

UNIVERSAL MICROELECTRONICS CO., LTD.

2023 ANNUAL GENERAL SHAREHOLDERS' MEETING MEETING HANDBOOK



Meeting Date: 26 June 2023

Place: 5F., No.2, Gongyequ 27th Rd., Nantun Dist.,
Taichung City (physical meeting)
(The Company's conference room)

UNIVERSAL MICROELECTRONICS CO., LTD.
Handbook for the 2023 Annual Meeting of Shareholder
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I. Meeting Procedure

UNIVERSAL MICROELECTRONICS CO., LTD. Agenda of 2023 Annual Meeting of Shareholders

Time: 9:00 a.m. on Monday, 26 June 2023

Type of Meeting: Physical Meeting

Place: 5F., No. 2, Gongyequ 27th Rd., Nantun Dist., Taichung City (The Company's conference room on the fifth floor)

Procedure for the 2023 annual meeting of shareholders:

1. Call the meeting to order
2. Chairperson remarks
3. Management Presentation
 - (1) Report on the Company's 2022 operating performance
 - (2) Audit Committee's review report on the 2022 financial statement
 - (3) Report on external endorsement and guarantee of the Company
 - (4) Report on the distribution of employee and director remuneration for 2022
 - (5) Report on the execution of private placement of common stock of the Company in 2022
 - (6) Report on the amendment of the Company's "Sustainable Development Best Practice Principles"
4. Proposals
 - (1) Adoption of the Company's business report and financial statements for 2022
 - (2) Adoption of the Company's profit distribution for 2022
5. Discussion
 - (1) Amendment of the Company's certain provisions in "Procedures for the Acquisition or Disposal of Assets"
 - (2) Proposal of private placement of common stock for cash increase
6. Questions and Motions
7. Adjournment

II. Management Presentation

1.

Description: Report on the Company's 2022 operating performance.

Explanation: The Company's business report has been disclosed on page 9 (Attachment 1) of this handbook.

2.

Description: Audit Committee's review report on the 2022 financial statement.

Explanation: The Company's financial statements for 2022 have been audited by CPAs and reviewed by the Audit Committee. The issued review report has been disclosed on page 12 (Attachment 2) of this handbook.

3.

Description: Report on external endorsement and guarantee of the Company

Explanation: (1) The endorsement and guarantee status of the Company to external parties as of 31 December 2022 is as follows:

The endorsed and guaranteed parties	Amount (limit)
Jialong Technology (Shenzhen) Co., Ltd.	NT\$220,400 thousand

4.

Description: Report on the distribution of employee and director remuneration for 2022.

Explanation: (1) The allocation of director remuneration for the 2022 of the Company is in accordance with the provisions of the Company's Articles of Incorporation and the "Remuneration Payment Regulations for Directors and Functional Committee Members". It is proposed to allocate director remuneration. The Company has planned to distribute director remuneration. The individual director's remuneration distribution amount is calculated in accordance with the "Remuneration Payment Regulations for Directors and Functional Committee Members". It is proposed to distribute director remuneration in the amount of NT\$6,878,723.

- (2) The distribution of employee remuneration for 2022 of the Company shall be in accordance with Article 26 of the Company's Articles of Incorporation. The Company proposed to allocate 4% of the total amount of employee remuneration for a distribution amount of NT\$13,757,446.
- (3) The distribution standard for employee remuneration for 2022 of the Company is based on the proportion of business revenue and profits, employee attendance status, annual performance appraisal, job coefficient, and special contributions made by employees.
- (4) The remuneration proposal has been reviewed and approved by the Remuneration Committee and the board of directors, and is hereby submitted to the shareholders' meeting for reporting. The authorized date for distribution will be handled by the chairman with full authority.

5.

Description: Report on the execution of private placement of common stock of the Company in 2022.

