such risk, in order to verify and assess whether relevant internal control operations during sales transactions are effective, and we have also obtained the income statements of key audit customers for the whole year from the Group. After checking, adjustment and verification of data integrity, appropriate samples were selected from the statement, and the transaction party's basic information, credit terms were examined and inquired, orders and shipping documents were randomly inspected, and the payment receipt party and transaction party were verified for consistency, in order to understand whether there has been any abnormality in the transactions. In addition, we have also reviewed whether there has been any subsequent major sales return and allowance, in order to determine whether there is any material misstatement in the income of key audit customers.

**Other Matters**

Ultra Chip, Inc. has prepared the parent company only financial statements for the years ended 2024 and 2023, to which we have also issued an independent auditor's report with unqualified opinion and provided for reference.

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

The 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as the 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, the responsibilities of the management include assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

The purpose of our audit of the consolidated statements is to obtain reasonable assurance on whether the entirety of the consolidated financial statements contain any material misstatement caused by fraud or error, and to issue the audit report. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the consolidated financial statements.

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

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Group.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Group have significant uncertainty, and provide conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. Nevertheless, future events or circumstances may cause the Group to have no ability for continuous operation.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, 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 for the financial information of individual entities of the Group and provide opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

CPA Hai-Yueh Huang

CPA Cheng-Chuan Yu

Securities and Futures Commission  
Approval Document No.  
Tai-Cai-Zheng-Liu-Zi No. 0920131587

Securities and Futures Commission Approval  
Document No.  
Tai-Cai-Zheng-Liu-Zi No. 0930128050

February 21, 2025

## Ultra Chip, Inc. and Subsidiaries

## Consolidated Balance Sheet

December 31, 2024 and 2023

Unit: NT\$ thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
1100	Cash and cash equivalents (Note 6)	\$ 1,331,043	34	\$ 590,086	17
1110	Financial assets at fair value through profit or loss - current (Note 7)	21,400	1	20,520	1
1136	Financial assets at amortized cost - current (Notes 9 and 35)	121,144	3	166,494	5
1170	Accounts receivable (Notes 10 and 24)	181,544	5	217,455	6
1220	Current income tax assets (Note 26)	518	-	92	-
130X	Inventories (Note 11)	641,817	17	910,647	27
1478	Refundable deposits - current (Note 16)	97,099	2	18,921	1
1479	Other current assets (Note 16)	45,958	1	90,224	3
11XX	Total current assets	<u>2,440,523</u>	<u>63</u>	<u>2,014,439</u>	<u>60</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	102,617	3	76,104	2
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	68,873	2	30,137	1
1600	Property, plant and equipment (Note 13)	385,452	10	413,602	12
1755	Right-of-use assets (Note 14)	10,760	-	11,950	-
1780	Intangible assets (Note 15)	20,720	-	20,898	1
1840	Deferred income tax assets (Note 26)	264,920	7	225,826	7
1920	Refundable deposits - non-current (Note 16)	489,889	13	556,797	17
1990	Other non-current assets (Note 16)	72,373	2	13,830	-
15XX	Total non-current assets	<u>1,415,604</u>	<u>37</u>	<u>1,349,144</u>	<u>40</u>
1XXX	Total assets	<u>\$ 3,856,127</u>	<u>100</u>	<u>\$ 3,363,583</u>	<u>100</u>
Code	Liabilities and equity				
Current liabilities					
2100	Short-term borrowings (Note 17)	\$ 100,000	3	\$ 395,000	12
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	4,400	-	-	-
2130	Contract liabilities - current (Note 24)	993	-	25,363	1
2170	Accounts payable (Note 19)	106,455	3	169,665	5
2200	Other payables (Note 20)	138,651	4	125,953	4
2230	Current income tax liabilities (Note 26)	22,208	-	50,669	2
2280	Lease liabilities - current (Note 14)	6,637	-	8,946	-
2320	Long-term borrowings due in one year and corporate bonds payable (Note 17 and 18)	35,476	1	45,118	1
2399	Other current liabilities (Note 21)	<u>2,454</u>	<u>-</u>	<u>3,695</u>	<u>-</u>
21XX	Total current liabilities	<u>417,274</u>	<u>11</u>	<u>824,409</u>	<u>25</u>
Non-current liabilities					
2530	Corporate bonds payable (Note 18)	757,532	20	-	-
2540	Long-term borrowings (Note 17)	59,263	2	133,308	4
2570	Deferred income tax liabilities (Note 26)	19,124	-	11,032	-
2580	Lease liabilities - non-current (Note 14)	4,390	-	3,470	-
2600	Other non-current liabilities (Note 21)	1,451	-	-	-
25XX	Total non-current liabilities	<u>841,760</u>	<u>22</u>	<u>147,810</u>	<u>4</u>
2XXX	Total liabilities	<u>1,259,034</u>	<u>33</u>	<u>972,219</u>	<u>29</u>
Equity attributable to shareholders of the parent (Notes 23 and 28)					
Capital					
3110	Common share capital	751,193	19	750,616	22
3140	Share capital collected in advance	<u>1,177</u>	<u>-</u>	<u>124</u>	<u>-</u>
3100	Total share capital	<u>752,370</u>	<u>19</u>	<u>750,740</u>	<u>22</u>
3200	Capital surplus	<u>403,797</u>	<u>10</u>	<u>356,529</u>	<u>11</u>
Retained earnings					
3310	Statutory reserves	212,660	6	204,243	6
3320	Special reserves	16,155	-	24,750	1
3350	Unappropriated earnings	1,077,381	28	1,045,161	31
3300	Total retained earnings	<u>1,306,196</u>	<u>34</u>	<u>1,274,154</u>	<u>38</u>
3400	Other equity	<u>20,063</u>	<u>1</u>	<u>(16,156)</u>	<u>(1)</u>
3500	Treasury shares	<u>(3,544)</u>	<u>-</u>	<u>(3,544)</u>	<u>-</u>
31XX	Total equity attributable to owners of the parent company	<u>2,478,882</u>	<u>64</u>	<u>2,361,723</u>	<u>70</u>
36XX	Non-controlling interests (Notes 12 and 23)	<u>118,211</u>	<u>3</u>	<u>29,641</u>	<u>1</u>
3XXX	Total equity	<u>2,597,093</u>	<u>67</u>	<u>2,391,364</u>	<u>71</u>
Total liabilities and equity					
		<u>\$ 3,856,127</u>	<u>100</u>	<u>\$ 3,363,583</u>	<u>100</u>

