

**UltraChip Inc.**  
**2023 Annual General Shareholders' Meeting Notice**  
(Summary Translation)

**Date and Time: May 18, 2023 (Thursday) 9:00 a.m.**

**Location: 2F, No. 327, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City (Lily Conference)**

Meeting agenda:

**I. Report Items:**

- (I). 2022 Business Report.
- (II). Audit Committee's Review Report on the 2022 Financial Statements.
- (III). Report on 2022 Remunerations of Directors and Employees.

**II. Ratification Items:**

- (I). Adoption of 2022 Business Report and Financial Statements.
- (II). Adoption of 2022 Earnings Distribution Proposal.

**III. Discussion Items:**

The proposal of issuing common shares to participate in overseas depositary receipts by increasing cash capital or issuing common shares by increasing cash capital in the way of private placement.(Attchment1)

**IV. Extraordinary Motions**

**V. Meeting Adjourned.**

**Board of Directors**  
**Ultrachip Inc.**

## Attachment 1 :

I. In order to meet the needs of future operation and development, the Company will increase own capital, strengthen financial structure, enhance capital adequacy rate, improve international competitiveness and ensure the long-term cooperative relationship with strategic partners. Therefore, it is proposed to request the Shareholders' Meeting to authorize the Board of Directors to choose one method from the following methods for financing to handle it in one time or multiple times, within the limit of not more than 10,000,000 shares, depending on market conditions and the Company's capital demand, in accordance with relevant laws and regulations, in proper time.

## II. Financing methods and handling principles

### (I) Issue common shares to participate in overseas depositary receipts by increasing cash capital

1. In this proposal of cash capital increase, it is proposed to keep 10%~15% of the total amount of new shares issued for employees to subscribe, according to Article 267 of the Company Act, and it is proposed to authorize Chairman to determine the employee subscription method; for the remaining 85%~90%, the original shareholders shall give up the preemptive rights and all of them shall be allocated for public offering as the original securities participating in the issuance of overseas depositary receipts, in accordance with Article 28-1 of the Securities and Exchange Act. The shares abandoned by the employees or the remaining shares minus the shares subscribed by the employees shall be subscribed by the specific person contacted by Chairman, or included in the original securities participating in the issuance of overseas depositary receipts, as required by the market.
2. In accordance with Article 9 of Taiwan Securities Association "Self-discipline Rules for Underwriters' Members to Guide Issuing Companies to Raise and Issue Securities", the issue price for this issuance of common shares to participate in overseas depositary receipts by increasing cash capital shall not be lower than the closing price of the Company's common shares in the centralized trading market on the pricing date, as well as 80% of average share price of the simple arithmetic average of the closing price of common shares calculated on one day among the first, third and fifth business days before the pricing date, minus stock dividends excluding rights (or minus capital excluding rights), and excluding dividends. However, if the relevant laws and regulations in Taiwan change, the pricing method shall be adjusted in accordance with the provisions of the laws and regulations. Since stock prices in Taiwan often fluctuate violently in the short term, it is proposed to authorize Chairman to determine the issue price through negotiation with securities underwriter, in accordance with international practice, with reference to the international capital market, the market in Taiwan and bookbuilding, etc., in order to improve the acceptance of overseas investors.
3. At this time, new common shares will be issued by increasing cash capital, within the limit of no more than 10,000,000 shares, to participate in the issuance of Overseas Depositary Receipts, with a maximum dilution ratio of 13.34% to the original shareholders' equity. However, after this capital increase has benefits, the Company's competitiveness will be

enhanced and shareholders will benefit from it; in addition, the issue price of overseas depositary receipts is determined based on the fair market price of common shares in the centralized market in Taiwan. The original shareholders can still buy common shares in the stock market in Taiwan at the issue price of overseas depositary receipts, without bearing the exchange risk and liquidity risk, and the rights and interests of the original shareholders can be kept, so there is no a significant impact on the rights and interests of the original shareholders.

4. This financed funds are expected to used for one item or multiple items required by the Company's long-term development. The implementation of this plan is expected to strengthen the Company's international competitiveness and improve its operational efficiency, and will also be beneficial to shareholders' rights and interests.
5. After this proposal of cash capital increase is reported to the competent authority and becomes effective, Chairman will be authorized to determine subscription base date and capital increase base date and handle matters related to this cash capital increase.