Explanation: (1) The Company has resolved to conduct a cash capital increase by private placement of common shares at the extraordinary general meeting of shareholders held on 18 March 2022. Pursuant to Article 43-6 of the Securities and Exchange Act, the private placement securities shall be issued within one year from the date of the shareholder meeting resolution.

- (2) The decision has been approved by the board of directors on 16 March 2023. As the one-year issuance period is approaching its deadline, the Company will not proceed with the private placement of common shares for cash capital increase within the remaining period.

6.

Description: Report on the amendment of the Company's "Sustainable Development Best Practice Principles".

Explanation: According to the Letter Tai-Zheng-Zhi-Li-Zi No. 1100024173 dated 7 December 2021 from TWSE, the original "Corporate Social Responsibility Best Practice Principles" has been renamed as "Sustainable Development Best Practice Principles" with amended and updated content. For the comparison table of the amended articles, please refer to page 13 (Attachment 3) of this handbook.

III. Proposals

1. (Proposed by the board)

Description: Adoption of the Company's business report and financial statements for 2022.

Explanation: (1) For the Company's business report, please refer to page 9 (Attachment 1) of this handbook.

(2) The Company's financial statements and consolidated statement for 2022 have been prepared and audited by the CPAs of Ernst & Young, WEN-CHEN LO and TZU-PING HUANG, who have issued a review report. For the review report, please refer to page 22 (Attachment 4) of this handbook.

(3) The proposal has been approved by the Audit Committee and the board of directors.

Resolution:

2. (Proposed by the board)

Description: Adoption of the Company's profit distribution for 2022.

Explanation: (1) The profit distribution table for 2022 has been prepared in accordance with relevant provisions of the Company Act and the Company's Articles of Incorporation after the business settlement. For the relevant information, please refer to page 45 (Attachment 5) of this handbook.

(2) In compliance with Article 66-9 of the Income Tax Act regarding the calculation of undistributed earnings, the proposed allocation will prioritize the distribution of earnings for 2022. A cash dividend of NT\$0.5 per share is planned, totaling NT\$63,410,600.

(3) The fractional amount of this cash dividend that is less than NT\$1 will be recorded as the Company's other income.

(4) The proposed cash dividend distribution for 2022 will be submitted for approval at the shareholders' meeting, and the board of directors will be authorized to determine the ex-dividend date.

(5) If the distribution rate of dividends to shareholders is affected due to changes in the Company's outstanding shares caused by capital changes, the adjustment of the distribution rate will be authorized by the chairman after being approved by a shareholders' meeting.

(6) The proposal has been approved by the Audit Committee and the board of directors.

Resolution:

IV. Discussion

1. (Proposed by the board)

Description: Amendment of the Company's certain provisions in "Procedures for the Acquisition or Disposal of Assets".

Explanation: (1) According to the Financial Supervisory Commission's Letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated 28 January 2022, which revised the "Procedures for the Acquisition or Disposal of Assets". For the comparison table of the amended articles, please refer to page 46 (Attachment 6) of this handbook.

- (2) The proposal has been approved by the Audit Committee and the board of directors.

Resolution:

2. (Proposed by the board)

Description: Proposal of private placement of common stock for cash increase.

Explanation: (1) To repay bank loans, increase working capital, and strengthen the Company's financial structure to enhance the Company's long-term competitiveness, the Company plans to conduct a domestic cash capital increase through private placement of common shares (hereinafter referred to as "private placement shares") within the limit of not more than 25,471,800 shares of common stock. Furthermore, the Company may raise funds from specific individuals in one to three installments, depending on the actual operational needs of the Company, starting from the date of the shareholder meeting resolution. The following is an explanation regarding the relevant matters of this private placement of common shares:

1. Basis and rationality of the price determination:

(1) The price of this private placement is set at 80% of the reference price (the actual pricing date will be determined by the board of directors based on the circumstances of negotiations with specific individuals in the future).