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

Chairman: Yu-Tung Hsu

Managerial Officer: Yu-Tung Hsu

Accounting Officer: Sheng-Fang Wang

Ultra Chip, Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: Expressed in NT\$ thousand, except for earnings per share in NT\$

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 24)	\$ 1,507,390	100	\$ 1,852,883	100
5000	Operating costs (Notes 11 and 25)	927,137	61	1,213,028	65
5900	Gross profit	580,253	39	639,855	35
	Operating expenses (Note 25)				
6100	Selling and marketing expenses	92,010	6	83,118	4
6200	Administrative expenses	120,225	8	121,694	7
6300	Research and development expenses	360,840	24	336,337	18
6000	Total operating expenses	573,075	38	541,149	29
6500	Net other income and expenses (Notes 25)	( 4,512)	-	( 312)	-
6900	Operating profit	2,666	1	98,394	6
	Non-operating income and expenses (Notes 25 and 29)				
7100	Interest income	16,539	1	12,928	1
7190	Net miscellaneous income	4,897	-	5,656	-
7020	Other gains and losses	( 5,908)	-	3,936	-
7050	Finance costs	( 17,740)	( 1)	( 14,268)	( 1)
7630	Net foreign exchange gain or loss	63,792	4	8,339	1
7000	Total non-operating incomes and expenses	61,580	4	16,591	1
7900	Net income before tax	64,246	5	114,985	7
7950	Income tax expenses (Notes 4 and 26)	( 14,175)	( 1)	( 14,797)	( 1)
8200	Current net profit	50,071	4	100,188	6

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Code		2024		2023	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items not reclassified subsequently to profit or loss				
8316	Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income (Note 23)	\$ 31,063	2	\$ 5,880	-
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations (Note 23)	2,275	-	( 1,003 )	-
8399	Income tax related to items may be reclassified into profit or loss (Notes 23 and 26)	( 455 )	-	200	-
8360		1,820	-	( 803 )	-
8300	Total Other comprehensive income of the year	32,883	2	5,077	-
8500	Total comprehensive income (loss) for the year	\$ 82,954	6	\$ 105,265	6
	Net income attributable to:				
8610	Owners of the parent company	\$ 87,023	6	\$ 84,169	4
8620	Non-controlling interests	( 36,952 )	( 3 )	16,019	1
8600		\$ 50,071	3	\$ 100,188	5
	Total comprehensive income attributable to:				
8710	Owners of the parent company	\$ 119,906	8	\$ 89,246	5
8720	Non-controlling interests	( 36,952 )	( 2 )	16,019	1
8700		\$ 82,954	6	\$ 105,265	6
	Earnings per share (Note 27)				
9710	Basic	\$ 1.16		\$ 1.13	
9810	Diluted	\$ 1.15		\$ 1.12	

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

Chairman: Yu-Tung Hsu Managerial Officer: Yu-Tung Hsu Accounting Officer: Sheng-Fang Wang

Ultra Chip, Inc. and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

Code		Equity attributable to owners of the company										Non-controlling interests		Total equity	
		Retained earnings					Other equity								
		Common share capital	Share capital collected in advance	Share capital awaiting retirement	Capital surplus	Statutory reserves	Special reserves	Unappropriated earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	Unearned compensation of employees	Treasury shares	Total	Non-controlling interests	Total equity
A1	Balance on January 1, 2023	\$ 750,263	\$ 1,528	( \$ 240 )	\$ 356,199	\$ 152,168	\$ -	\$ 1,237,817	( \$ 6,839 )	( \$ 9,571 )	( \$ 8,340 )	( \$ 3,544 )	\$ 2,469,441	\$ 13,598	\$ 2,483,039
	2022 Appropriation and distribution of retained earnings (Note 23(3))					52,075		( 52,075 )							
B1	Statutory reserves	-	-	-	-	-	24,750	( 24,750 )	-	-	-	-	-	-	-
B3	Special reserves	-	-	-	-	-	-	( 200,000 )	-	-	-	-	( 200,000 )	-	( 200,000 )
B5	Shareholders' cash dividends	-	-	-	-	-	-	-	-	-	-	-	( 200,000 )	-	( 200,000 )
D1	2023 Net profit	-	-	-	-	-	-	84,169	-	-	-	-	84,169	16,019	100,188
D3	2023 Other comprehensive income (loss) after tax	-	-	-	-	-	-	-	( 803 )	5,880	-	-	5,077	-	5,077
II	Repurchase of convertible bonds (Notes 18 and 23(2))	-	-	-	61	-	-	-	-	-	-	-	61	-	61
N1	Share-based payment transactions (Notes 23(1), (2) and 28)	1,033	( 1,404 )	( 440 )	( 198 )	-	-	-	-	-	3,517	-	2,508	-	2,508
C17	Other change of capital surplus: Changes in other capital reserves (Note 23(2))	-	-	-	89	-	-	-	-	-	-	-	89	-	89
O1	Adjustment of capital surplus of subsidiaries (Note 23(2) and 28)	-	-	-	378	-	-	-	-	-	-	-	378	24	402
T1	Cancellation of new restricted employee shares (Note 23(1))	( 680 )	-	680	-	-	-	-	-	-	-	-	-	-	-
Z1	Balance as of December 31, 2023	750,616	124	-	356,529	204,243	24,750	1,045,161	( 7,642 )	( 3,691 )	( 4,823 )	( 3,544 )	2,361,723	29,641	2,391,364
	2023 Appropriation and distribution of retained earnings (Notes 23(3) and (4))					8,417		( 8,417 )							
B1	Statutory reserves	-	-	-	-	-	( 8,595 )	( 8,595 )	-	-	-	-	-	-	-
B3	Special reserves	-	-	-	-	-	-	( 38,000 )	-	-	-	-	( 38,000 )	-	( 38,000 )
C5	Issuance of convertible corporate bonds recognized for equity component (Notes 19 and 24(2))	-	-	-	53,955	-	-	-	-	-	-	-	53,955	-	53,955
C17	Changes in other capital reserves (Note 23(2))	-	-	-	390	-	-	-	-	-	-	-	390	-	390
D1	2024 Net profit	-	-	-	-	-	-	87,023	-	-	-	-	87,023	( 36,952 )	50,071
D3	2024 Other comprehensive income (loss) after tax	-	-	-	-	-	-	-	1,820	31,063	-	-	32,883	-	32,883
M7	Changes in ownership interest in subsidiaries (Notes 12 and 30)	-	-	-	( 5,120 )	-	-	( 16,981 )	-	-	-	-	( 22,101 )	124,182	102,081
N1	Share-based payment transactions (Notes 23(1), (2) and 28)	1,037	1,053	( 460 )	( 3,149 )	-	-	-	-	-	3,336	-	1,817	-	1,817
O1	Adjustment of capital surplus of subsidiaries (Note 23(2) and 28)	-	-	-	1,192	-	-	-	-	-	-	-	1,192	1,340	2,532
T1	Cancellation of new restricted employee shares (Note 23(1))	( 460 )	-	460	-	-	-	-	-	-	-	-	-	-	-
Z1	Balance as of December 31, 2024	\$ 751,193	\$ 1,177	\$ -	\$ 403,797	\$ 212,660	\$ 16,155	\$ 1,077,381	( \$ 5,822 )	\$ 27,372	( \$ 1,487 )	( \$ 3,544 )	\$ 2,478,882	\$ 118,211	\$ 2,597,093

