

UltraChip Inc.

2024 Annual General Shareholders' Meeting Notice

(Summary Translation)

The 2024 Annual Shareholders' Meeting (the "Meeting") of UltraChip Inc. (the "Company") will be convened at 9:00 a.m., Thursday, May 16, 2024 at Lily Conference (2F, No. 327, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City, Taiwan).

1. The agenda for the Meeting is as follows:

I. Report Items:

- (I). 2023 Business Report.
- (II). Audit Committee's Review Report on the 2023 Financial Statements.
- (III). Report on 2023 Remunerations of Directors and Employees.
- (IV). Report on 2023 Implementation of private placement of common shares.

II. Ratification Items:

- (I). Adoption of 2023 Business Report and Financial Statements.
- (II). Adoption of 2023 Earnings Distribution Proposal.

III. Discussion Items:

- (I). Amendments to "The Procedures for Acquisition or Disposal of Assets"
- (II). Amendments to "The Articles of Incorporation"
- (III). Issuance of new restricted employee shares.
- (IV). 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.

IV. Extraordinary Motions

2. The Board of Directors has resolved for the approval: The 2023 earnings distribution of the cash dividend of NT\$0.50705826 per Common Share.

3. Issuance of new restricted employee shares, please refer to the attachment I.

4. 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, please refer to the attachment II.

5. Matters to be explained pursuant to Article 172 of the Company Act are disclosed on the Market Observation Post System (MOPS) at: <https://mops.twse.com.tw>.

6. Pursuant to Article 165 of the Company Act, the shareholder register will be closed from March 18, 2024 to May 16, 2024.

7. Each shareholder of the Company is provided with one copy of the Attendance Notice and one copy of the Proxy Form. Shareholders who decide to attend the meeting in person, should sign or affix their seals on the Attendance Notice (return of the form by post is not required), and bring it to the venue on the day of the meeting. Shareholders who will attend by proxy should sign or affix their seals on the Proxy Form, and fill in the proxy's name and address. The Proxy Form shall be received by the Company's agency: the Agency Department of Stock registrar department of Grand Fortune Securities Co., Ltd at least five days before the meeting. The agency department will send out the attendance certificate according to the information on the Proxy Form to the proxy delegated.

8. If a proxy is solicited by the shareholder(s), Company is required to compile a summary statement of the Solicitor Solicitation Information and disclose such information on the Securities & Futures Institute (SFI) website no later than April 15, 2024. Shareholder(s) can obtain information on the “Free proxy disclosure & related information system” (<https://free.sfi.org.tw>).

9. Shareholders may exercise their voting rights electronically through the STOCKVOTE platform of Taiwan Depository & Clearing Corporation (<https://www.stockservices.tdcc.com.tw>) during the period from April 16, 2024 to May 13, 2023.

10. The Transfer Agency Department of Stock registrar department of Grand Fortune Securities Co., Ltd is the proxy tallying and verification institution for this Meeting.

11. Please be advised and act accordingly.

Board of Directors

Ultrachip Inc.

Ultra Chip Inc.

Content of Proposal for Issuance of New Restricted Employee Shares

The Company plans to issue new restricted employee shares according to relevant regulations of “Paragraph 8 of Article 267 of the Company Act” and the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”, and relevant matters are described in the following:

I. Total issuance amount: Within the limit of 1,000,000 shares and based on the calculation of par value of NT\$10 per share, the total issuance amount is NT\$10,000,000.

II. Issuance criteria:

1. Issue price: The present issue price shall be NT\$10 per share.
2. Type of shares issued: Ordinary shares.
3. Vesting condition: The employee subscribed to the restricted stocks in accordance with the Rules shall remain employed until the last date of each vesting period from the record date, without engaging in any behavior that violates the Company's employment contract, working rules, management measures, Ethical Corporate Management Best Practice, Code of Conduct, and all other Company rules (collectively referred to as "Contract and Company Rules"). Simultaneously, the Company must meet the overall financial performance indexes, and the employee must achieve a score of 80% for the Employee Personal Performance Index for the most recent year before the annual last day of each vesting period, without having any major disciplinary record. The ratio of restricted stocks that fulfill the respective vesting conditions is as follows:

Maturity period (The following shall be considered from the record date of the capital increase)	Vesting ratio	Company's overall financial performance indicator (Note)	Personal work performance indicator
Matured for two year	50%	Net income before tax with 5% of growth from last year	When the personal performance score reaches above 90 points (inclusive) without having any major disciplinary record, it can be exercised according to 100% of the vesting percentage. When the personal performance score is between 80 points (inclusive)~89 points, it can be exercised according to 50% of the vesting percentage. When the personal performance score is below 79 points, it cannot be exercised.
Matured for three years	25%	Net income before tax with 5% of growth from last year	
Matured for four years	25%	Net income before tax with	

		5% of growth from last year	
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Note: It refers to the net Income before tax audited by the CPAs, and the estimated employees' and directors' remuneration of the current year has been deducted.

4. Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance: The Company reserves the right to take the following measures if an employee, who has subscribed to the restricted stocks in accordance with the Rules, fails to meet the vesting conditions by the specified period as aforementioned. For the handling method in the event of inheritance, such matter shall be handled in accordance with the Regulations for Issuance of New Restricted Employee Shares of the Company.
 - (I) The employee shall not be entitled to the allocation of restricted stocks if the Company has not met the vesting conditions regarding the overall financial performance indexes as stipulated in aforementioned of the Rules.
 - (II) The employee shall not be entitled to receive the allocation of restricted stocks if they have not fulfilled the vesting conditions outlined in aforementioned of the Rules, which include achieving a score of 80% or above for the Employee Personal Performance Index for the most recent year before the last day of each vesting period, and having no major disciplinary record during the period.
 - (III) The Company may determine whether the Employee will be awarded the allocation of restricted stocks for the specific year or subsequent years if the employee has failed to meet the vesting conditions, including compliance with the contract and company rules, and the employee shall not contest the preceding decision made by the Company.
 - (IV) The Company shall repurchase the shares that do not meet the vesting conditions outlined in the preceding paragraphs (I) to (III) at the issuing price, and handle their cancellation in accordance with the law.

III. Employee qualification and number of subscribed shares:

1. Employee qualification: Full-time employees include the employees of parents or subsidiaries within the official formation of the Company on the date when the board of directors reaches a resolution on the grant of new restricted employee shares.
2. Number of subscribed shares:
 - (1) The employees who are awarded with restricted stock awards and the number of such restricted stock awarded will be individually determined by the Chairman before each issuance of restricted stock awards, with consideration given to factors such as position, title, work requirements, loyalty and dedication, cooperation in work attitude, performance, overall contribution, specific achievements, and other conditions necessary for management, which shall then be reported for the consent of the Board of Directors before implementation. For employees who are managerial officers or directors, approval by the Remuneration Committee must be obtained first, which shall then be submitted to the Board of Directors for approval. For employees who are not managerial officers, approval by the Audit Committee must be obtained first, which shall then submitted to the Board of Directors for approval.

- (2) The cumulative number of shares granted to a sole employee through the issuance of employee stock warrants in accordance with paragraph 1, Article 56-1 in the aforementioned Regulations Governing the Offering and Issuance of Securities by Securities Issuers, plus the cumulative number of new restricted employee shares shall not exceed 0.3% of the total number of shares issued, and the cumulative number of shares granted to a sole employee through the issuance of employee stock warrants in accordance with paragraph 1, Article 56 in said Regulations shall not exceed 1% of the total number of shares issued.

- IV. Necessity of present issuance of new restricted employee shares: The main purpose is to attract and retain professional talents, to encourage employees and to improve employee cohesion, thereby achieving benefits for the Company and shareholders jointly.
- V. Amount of possible expenses, dilution of the Company's earnings per share and other impacts on shareholders' equity:
1. Amount of possible expenses: The total number of new restricted employee shares of the present issuance is less than 1,000,000 shares, and the shares are non-transferable before satisfying the vesting conditions. Based on the meeting notice mailing date of the board of directors (March 14, 2024) and the closing price of ordinary shares of the Company at NT\$79.5, the estimated amount of possible expenses is approximately NT\$69,500 thousand.
 2. Dilution of the Company's earnings per share and other impacts on shareholders' equity: According to the vesting period of four years proposed, the estimated amount of possible expenses are NT\$27,510 thousand, NT\$27,510 thousand, NT\$10,136 thousand and NT\$4,344 thousand respectively. Based on the calculation of the current total number of shares issued of 74,942,078 shares, the possible reduced amounts of earnings per share are NT\$0.37, NT\$0.37, NT\$0.14 and NT\$0.06 respectively. Accordingly, it has limited effect on the earnings per share dilution of the Company; therefore, there is no major effect on the shareholders' equity.
- VI. For the shares subscribed by employees before satisfying the vesting conditions, the employees' rights are restricted, including but not limited to the following, and except for inheritance arising from death due to occupational accidents, employees shall not sell, pledge, transfer, provide as a gift, set, or make any disposal via other means on the new restricted employee shares of insurance subscribed under these Regulations.
- VII. After the issuance of the new restricted employee shares, the shares subscribed by employees, before satisfaction of the vesting conditions, shall be submitted to the Company or the institution designated by the Company for custody immediately.
- VIII. This proposal is approved by the Audit Committee, and after the approval by the shareholders' meeting and reporting to the competent authority with effective filing, the chairman is authorized to further specify the actual issuance date and relevant matters. In case of any amendment of laws, instruction of the competent authority or other matters such that there is a need for subsequent revision of this proposal, and if there is any other unspecified matters, the chairman is also authorized to have the full discretion to handle such matters.

**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**

I. Purpose and amount of financing: 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 book building, 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 be 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 the letter Financial-Supervisory-Securities-Corporate- No.1120383220 on September 12, 2023.

(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.			

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.