(2) The reference price shall be calculated based on the following two criteria, with the higher price being used:

(a) The simple arithmetic mean of the closing prices of common shares on one, three, or five business days prior to the pricing date, after deducting the ex-rights and ex-dividend prices of bonus shares, and adding back the stock price after capital reduction and reverse stock split.

(b) The simple arithmetic mean of the closing prices of common shares on the thirty business days prior to the pricing date, after deducting the ex-rights and ex-dividend prices of bonus shares, and adding back the stock price after capital reduction and reverse stock split.

The actual price will be determined by the board of directors in accordance with relevant laws and regulations, subject to approval by the shareholder meeting.

(3) However, the actual pricing date and actual issuance price shall be within the range of the percentage approved by the shareholders' meeting, and the board of directors determine the actual pricing and issuance price based on the aforementioned principles, taking into account the circumstances of the specific parties contacted in the future and the market conditions at the time of issuance, and in compliance with relevant securities laws and regulations.

(4) The pricing method for this private placement is based on the "Precautions for Publicly Listed Companies Conducting Private Placement of Securities" and takes into consideration the Company's future development, as well as strict restrictions on the timing and target of the transfer of privately placed securities, and the lack of liquidity due to the inability to list on the stock exchange for three years. Therefore, the pricing of this private placement should be reasonable and not have a significant impact on the rights and interests of shareholders.

2. The selection criteria, purpose, necessity, and expected benefits of the subscribers:

The targeted subscribers for this private placement of common shares are limited to specific individuals who meet the requirements set forth in Article 43-6 of the Securities and Exchange Act and relevant regulations stipulated by the competent authority. The proposed criteria for selecting subscribers are as follows:

(1) In the selection of strategic investors as prospective subscribers, the purpose and necessity is to identify individuals or entities who can provide direct or indirect benefits to the Company's future operations, including expanding domestic and international markets to enhance business scale and profitability. This is expected to have positive effects on the Company's operations and finances, with the aim of increasing shareholder value. The specific matters related to negotiating with potential investors will be submitted to the shareholders' meeting for authorization to be handled by the board of directors with full authority.

- (2) If the subscribers are insiders or related parties, the selection method, purpose, necessity, and expected benefits are as follows: The Company will select individuals who have a thorough understanding of the Company's operations and can contribute to the Company's future development, in order to strengthen the shareholder structure and support long-term development goals.

The potential list of subscribers who are insiders or related parties is as follows, but this list is only for potential subscribers.

The list of potential subscribers will include the following individuals:

Subscriber	Selection method and purpose	Relationship with the Company
OU, CHENG-MING	The Company will select individuals who have a good understanding of the Company's operations and can contribute to the Company's future growth, in order to strengthen the shareholder structure and support long-term development objectives.	Chairman of the Company
LIN, HSUEH-HWA		Spouse of the Company's chairman
OU, JEN-CHIEH		Legal representative of the Company's board of directors
OU, TZU-HUEI		Legal representative of the Company's board of directors

3. Reasons for conducting private placement:

- (1) Reasons for not adopting public offering: Considering the market conditions, fundraising efficiency, issuance costs, and the three-year transfer restriction on private securities, which can ensure stable equity ownership, it is proposed to raise funds through private placement.
- (2) Private placement quota: The issuance of common shares shall not exceed 25,471,800 shares, and the board of directors is authorized to conduct one to three placements within one year from the date of the shareholders' meeting resolution.
- (3) The funds raised from the private placement will be used for the following purposes: The funds raised from this private placement will be used to repay bank loans, enhance operational capital, and strengthen the financial structure, aiming to improve the company's long-term competitiveness. The board of directors is authorized to conduct the private placement in one to three tranches within one year from the date of the shareholders' meeting resolution. The expected use and benefits of the private placement proceeds for each tranche are as follows:

Expected number of times for the private placement	Expected number of privately placed shares (shares)	Capital use	Expected benefits
First time	4,000,000	To repay bank loans, enhance operating capital, and improve financial structure.	The private placement will enable the Company to reduce its reliance on bank loans, strengthen its financial structure, and enhance its competitiveness.
Second time	6,000,000		
Third time	15,471,800		
The unissued shares from the previous tranche can be combined with the next tranche. If the private placement is conducted in one tranche, the unissued shares from the second and third tranche can be combined with the shares to be issued in the first tranche. If the private placement is conducted in two tranches, the unissued shares from the third tranche can be combined with the shares to be issued in the first or second tranche. The total number of shares to be issued shall not exceed 25,471,800 shares.			