## (II) Issue common shares by increasing cash capital in the way of private placement

According to Article 43-6 of the "Securities and Exchange Act and Directions for Public Companies Conducting Private Placements of Securities", the following matters shall be stated:

1. Basis and rationality for determining price of private placements;
  - (1) The price of private common shares shall be not lower than 80% of the higher price between the prices calculated according to the following two benchmarks on the pricing date.
    - a. The share price after simple arithmetic average of the closing price of common shares calculated on one day among the first, third and fifth business days before the pricing date, minus stock dividends excluding rights and cash dividends, and plus capital reduction and including rights.
    - b. The share price after simple arithmetic average of the closing price of common shares calculated on the thirtieth business day before the pricing date, minus stock dividends excluding rights and cash dividends, and plus capital reduction and including rights.
  - (2) For the actual pricing date and the actual issue price of private common shares, it is proposed to authorize the Board of Directors to determine them within the range of not less than the percentage approved by the Shareholders' Meeting, according to relevant laws and regulations, depending on the future market conditions and the selected strategic investors, after they are submitted to the Shareholders' Meeting for approval. The basis for determining the above-mentioned the price of private common shares is not only in line with the relevant provisions of "Directions for Public Companies Conducting Private Placements of Securities", but also in view of the fact that within three years from the date of delivery, there are restrictions on the object and number for transferring private securities, and it is not

allowed to apply to the competent authority for re-handling of public offering and OTC trading less than three years after delivery. Therefore, such price determination shall be reasonable.

2. The way to choose a specific person:

(1) The object of this private common shares is limited to the specific persons who meet the requirements of Article 43-6 of “Securities and Exchange Act” and provisions of June 13, 2002 (91) Tai-Cai-Zheng-Yi-Zi No. 0910003455 of the Financial Supervisory Commission.

(2) At present, the Company has not agreed on any subscribers, but the selection method and purpose, necessity and expected benefits of the subscribers are as follows:

a. Selection method and purpose: The subscribers are selected based on the principle of adding value to the Company, and those who can directly or indirectly improve the business performance of the Company in the future will be given priority.

b. Necessity and expected benefits: The subscribers will help the Company to upgrade technology, reduce costs, expand market development or strengthen the relationship between suppliers and customers by their own experience, technology, knowledge, brand or reputation.

3. Necessary reasons for private placements, allowable amount of private placements, use of funds and expected benefits:

(1) Reasons for not adopting public offering:

Compared with public offering, the provision that private securities cannot be freely transferred within three years will ensure the long-term cooperative relationship between the Company and strategic investment partners; in addition, by authorizing the Board of Directors to handle private placement according to the actual operational needs of the Company, the mobility and flexibility of the Company in financing can also be improved effectively.

(2) Allowable amount of private placements: It is proposed to be handled within the limit of 10,000,000 common shares, each with a denomination of NT\$ 10, and the total amount for private placements will be calculated according to the final price of private placements.

(3) Use of funds and expected benefits:

Expected handling times	Expected number of private shares	Use of funds	Expected benefits
The first time	3,000,000 shares	Used for increasing working capital and/or repaying liabilities.	Used for enhancing working capital and solvency, and improving financial structure.
The second time	3,000,000 shares		
The third time	4,000,000 shares		

As to the expected number of private shares at the first, second and third times, all or part of the previously unissued shares and/or the shares to be issued subsequently may be issued at the same time when they are handled at each time.
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4. According to Article 43-8 of the “Securities and Exchange Act” and the relevant laws and regulations of the competent authority, this private common shares shall not be freely transferred within three years from the date when the Company delivers the private common shares, except under certain circumstances as stipulated by laws and regulations; three years after the delivery of the private common shares, the Company shall apply to the competent authority for re-handling of the public offering and OTC trading of the private common shares in accordance with relevant laws and regulations.

- III. For this proposal of issuing common shares to participate in overseas depositary receipts by increasing cash capital or issuing common shares by increasing cash capital in the way of private placement, the main contents of the issue plan, include the actual issue price, number of shares, issue conditions, amount of private placements, capital increase benchmark date, planned projects, expected progress and expected possible benefits, etc., and all other matters related to the issue plan. It is proposed to request the Shareholders’ Meeting to authorize the Board of Directors to adjust, determine and handle above matters according to market conditions. If it is necessary to change or amend it, as instructed by the competent authority, based on operational evaluation or due to objective environment, the Board of Directors shall be authorized to handle it with full authority.
- IV. For this proposal of issuing common shares to participate in overseas depositary receipts by increasing cash capital or issuing common shares by increasing cash capital in the way of private placement, the rights and obligations of the common shares issued or privately placed this time are the same as those of the original ordinary shares, except that the private securities are transferred within three years after delivery in accordance with Article 43-8 of the Securities and Exchange Act.
- V. Except the scope of authorization above-mentioned or stipulated by laws and regulations, it is proposed to request the Shareholders' Meeting to authorize the Chairman or the person designated by him/her to handle all matters related to issuing common shares to participate in overseas depositary receipts by increasing cash capital or issuing common shares by increasing cash capital in the way of private placement, and sign relevant contracts and documents.
- VI. Chairman is authorized to handle the above matters not covered with full authority according to laws.