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

Ultra Chip, Inc. and Subsidiaries  
 Consolidated Statement of Cash Flows  
 January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

Code		2024	2023
	<b>Cash flows from operating activities</b>		
A10000	Net income before tax	\$ 64,246	\$ 114,985
A20010	Income and expense item		
A20100	Depreciation expense	81,381	81,380
A20200	Amortization expense	25,760	20,507
A20400	Net loss (gain) on financial assets at fair value through profit or loss	5,908	( 2,979 )
A20900	Finance costs	17,740	14,268
A21200	Interest income	( 16,539 )	( 12,928 )
A21300	Dividend income	( 2,877 )	( 1,493 )
A21900	Share-based compensation costs	1,546	2,296
A22500	Losses on disposal of property, plant and equipment	4,512	312
A23100	Gains on repurchase of corporate bonds	- ( 957 )	
A23500	Reversal of impairment loss on refundable deposits	- ( 14,980 )	
A24100	Foreign exchange net (gain) loss	( 44,826 )	6,207
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	45,738	( 35,308 )
A31200	Inventories	268,737	510,407
A31240	Other current assets	44,269	( 21,602 )
A31990	Other non-current assets	- ( 10,531 )	
A32125	Contract liabilities - current	( 24,370 )	( 88,111 )
A32150	Accounts payable	( 69,378 )	( 80,541 )
A32180	Other payables	( 16,088 )	( 62,704 )
A32230	Other current liabilities	( 1,241 )	( 796 )
A33000	Cash provided by operating activities	384,518	438,494
A33100	Interest received	16,539	12,928
A33200	Dividends received	2,877	1,493
A33300	Interest paid	( 6,652 )	( 3,350 )
A33500	Income taxes paid	( 74,592 )	( 61,914 )
AAAA	Net cash inflow from operating activities	<u>322,690</u>	<u>387,651</u>

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Code		2024	2023
	Cash flow from Investing activities		
B00040	Acquisition of financial assets carried at amortized cost	\$ -	(\$ 30,628)
B00050	Disposal of financial assets measured at amortized cost	45,350	-
B00100	Acquisition of financial assets measured at fair value through profit or loss	( 30,808)	( 58,761)
B00010	Acquisition of financial assets at fair value through other comprehensive income	( 7,673)	-
B02700	Proceeds from acquisition of property, plant and equipment	( 125,911)	( 78,370)
B02800	Net proceeds from disposal of property, plant, and	15,453	-
B03800	Decrease in refundable deposits	23,280	59,988
B04500	Acquisition of intangible assets proceeds	( 26,168)	( 17,179)
BBBB	Net cash outflow from investing activities	( 106,477)	( 124,950)
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	-	316,309
C00200	Decrease in short-term borrowings	( 295,000)	-
C01200	Issuance of convertible corporate bonds	808,000	-
C01300	Repurchase of corporate bonds (Note 18)	-	( 769,287)
C01600	Borrowing of long-term borrowings	-	107,463
C01700	Repayments of long-term borrowings	( 53,512)	-
C03100	Decrease in guarantee deposits	-	( 53,326)
C04020	Repaid principal of lease liabilities	( 11,398)	( 10,806)
C04500	Cash dividends paid	( 38,000)	( 200,000)
C04800	Exercise of employee stock options	3,148	731
C05800	Change in non-controlling interests (Note 30)	102,081	-
C09900	Others (Note 23(2))	390	89
CCCC	Net cash inflow(outflow) from financing activities	515,709	( 608,827)
DDDD	Effect of exchange rate changes on cash and cash equivalents	9,035	( 4,135)
EEEE	Increase (decrease) in cash and cash equivalents	740,957	( 350,261)
E00100	Cash and cash equivalents at the beginning of the year	590,086	940,347
E00200	Cash and cash equivalents at the end of year	\$ 1,331,043	\$ 590,086

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

Chairman: Yu-Tung Hsu Managerial Officer: Yu-Tung Hsu Accounting Officer: Sheng-Fang Wang

## **Independent Auditors' Report**

To the Board of Directors and Shareholders of Ultra Chip, Inc.:

### **Audit Opinion**

We have audited the accompanying parent company only balance sheets of Ultra Chip, Inc. (the "Company") for the years ended December 31, 2024 and 2023 and the relevant parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We have conducted our audits in accordance with the Regulation Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. The auditors of the firm subject to the independence regulations have maintained independent from the Company in accordance with the Code of Ethics and performance other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **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 of the Company for the year 2024. Such matters have been reflected in the entirety of the parent company only financial statements audited and throughout the process of the opinion formation. We do not provide opinions separately for such matters.

Key audit matters for the Company's 2024 parent company only financial statements for the year are stated as follows:

### Authenticity of operating revenue from key audit customers

The operating revenue of Ultra Chip, Inc. mainly comes from the design and sale of display driver ICs, and the customers (referred to as “key audit customers”) with operating revenue fluctuations greater than the Company’s overall average level of change who are among the top 10 sales customer groups in 2024, their operating revenues are considered material to the parent company only financial statements. Whether the income actually occurred is the significant risk predefined in the Statements of Auditing Standards. Accordingly, we have listed whether the operating revenue from some of the key audit customers actually occurred as a key audit matter of the current year.

Please refer to Note 4(13) of the parent company only financial statements for detailed accounting policy on the income recognition. Please refer to Note 25 of the parent company only financial statements for relevant disclosure of the operating revenue.