4. Rights and obligations of the privately placed common shares: The rights and obligations of the privately placed common shares are the same as those of the common shares already issued by the Company. However, in accordance with the Securities and Exchange Act, the privately placed common shares may not be sold within three years from the delivery date, except to the transferor specified in accordance with Article 43-8 of the Securities and Exchange Act. After the expiration of three years from the delivery date of the privately placed common shares, the board of directors is authorized to apply to the competent authority for the Company to carry out the public issuance procedures and apply for listing.
5. The main content of this private placement of common shares includes the actual number of privately placed shares, the actual private placement price, the selection of subscribers, the reference date, the issuance conditions, the planned projects, the amount of funds to be raised, the use and progress of funds, the expected benefits, and other related matters, as well as all other matters related to the issuance plan. The board of directors will be authorized by the shareholders' meeting to adjust, formulate, and handle the plan according to market conditions. In the future, if there are changes in laws and regulations, requirements for revisions from regulatory authorities, changes based on operational evaluations, or changes due to objective environmental needs, the board of directors will be fully authorized to handle them. To facilitate the implementation of this private placement of securities, the shareholders' meeting will be asked to approve this private placement plan and authorize the chairman of the board or the person designated by him to sign and negotiate all contracts and documents related to this private placement plan on behalf of the Company and to handle all matters related to this private placement plan. Any matters not covered above will be fully authorized to be handled by the chairman of the board in accordance with the law.

Resolution:

V. Questions and Motions

Adjournment

VI. Attachment

Attachment 1

UNIVERSAL MICROELECTRONICS CO., LTD. 2022 business report

1. 2022 business report

(1) Implementation results of business plan

Despite the challenges posed by the COVID-19 pandemic and the supply chain disruptions in the electronic materials industry, the Company has been working hard to leverage its production advantages and continuously develop new customer orders. As a result, the Group's consolidated revenue grew by 19.65% in the 2022 compared to the same period last year. The Group's consolidated net profit after tax was NT\$262,060 thousand in 2022, with a net profit attributable to the owners of the parent company of NT\$262,577 thousand.

(2) Budget execution status in 2022: The Company did not issue a financial forecast, therefore this is not applicable.

(3) Financial income and expense analysis

Unit: NT\$ (thousand)

Item \ Year	Individual/parent only financial information for the last 2 years			
	2022	2021	Amount of increase (decrease)	Increase (decrease)%
Operating revenue	5,627,188	4,647,604	979,584	21.08%
Operating cost	5,070,377	4,172,674	897,703	21.51%
Gross profit	556,812	474,956	81,856	17.23%
Income (loss) before tax	323,300	50,807	272,493	536.33%
Net profit (or net loss) for the period	262,577	44,706	217,871	487.34%

Unit: NT\$ (thousand)

Item \ Year	Consolidated financial information for the last 2 years			
	2022	2021	Amount of increase (decrease)	Increase (decrease)%
Operating revenue	4,834,189	4,040,354	793,835	19.65%
Operating cost	3,995,500	3,414,832	580,668	17.00%
Gross profit	838,689	625,522	213,167	34.08%
Income (loss) before tax	328,857	58,738	270,119	459.87%
Net profit (or net loss) for the period	262,060	44,127	217,933	493.88%
Net profit attributable to owners of the parent company	262,577	44,706	217,871	487.34%

(4) Profitability Analysis

Individual financial analysis items		2022	2021
Return on assets (%)		5.91	1.47
Return on equity (%)		13.49	2.60
The capital adequacy ratio (%)	Net operating income (loss)	10.02	5.17
	Pre-tax income(loss)	25.38	3.99
Net profit margin (%)		4.67	0.96
Earnings per share (NT\$)		2.07	0.35

Consolidated financial analysis items		2022	2021
Return on assets (%)		5.52	1.37
Return on equity (%)		13.46	2.56
The capital adequacy ratio (%)	Net operating income (loss)	20.20	4.45
	Pre-tax income(loss)	25.82	4.61
Net profit margin (%)		5.42	1.09
Earnings per share (NT\$)		2.07	0.35

(5) Research & development status

1. In 2022, the Company and its subsidiaries collectively invested NT\$183,734 thousand in research and development, accounting for 3.80% of the consolidated operating revenue.

2. Newly developed successful technologies and products in 2022 are as follows:

(1) Technologies and R&D outcomes related to magnetic component product (TR)

- ① Developing micro welding technology and completing a small package RF Transformers(Balun) solution based on ceramic substrates, and accomplishing the 03-10D series products.
- ② Collaborating with IC giants to develop a magnetic component solution for Power Line Communication (PLC), compliant with AEC-Q200 standard for validation design. Additionally, establishing a complete product line of Power Line Communication (PLC) coupling transformers (01-11D series) to meet the future demand in the electric vehicle charging station market.
- ③ Developing and completing the design platform for the industrial-grade high-insulation-strength EP13LH10 power transformer (04-38D series) products. These transformers are utilized in Battery Management Systems (BMS), HEV/EV inverters, Engineering Control Units (ECU), DC/DC converters, and on-board chargers (OBC) applications.
- ④ The EP17 design platform for high-current common-mode chokes, available in the 11-34D series. These chokes are applied in automotive, data communication, computing, and industrial applications.
- ⑤ The development of wire-axis design for high-voltage transformer applications has been successfully completed. The current power products in this category are generally characterized by being lightweight, slim, short, and compact, emphasizing miniaturization and portability. Designs for LED, battery, and automotive transformer applications are increasingly focused on miniaturization, high-voltage resistance, and automated design. The combination of BOBBIN & COVER not only fulfills these requirements but also meets the UL safety regulations regarding the distance between primary and secondary components. An example of this design is the TG-UT38932 EFD25/13/9 low profile double-slot design.

(2) Technologies and R&D outcomes related to switching power supply (SPS)

- ① The prototype of the 2"x4" 300W AC Power Supply product is completed. It incorporates E-Mode & Cascode GAN type PFC technology, while also increasing the frequency to 280KHz to enhance power density.
- ② The development of the 36W wall mount adapter is completed. It complies with the latest energy efficiency regulations regarding maximum no-load power consumption and highest operating efficiency requirements. It also meets the market demand for compact-sized products.
- ③ The development of the AC/DC Open-Frame 130W PSU is completed, featuring N+1 redundant configuration, power good (PG) signal, and remote control functionality. It is suitable for power supply applications in 5G small cell base stations.
- ④ The development of the 500W half-brick, 94% high-efficiency power module UMFH500C is successfully completed. This module is suitable for network communication systems requiring waterproof, dustproof, and high-temperature resistance capabilities, as well as industrial control-grade power supply needs.
- ⑤ The development of the AC/DC dual output 550W/750W/950W Open-Frame power supply, compliant with IEC62368, has been successfully completed. This product caters to the increasing power requirements of network communication equipment.
- ⑥ The development of the SSI 150W product has been achieved using the LLC/SRC circuit architecture, resulting in an efficiency upgrade from 80 Plus to silver level. This enhancement enables the product to meet the power supply requirements of networking and related applications, catering to the needs of network communication customers and similar applications.