Through understanding of relevant internal control procedures, we have designed relevant internal control audit procedures to cope with such risk, in order to verify and assess whether relevant internal control operations during sales transactions are effective, and we have also obtained the income statements of key audit customers for the whole year from the Company. After checking, adjustment and verification of data integrity, appropriate samples were selected from the statement, and the transaction party’s basic information, credit terms were examined and inquired, orders and shipping documents were randomly inspected, and the payment receipt party and transaction party were verified for consistency, in order to understand whether there has been any abnormality in the transactions. In addition, we have also reviewed whether there has been any subsequent major sales return and allowance, in order to determine whether there is any material misstatement in the income of key audit customers.

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

The 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 the 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, the responsibilities of the management include 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

The purpose of our audit of the parent company only statements is to obtain reasonable assurance on whether the entirety of the parent company only financial statements contain any material misstatement caused by fraud or error, and to issue the audit report. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the parent company only financial statements. Misstatements can arise from fraud or error. Misstatements 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 the parent company only financial statements.

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

1. Identify and assess the risk of material misstatement of the parent company only financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Company have significant uncertainty, and provide a conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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. Nevertheless, future events or circumstances may cause the Company to have no ability for continuous operation.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including relevant notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Company and provide opinion on the parent company only financial statements. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the opinion for the Company.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's 2024 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

CPA Hai-Yueh Huang

CPA Cheng-Chuan Yu

Securities and Futures Commission  
Approval Document No.  
Tai-Cai-Zheng-Liu-Zi No. 0920131587

Securities and Futures Commission Approval  
Document No.  
Tai-Cai-Zheng-Liu-Zi No. 0930128050

February 21, 2025

Ultra Chip, Inc.  
Parent Company Only Balance Sheet  
December 31, 2024 and 2023

Unit: NT\$ thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
1100	Current assets				
1100	Cash and cash equivalents (Note 6)	\$ 988,874	28	\$ 496,457	16
1110	Financial assets at fair value through profit or loss - current (Note 7)	21,400	1	20,520	1
1136	Financial assets at amortized cost - current (Note 9)	113,628	3	113,361	4
1170	Accounts receivable (Notes 10 and 25)	146,912	4	197,604	6
1180	Accounts receivable - related party (Notes 10, 25 and 33)	20,423	1	18,400	-
130X	Inventories (Note 11)	596,627	17	866,466	28
1478	Refundable deposits - current (Note 17)	97,099	3	18,921	1
1479	Other current assets (Notes 17, 23 and 33)	38,715	1	85,735	3
11XX	Total current assets	<u>2,023,678</u>	<u>58</u>	<u>1,817,464</u>	<u>59</u>
1510	Non-current assets				
1517	Financial assets at fair value through profit or loss - non-current (Note 7)	102,617	3	76,104	3
1550	Financial assets at fair value through other comprehensive income - non-current (Note 8)	68,873	2	30,137	1
1600	Investments under equity method (Note 12)	191,724	5	66,467	2
1755	Property, plant and equipment (Note 13)	274,482	8	284,537	9
1760	Right-of-use assets (Note 14)	6,766	-	9,662	-
1780	Investment property (Note 15)	68,015	2	69,024	2
1840	Intangible assets (Note 16)	10,902	-	7,806	-
1920	Deferred income tax assets (Note 27)	193,807	6	165,696	5
1990	Refundable deposits - non-current (Note 17)	489,256	14	556,190	18
15XX	Other non-current assets (Notes 17 and 23)	<u>71,757</u>	<u>2</u>	<u>12,213</u>	<u>1</u>
15XX	Total non-current assets	<u>1,478,199</u>	<u>42</u>	<u>1,277,836</u>	<u>41</u>
1XXX	Total assets	<u>\$ 3,501,877</u>	<u>100</u>	<u>\$ 3,095,300</u>	<u>100</u>
Code	Liabilities and equity				
2100	Current liabilities				
2120	Short-term borrowings (Note 18)	\$ -	-	\$ 300,000	10
2130	Financial liabilities at fair value through profit or loss - current (Notes 7 and 32)	4,400	-	-	-
2170	Contract liabilities - current (Note 25)	657	-	24,551	1
2200	Accounts payable (Notes 20 and 33)	87,913	3	161,628	5
2230	Other payables (Notes 21 and 33)	122,224	3	107,157	3
2280	Current income tax liabilities (Note 27)	22,208	1	50,669	2
2320	Lease liabilities - current (Note 14)	4,486	-	7,237	-
2399	Corporate bonds payable due in one year (Note 19)	-	-	30,175	1
21XX	Other current liabilities (Notes 22 and 33)	<u>1,571</u>	<u>-</u>	<u>3,030</u>	<u>-</u>
21XX	Total current liabilities	<u>243,459</u>	<u>7</u>	<u>684,447</u>	<u>22</u>
25XX	Non-current liabilities				
2530	Bonds payable (Note 19)	757,532	22	-	-
2540	Long-term borrowings (Note 18)	-	-	35,000	1
2570	Deferred income tax liabilities (Note 27)	19,023	-	11,032	1
2580	Lease liabilities - non-current (Note 14)	2,366	-	2,483	-
2670	Other non-current liabilities (Notes 22 and 33)	<u>615</u>	<u>-</u>	<u>615</u>	<u>-</u>
2670	Total non-current liabilities	<u>779,536</u>	<u>22</u>	<u>49,130</u>	<u>2</u>
2XXX	Total liabilities	<u>1,022,995</u>	<u>29</u>	<u>733,577</u>	<u>24</u>
3110	Equity (Notes 24 and 29)				
3140	Capital				
3140	Common share capital	751,193	21	750,616	24
3100	Share capital collected in advance	<u>1,177</u>	<u>-</u>	<u>124</u>	<u>-</u>
3100	Total share capital	<u>752,370</u>	<u>21</u>	<u>750,740</u>	<u>24</u>
3200	Capital surplus	<u>403,797</u>	<u>12</u>	<u>356,529</u>	<u>12</u>
3310	Retained earnings				
3320	Statutory reserves	212,660	6	204,243	6
3350	Special reserves	16,155	-	24,750	1
3350	Unappropriated earnings	<u>1,077,381</u>	<u>31</u>	<u>1,045,161</u>	<u>34</u>
3300	Total retained earnings	<u>1,306,196</u>	<u>37</u>	<u>1,274,154</u>	<u>41</u>
3400	Other equity	<u>20,063</u>	<u>1</u>	<u>( 16,156 )</u>	<u>( 1 )</u>
3500	Treasury shares	<u>( 3,544 )</u>	<u>-</u>	<u>( 3,544 )</u>	<u>-</u>
3XXX	Total equity	<u>2,478,882</u>	<u>71</u>	<u>2,361,723</u>	<u>76</u>
3XXX	Total liabilities and equity	<u>\$ 3,501,877</u>	<u>100</u>	<u>\$ 3,095,300</u>	<u>100</u>

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

Chairman: Yu-Tung Hsu

Managerial Officer: Yu-Tung Hsu

Accounting Officer: Sheng-Fang Wang

Ultra Chip, Inc.