(3) Technologies and R&D outcomes related to information and communication product (ICP)

- ① The 24GHz radar is not only utilized for radar detection in car DVRs, but also finds applications in automatic water faucet sensing for Japanese clients, as well as pedestrian detection for road applications in South Korea.
- ② Completion of bike radar development for a leading American bicycle brand. The client is conducting road tests at multiple locations nationwide and plans to introduce the product to the market in the second quarter of 2023.
- ③ UN R151 BSIS radar has obtained third-party certification by the end of 2022, compliant with UN R151 regulations. It began shipment and market release by the end of 2022, targeting European commercial vehicle end customers.

(4) Optical communication product-related technologies and product research and development results

- ① Completion of product development for high-speed optical cables in data centers, including 100G and 40G QSFP, 25G and 10G SFP+.
- ② Completion of product development for high-speed connectivity solutions in the consumer market, including USB 3.1 Type-C, HDMI 2.1, DisplayPort (DP), KVM, and others.

Attachment 2

UNIVERSAL MICROELECTRONICS CO., LTD. Audit Committee's Review Report

The board of directors has prepared the Company's 2022 business report, financial statements (including parent company only financial statements and consolidated financial statements) and profit distribution proposal. The CPA firm of EY Taiwan, represented by CPAs LO, WEN-CHEN and HUANG, TZU-PING, was retained to audit the Financial Statements and has issued an audit report relating to the financial statements. The business report, financial statements, and proposal for the distribution of profit have been reviewed and determined to be correct and accurate by the Audit Committee. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely,

UNIVERSAL MICROELECTRONICS CO., LTD.
2023 Annual Shareholders' Meeting

UNIVERSAL MICROELECTRONICS CO., LTD.
Chairman of the Audit Committee: TSOU, YEN-CHUNG
16 March 2023

Attachment 3

UNIVERSAL MICROELECTRONICS CO., LTD.

Comparison table for ~~Corporate Social Responsibility~~ Sustainable Development Best Practice Principles before and after amendment

After amendment	Before amendment	Explanation
Article 1 In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development. As a result, these Principles were formulated in accordance with the “<u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u>” to manage economic, environmental and social risks and impact.	Article 1 In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development. As a result, these Principles were formulated in accordance with the “Corporate Social Responsibility Best Practice Principle for TWSE/TPEX Listed Companies” to manage economic, environmental and social risks and impact.	According to the amended announcement of Letter Tai-Zheng-Zhi-Li-Zi No. 1100024173 dated 7 December 2021 for “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” by TWSE.
Article 2 The Company actively fulfill corporate social responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>sustainable development</u>.	Article 2 The Company actively fulfill corporate social responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate responsibility.	The content of this article was amended in accordance with Article 2 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 3 In <u>promoting sustainable development</u> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance, and incorporate them into our company management policies and operational activities. <u>The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental,</u>	Article 3 In implementing corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance, and incorporate them into our company management policies and operational activities.	The content of this article was amended in accordance with Article 3 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” regarding risk management.

After amendment	Before amendment	Explanation
<u>social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</u>		
Article 4 To implement <u>sustainable development</u> initiatives, the Company is advised to follow the principles below: 1.Exercise corporate governance. 2.Foster a sustainable environment. 3.Preserve public welfare. 4.Enhance disclosure of corporate social responsibility information.	Article 4 To implement corporate social responsibility initiatives, the Company is advised to follow the principles below: 1.Exercise corporate governance. 2.Foster a sustainable environment. 3.Preserve public welfare. 4.Enhance disclosure of corporate social responsibility information.	The description of this article was amended in accordance with Article 4 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 5 The Company shall take into consideration the correlation between the development of domestic and international <u>sustainable development issues</u> and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. <u>When a shareholder proposes a motion involving sustainable development, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</u>	Article 5 The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting.	The content of this article was amended in accordance with Article 5 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 7 The Company’s directors shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies. The board of directors of the company is advised to <u>give full consideration to</u>	Article 7 The Company’s directors shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies. The board of directors of the company	The content of this article was amended in accordance with Article 7 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.