Parent Company Only Statement of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: Expressed in NT\$ thousand, except for earnings per share in NT\$

2024 2023

Code		Amount	%	Amount	%
4000	Operating revenue (Notes 25 and 33)	\$ 1,352,697	100	\$ 1,530,862	100
5000	Operating costs (Notes 11, 17, 26 and 33)	830,990	61	1,053,702	69
5900	Gross profit	521,707	39	477,160	31
5910	Unrealized gain (loss) with subsidiaries	723	-	( 12,188 )	-
5920	Realized gain with subsidiaries	12,661	1	13,738	1
5950	Net operating gross profit realized	535,091	40	478,710	32
	Operating expenses (Notes 26 and 33)				
6100	Selling and marketing expenses	57,108	4	50,789	3
6200	Administrative expenses	89,026	7	94,005	6
6300	Research and development expenses	243,087	18	204,468	14
6000	Total operating expenses	389,221	29	349,262	23
6500	Net other income and expenses (Notes 26 and 33)	4,135	-	2,884	-
6900	Operating profit	150,005	11	132,332	9
	Non-operating income and expenses (Notes 26 and 33)				
7100	Interest income	12,061	1	12,424	1
7190	Net miscellaneous income	9,370	1	8,973	-
7020	Other gains and losses	( 5,908 )	-	3,936	-
7050	Finance costs	( 13,928 )	( 1 )	( 11,079 )	( 1 )
7070	Share of loss on equity method of subsidiaries (Note 12)	( 99,187 )	( 7 )	( 65,440 )	( 4 )
7630	Net foreign exchange gain or loss	59,650	4	11,348	1
7000	Total non-operating incomes and expenses	( 37,942 )	( 2 )	( 39,838 )	( 3 )

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Code		2024		2023	
		Amount	%	Amount	%
7900	Net income before tax	\$ 112,063	9	\$ 92,494	6
7950	Income tax expenses (Note 27)	( 25,040 )	( 2 )	( 8,325 )	-
8200	Current net profit	87,023	7	84,169	6
	Other comprehensive income				
8310	Items not reclassified subsequently to profit or loss				
8316	Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income	31,063	2	5,880	-
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations (Note 24)	2,275	-	( 1,003 )	-
8399	Income tax related to items may be reclassified into profit or loss (Notes 24 and 27)	( 455 )	-	200	-
8360		1,820	-	( 803 )	-
8300	Total Other comprehensive income of the year	32,883	2	5,077	-
8500	Total comprehensive income (loss) for the year	\$ 119,906	9	\$ 89,246	6
	Earnings per share (Note 28)				
9710	Basic	\$ 1.16		\$ 1.13	
9810	Diluted	\$ 1.15		\$ 1.12	

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

Chairman: Yu-Tung Hsu Managerial Officer: Yu-Tung Hsu Accounting Officer: Sheng-Fang Wang

Ultra Chip, Inc.  
Parent Company Only Statement of Changes in Equity  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

Code	Description	Common share capital	Share capital collected in advance	Share capital awaiting retirement	Retained earnings			Unappropriated earnings	(\$ 6,839)	(\$ 9,571)	(\$ 8,340)	(\$ 3,544)	\$ 2,469,441	Other equity Unrealized valuation gain or loss on investments in debt instruments at fair value through other comprehensive income
					Capital surplus	Statutory reserves	Special reserves							
A1	Balance on January 1, 2023	\$ 750,263	\$ 1,528	(\$ 240)	\$ 356,199	\$ 152,168	\$ -	\$ 1,237,817						
2022 Appropriation and distribution of retained earnings														
B1	Statutory reserves	-	-	-	-	52,075	-	( 52,075 )	-	-	-	-	-	-
B3	Special reserves	-	-	-	-	-	24,750	( 24,750 )	-	-	-	-	-	-
B5	Shareholders' cash dividends	-	-	-	-	-	-	( 200,000 )	-	-	-	-	-	( 200,000 )
D1	2023 Net profit	-	-	-	-	-	-	84,169	-	-	-	-	-	84,169
D3	2023 Other comprehensive income (loss) after tax	-	-	-	-	-	-	-	( 803 )	5,880	-	-	-	5,077
I1	Repurchase of convertible bonds (Notes 19 and 24(2))	-	-	-	61	-	-	-	-	-	-	-	-	61
N1	Share-based payment transactions (Notes 24(1), (2) and 29)	1,033	( 1,404 )	( 440 )	( 198 )	-	-	-	-	-	-	3,517	-	2,508
C17	Changes in other capital reserves (Note 24(2))	-	-	-	89	-	-	-	-	-	-	-	-	89
O1	Adjustment of capital surplus of subsidiaries	-	-	-	378	-	-	-	-	-	-	-	-	378
T1	Cancellation of new restricted employee shares (Note 24(1))	( 680 )	-	680	-	-	-	-	-	-	-	-	-	-
Z1	Balance as of December 31, 2023	750,616	124	-	356,529	204,243	24,750	1,045,161	( 7,642 )	( 3,691 )	( 4,823 )	( 3,544 )		2,361,723
2023 Appropriation and distribution of retained earnings														
B1	Statutory reserves	-	-	-	-	8,417	-	( 8,417 )	-	-	-	-	-	-
B3	Special reserves	-	-	-	-	-	( 8,595 )	8,595	-	-	-	-	-	-
B5	Shareholders' cash dividends	-	-	-	-	-	-	( 38,000 )	-	-	-	-	-	( 38,000 )
C5	Issuance of convertible corporate bonds recognized for equity component (Notes 19 and 24(2))	-	-	-	53,955	-	-	-	-	-	-	-	-	53,955
C17	Changes in other capital reserves (Note 24(2))	-	-	-	390	-	-	-	-	-	-	-	-	390
D1	2024 Net profit	-	-	-	-	-	-	87,023	-	-	-	-	-	87,023
D3	2024 Other comprehensive income (loss) after tax	-	-	-	-	-	-	-	1,820	31,063	-	-	-	32,883
M7	Changes in ownership interest in subsidiaries (Note 12)	-	-	-	( 5,120 )	-	-	( 16,981 )	-	-	-	-	-	( 22,101 )
N1	Share-based payment transactions (Notes 24(1), (2) and 29)	1,037	1,053	( 460 )	( 3,149 )	-	-	-	-	-	-	3,336	-	1,817
O1	Adjustment of capital surplus of subsidiaries	-	-	-	1,192	-	-	-	-	-	-	-	-	1,192
T1	Cancellation of new restricted employee shares (Note 24(1))	( 460 )	-	460	-	-	-	-	-	-	-	-	-	-
Z1	Balance as of December 31, 2024	\$ 751,193	\$ 1,177	\$ -	\$ 403,797	\$ 212,660	\$ 16,155	\$ 1,077,381	( \$ 5,822 )	\$ 27,372	( \$ 1,487 )	( \$ 3,544 )		\$ 2,478,882

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

Ultra Chip, Inc.

Parent Company Only Statement of Cash Flows

January 1 to December 31, 2024 and 2023

Code	Cash flows from operating activities	Unit: NT\$ thousand	
		2024	2023
A10000	Net income before tax	\$ 112,063	\$ 92,494
A20010	Income and expense item		
A20100	Depreciation expense	63,644	46,081
A20200	Amortization expense	16,096	10,090
A20400	Net loss (gain) on financial assets at fair value through profit or loss	5,908	( 2,979 )
A20900	Finance costs	13,928	11,079
A21200	Interest income	( 12,061 )	( 12,424 )
A21300	Dividend income	( 2,877 )	( 1,493 )
A21900	Compensation costs from share-based payments	( 986 )	1,894
A22400	Share of loss on equity method of subsidiaries	99,187	65,440
A23100	Gains on repurchase of corporate bonds	-	( 957 )
A23500	Reversal of impairment loss on refundable deposits	-	( 14,980 )
A23900	Unrealized (gain) loss from sale among affiliated companies	( 723 )	12,188
A24000	Realized gain from sale among affiliated companies	( 12,661 )	( 13,738 )
A24100	Foreign exchange net (gain) loss	( 43,792 )	3,743
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	59,917	( 63,486 )
A31160	Accounts receivable - related party	( 873 )	2,966
A31200	Inventories	269,839	435,635
A31240	Other current assets	47,023	30,143
A32125	Contract liabilities - current	( 23,894 )	( 7,672 )
A32150	Accounts payable	( 79,756 )	12,286
A32180	Other payables	( 17,159 )	( 56,571 )
A32190	Other payables - related party	( 67 )	67
A32230	Other current liabilities	( 1,459 )	( 746 )
A33000	Cash provided by operating activities	491,297	549,060
A33100	Interest received	12,061	12,424
A33200	Dividends received	2,877	1,493
A33300	Interest paid	( 2,678 )	( 368 )
A33500	Income taxes paid	( 74,076 )	( 61,823 )
AAAA	Net cash inflow from operating activities	<u>429,481</u>	<u>500,786</u>

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Code		2024	2023
	Cash flow from Investing activities		
B00040	Acquisition of financial assets carried at amortized cost	(\$ 267)	\$ -
B00050	Disposal of financial assets measured at amortized cost	-	38
B00100	Acquisition of financial assets and liabilities at fair value through profit and loss	( 30,808)	( 58,761)
B00010	Acquisition of financial assets at fair value through other comprehensive income	( 7,673)	-
B02700	Proceeds from acquisition of property, plant and equipment	( 105,097)	( 52,026)
B04500	Acquisition of intangible assets proceeds	( 21,459)	( 15,244)
B03700	Decrease in refundable deposits	<u>23,306</u>	<u>59,947</u>
BBBB	Net cash outflow from investing activities	( 141,998)	( 66,046)
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	-	300,000
C00200	Decrease in short-term borrowings	( 300,000)	-
C01600	Increase in long-term borrowings	-	35,000
C01700	Repayments of long-term borrowings	( 35,000)	-
C01200	Issuance of convertible corporate bonds	808,000	-
C01300	Repurchase of corporate bonds	-	( 769,287)
C03100	Decrease in guarantee deposits	-	( 53,326)
C04020	Repaid principal of lease liabilities	( 9,129)	( 8,673)
C04500	Cash dividends paid	( 38,000)	( 200,000)
C04800	Exercise of employee stock options	3,148	731
C05400	Subsidiary equity acquired (Note 12)	( 229,694)	( 12,838)
C09900	Others (Note 24(2))	<u>390</u>	<u>89</u>
CCCC	Net cash inflow(outflow) from financing activities	<u>199,715</u>	<u>( 708,304)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>5,219</u>	<u>( 2,603)</u>
EEEE	Increase (decrease) in cash and cash equivalents	492,417	( 276,167)
E00100	Cash and cash equivalents at the beginning of the year	<u>496,457</u>	<u>772,624</u>
E00200	Cash and cash equivalents at the end of year	<u>\$ 988,874</u>	<u>\$ 496,457</u>

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

Chairman: Yu-Tung Hsu Managerial Officer: Yu-Tung Hsu Accounting Officer: Sheng-Fang Wang

**ULTRA CHIP, INC.**  
**2024 Earnings Distribution Table**

Item	2024	Unit: NT\$
Unappropriated retained earnings at beginning of the period		1,007,338,896
Net income after tax of 2024	87,023,514	
Adjusted retained earnings for investments accounted for using the equity method	(16,980,960)	
Current after-tax net profit plus other profit items included in undistributed earnings in the current year		70,042,554
Appropriation of 10% of legal reserve		(7,004,255)
Reversal of special reserve in accordance with law		16,155,524
Current distributable earnings		1,086,532,719
Distribution item		
Shareholders' bonus - cash, NT\$0.50624798 per share is proposed for distribution (Note)		(38,000,000)
Undistributed earnings at the end of the period		<u>1,048,532,719</u>

Note: The distribution of cash dividends is calculated based on the outstanding number of shares of 75,062,028 shares as of February 21, 2025.

Chairman: Yu-Tung Hsu Managerial Officer: Yu-Tung Hsu Accounting Officer: Sheng-Fang Wang

## ULTRA CHIP, INC.

### Comparison Table for "The Procedures for the loaning of funds." Before and After Amendment

After Amendment	Before Amendment	Description
<p>Article 5 Loan Term and Interest Calculation Method</p> <p>1. Loan Term: The term for which the Company provides financing shall be determined by the Board of Directors based on the individual financing recipient and financing limit, provided that the maximum term shall not exceed one year.</p> <p>2. Interest calculation method: omitted</p>	<p>Article 5 Loan Term and Interest Calculation Method</p> <p>1. Loan Term: The term for which the Company provides financing shall be determined by the Board of Directors based on the individual financing recipient and financing limit, provided that the maximum term shall not exceed one year.</p> <p><u>In special circumstances, it may be carried out with approval of the Board of Directors.</u></p> <p>2. Interest calculation method: omitted.</p>	To meet the requirements of the actual operating.
<p>Article 6 The Approval and level of Authorization</p> <p>When the Company intends to lend funds to others, a careful evaluation of compliance with relevant regulations shall be conducted, and the evaluation results as per Article 7, Paragraph 1 shall be submitted to the Board of Directors for resolution. No individual shall be authorized to make such decisions. <u>During</u> the Board of Directors' discussion, the opinions of all independent directors shall be fully considered, and their explicit opinions of agreement or opposition, along with reasons for opposition, shall be recorded in the board meeting minutes. Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the Chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.</p>	<p>Article 6 The Approval and level of Authorization</p> <p>When the Company intends to lend funds to others, a careful evaluation of compliance with relevant regulations shall be conducted, and the evaluation results as per Article 7, Paragraph 1 shall be submitted to the Board of Directors for resolution. No individual shall be authorized to make such decisions. <u>If the Company has appointed independent directors,</u> their opinions shall be fully considered during the Board of Directors' discussion, and their explicit opinions of agreement or opposition, along with reasons for opposition, shall be recorded in the board meeting minutes. Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the Chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the</p>	To meet the requirements of the actual operating.

After Amendment	Before Amendment	Description
<p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended to any single entity by the Company or its subsidiary shall not exceed 10% of the net worth on the most current financial statements of the Company or its subsidiary.</p> <p><u>Each inter-company loan of funds between foreign companies in which the Company holds 100% of voting shares directly or indirectly except Article 3, shall not exceed 40% of the past year's accountant's financial statements for auditing the net worth of the Company. The amount of an individual loan shall not exceed 50% of the amount of the Company's loanable funds. The term of loan is no longer than three year and is extendable up to two times.</u></p>	<p>counterparty to draw down.</p> <p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended to any single entity by the Company or its subsidiary shall not exceed 10% of the net worth on the most current financial statements of the Company or its subsidiary.</p>	

## ULTRA CHIP, INC.

### Comparison Table for "The Articles of Incorporation" Before and After Amendment

After Amendment	Before Amendment	Description
Article 1 The Company shall be incorporated in accordance with the regulations related to company limited by shares specified in the Company Act, and its name shall be " <u>ULTRA CHIP, INC.</u> ".	Article 1 The Company shall be incorporated in accordance with the regulations related to company limited by shares specified in the Company Act, and its name shall be " <u>ULTRACHIP INC</u> ".	To meet the requirements of the actual operating.
Article 2 The business items of the Company shall be as follows: I. CC01080 Electronics Components Manufacturing. <u>II. CC01070 Telecommunication Equipment and Apparatus Manufacturing.</u> <u>III. I301010 Information Software Services.</u> <u>IV. F218010 Retail Sale of Computer Software.</u> <u>V. F219010 Retail Sale of Electronic Materials.</u> <u>VI. F213060 Retail Sale of Telecommunication Apparatus.</u> <u>VII. F119010 Wholesale of Electronic Materials.</u> <u>VIII. F113070 Wholesale of Telecommunication Apparatus</u> <u>IX. I501010 Product Designing.</u> <u>X. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</u>	Article 2 The business items of the Company shall be as follows: I. CC01080 Electronics Components Manufacturing. <u>II. CC01050 Data Storage Media and Processing Equipment</u> Manufacturing. <u>III. CC01070 Telecommunication Equipment and Apparatus Manufacturing.</u> <u>IV. I301010 Information Software Services.</u> <u>V. F218010 Retail Sale of Computer Software.</u> <u>VI. F219010 Retail Sale of Electronic Materials.</u> <u>VII. F213060 Retail Sale of Telecommunication Apparatus.</u> <u>VIII. F119010 Wholesale of Electronic Materials.</u> <u>IX. F113070 Wholesale of Telecommunication Apparatus</u> <u>X. I501010 Product Designing.</u> <u>XI. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</u>	To meet the requirements of the actual operating.
Article 7 The shares of the Company shall be registered and signed or sealed by <u>corporate Director Representative</u> . In addition, the shares shall be certified <u>by law</u> for the issuance thereof. For the shares issued by the Company, consolidated share certificates may be printed or the printing of share certificates may be exempted according to the Company Act; however, the shares	Article 7 The shares of the Company shall be registered and signed or sealed by <u>at least three directors</u> . In addition, the shares shall be certified by <u>the competent authority or a registration institution approved</u> by the competent authority for the issuance thereof. For the shares issued by the Company, consolidated share	To meet the requirements of the law.

After Amendment	Before Amendment	Description
shall be under the custody or shall be registered with the Centralized Securities Depository Enterprises.	certificates may be printed or the printing of share certificates may be exempted according to the Company Act; however, the shares shall be under the custody or shall be registered with the Centralized Securities Depository Enterprises.	
Article 18 In the aforementioned roster of directors, the number of independent directors shall not be less than three and shall not be less than <u>one-third</u> of the total number of directors. Relevant matters of the professional qualification, concurrent job position limitation, nomination and election methods of the independent director as well as other necessary requirements shall comply with relevant regulations specified by the competent authority of securities.	Article 18 In the aforementioned roster of directors, the number of independent directors shall not be less than three and shall not be less than <u>one-fifth</u> of the total number of directors. Relevant matters of the professional qualification, concurrent job position limitation, nomination and election methods of the independent director as well as other necessary requirements shall comply with relevant regulations specified by the competent authority of securities.	To meet the requirements of the law.
Article 25 Where the Company has a profit in a fiscal year, it shall appropriate 5% to 18% of the profit as the employees' remuneration, <u>with at least 3% of the appropriated amount distributed as remuneration to entry-level employees, and no more than 5% thereof as the remuneration of directors.</u> However, when the Company still has accumulated losses, amount shall be reserved to compensate such losses first, followed by calculating the employees' remuneration and the remuneration of directors. The employees' remuneration may be distributed in the form of shares or cash based on the resolution of the board of directors, and the subjects for receiving the shares or cash may include employees of subordinate companies satisfying certain criteria.	Article 25 Where the Company has a profit in a fiscal year, it shall appropriate 5% to 18% of the profit as the employees' remuneration and no more than 5% thereof as the remuneration of directors. However, when the Company still has accumulated losses, amount shall be reserved to compensate such losses first, followed by calculating the employees' remuneration and the remuneration of directors. The employees' remuneration may be distributed in the form of shares or cash based on the resolution of the board of directors, and the subjects for receiving the shares or cash may include employees of subordinate companies satisfying certain criteria.	To meet the requirements of the law.
Article 29 These Article of Incorporation were duly enacted on August 3, 1999. The 1st amendment was made on August 16, 1999...., The 20th amendment was made on May 16, 2024. <u>The 21th amendment was made on June 11, 2025.</u>	Article 29 These Article of Incorporation were duly enacted on August 3, 1999. The 1st amendment was made on August 16, 1999...., The 20th amendment was made on May 16, 2024.	To add the revised date.

# **ULTRA CHIP, INC.**

## List of Director Candidates

Title	Name	Main experience (educational background)	Number of shares	Independent director of the Company for three consecutive terms.
Director	Yu-Tung Hsu	<p>Education : Master of Management Science, University of Massachusetts, USA</p> <p>Background : Marketing Manager of Intel Corporation, Sales Manager of Vanguard International Semiconductor Corporation, Sales and Marketing Assistant Vice President of Elite Semiconductor Memory Technology Inc., Sales and Marketing Vice President of SmartASIC, Technology Inc.</p> <p>Current adjunct positions : Chairman and president of Ultra chip, Inc., Chairman and Corporate Director Representative of Ultradisplay Inc., Chairman and Corporate Director Representative of Ultra Capteur Co., Ltd. Chairman and Corporate Director Representative of Jinghong Electronics (Shanghai) Inc., Chairman and Corporate Director Representative of Dongguan Ultra Chip Inc.</p>	1,701,273	NA
Director	Hsueh-Jen Chien	<p>Education : Master of Chemical Engineering, Massachusetts Institute of Technology, USA</p> <p>Background : Chairman of Vanguard International Semiconductor Corporation</p> <p>Current adjunct positions : Chairman of Fu-Chu Investment Co., Ltd., Chairman of Fu-Chu General Contractor Co., Ltd., Director of Yong Cheng Construction Co., Ltd., Supervisor of Zhu Jian Enterprise Co., Ltd., Independent Director of Wistron Corporation, Independent Director of Nan Ya Printed Circuit Board Corporation, Independent Director of ION electronic materials Co.,Ltd.</p>	0	NA
Director	Chiu-Yung Huang	<p>Education : EMBA Program of National Taiwan University</p> <p>Background : Chairman of Ichia Technologies Co., Ltd.</p> <p>Current adjunct positions : Chairman of Ichia Technologies Co., Ltd., Chairman of Ferrari Investment Co., Ltd., Chairman of Creative Investment Co., Ltd., Director of Ichia Technologies(Malaysia) Co., Ltd., Chairman of ICHIA USA Inc, Director of ICHIA RUBBER INDUSTRY(M) SDN BHD</p>	0	None

Title	Name	Main experience (educational background)	Number of shares	Independent director of the Company for three consecutive terms.
Independent Director	Chien-Hua Hsu	Education : Master of Chemical Engineering, National Cheng Kung University Background : Manager, Factory Director, Senior Vice President of United Microelectronics Corp. General Manager and Chairman of He-Jian Technology (Suzhou) Co., Ltd. Current adjunct positions : Chairman and CEO of Corporate Director Representative of Episil Holding Inc., Chairman and CSO of Corporate Director Representative of Episil Technologies Inc., Chairman and President of Corporate Director Representative of Wellknown Holding Company Ltd.	0	Mr. Chien-Hua Hsu has served as an independent director of the Company for three consecutive terms. In view of his expertise in academic talents in industry and experience in corporate governance, which will be of significant benefit to the Company, he was nominated as one of the independent director candidates
Independent Director	He-Wei Wang	Education : PhD. of Healthcare Services Background : President of Optoelectronics Division, TrendForce Corp. Current adjunct positions : Chairman of Sulfurscience Technology Co., Ltd.	0	Mr. He-Wei Wang has served as an independent director of the Company for three consecutive terms. In view of his expertise in risk management in legal Economics and various business regulations, which will be of significant benefit to the Company, he was nominated as one of the independent director candidates
Independent Director	Tasy-Lin Lin	Education : Department of Electrical Engineering, National Taipei Institute of Technology(Department of Electrical Engineering, National Taipei University of Technology) Background : Partner of World Peace Industrial Co., Ltd. Current adjunct positions : Director of Wpg Holdings Limited, Vice Chairman of Taiwan Industrial Holding Association, Executive Director of Taipei Electronic Components Suppliers' Association(TECSA), Director of Fantasystory Inc., Director of Cloud Creation Communications Inc., Director of H Bank Biopharma Corp., Director of H Bank Technology Inc., Independent Director /audit Committee member /remuneration committee member of Simple Mart Art Retail Co.,Ltd.	0	None

Title	Name	Main experience (educational background)	Number of shares	Independent director of the Company for three consecutive terms.
Independent Director	Meng-Ling Wu	<p>Education : M.S. in Materials Science and Engineering, Stanford University</p> <p>B.S. in Materials Science and Engineering, National Tsing-Hua University</p> <p>Background : Director of WinWay Technology Co., Ltd.</p> <p>Senior Project Manager and senior marketing and sales Manager of ITE Tech. Inc., Senior Manager and senior Process Integration Engineer in new business development of United Microelectronics corp., IDT (NASDAQ:IDTI) Wafer Product Engineer, Surface Technology Assistant of Industrial Technology Research Institute</p> <p>Current adjunct positions : Vice president and Director and Partner of Darwin Venture Management Corporation, Supervisor of Dajun Asset Management Co., Ltd, Director of Darchen Ventrue Corporation, Director of Darjun Ventrue Corporation, Director of Wison Technology Corp., Independent Director /audit Committee member /remuneration committee member of Asolid Technology Corp., Corporate Director Representative of Smart Ageing Tech Co., Ltd., Corporate Director Representative of Spirit Scientific Co., Ltd., Corporate Director Representative of Sino Applied Technology Taiwan Co., Ltd., Supervisor of Yayatech Co.,Ltd.</p>	0	None