After amendment	Before amendment	Explanation
<u>the interests of stakeholders, including the following matters, in the company's furtherance of its sustainable development objectives:</u> 1. Identifying the company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, systems or relevant management guidelines; 2. Making <u>sustainable development</u> the guiding principle of the company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; 3. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information. The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.	is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its corporate social responsibility objectives: 1. Identifying the Company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines; 2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and 3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information. The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.	
Article 8 The Company is advised to, <u>on a regular basis, organize education and training on the promotion of sustainable development initiatives</u>, including promotion of the matters prescribed in paragraph 2 of the preceding article.	Article 8 The Company is advised to, on a regular basis, organize education and training on the promotion of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.	The content of this article was amended in accordance with Article 8 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 9 For the purpose of managing <u>sustainable development</u> initiatives, <u>The Company is advised to create a governance structure for promotion of</u>	Article 9 For the purpose of managing corporate social responsibility initiatives. The Company is committed to establishing sound	The content of this article was amended in accordance with Article 9 of the “Sustainable

After amendment	Before amendment	Explanation
<u>sustainable development, and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</u> The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with <u>sustainable development policies</u>, and that a clear and effective incentive and discipline system be established.	corporate social responsibility management. The management department is responsible for formulating and implementing corporate social responsibility policies, systems, relevant management guidelines, and specific action plans. The audit office regularly reports the audit results to the board of directors. The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.	Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable development</u> issues which they are concerned about.	Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.	The content of this article was amended in accordance with Article 10 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 12 The Company is advised to endeavor to <u>utilize energy more efficiently</u> and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	Article 12 The Company is advised to endeavor to utilize resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	The content of this article was amended in accordance with Article 12 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 17 <u>The Companies is advised to assess the current and future potential risks</u>	Article 17 The Company is advised to adopt standards or guidelines generally	The content of this article was amended in accordance with

After amendment	Before amendment	Explanation
<u>and opportunities that climate change may present to enterprises and to adopt related measures.</u> The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as <u>imported</u> electricity, heating, or steam. 3. <u>Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the company.</u> <u>The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes.</u> Also, the Company's carbon reduction strategies include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.	used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as externally purchased electricity, heating, or steam. The Company acknowledges the impact of climate change on its operational activities. Based on the operational status and results of greenhouse gas inventory, the Company develops energy-saving, carbon reduction, and greenhouse gas reduction strategies. Also, the Company's carbon reduction strategies include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.	Article 17, Paragraph 1, Paragraph 2, Item 2, and Paragraph 2, Item 3 of "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
Article 21 The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills. The Company shall <u>establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.)</u> and appropriately reflect the	Article 21 The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills. The Company shall appropriately reflect the business performance or achievements in the employee remuneration, to ensure the	Added employee welfare measures.

After amendment	Before amendment	Explanation
business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	
<u>Article 22-1</u> <u>The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc.</u> <u>Said company shall also develop the relevant strategies and specific measures for implementation.</u>		The content of this article was added in accordance with Article 22-1 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industry. The Company shall follow relevant laws and regulations and international guidelines <u>in regard to customer privacy</u> and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.	Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industry. The Company shall follow relevant laws and regulations and international guidelines, and marketing and labeling of its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.	The description of this article was amended in accordance with Article 24 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 26 The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. The Company is advised to <u>establish supplier management policies and</u>	Article 26 The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, the Company is advised	The content of this article was amended in accordance with Article 26 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.

After amendment	Before amendment	Explanation
<u>request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights.</u> Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.	to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.	
Article 27 The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company is advised to, through <u>equity investment</u>, commercial activities, <u>endowments</u>, volunteering service or other charitable professional services etc., <u>dedicate resources to organizations that commercially resolve social or environmental issues</u>, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.	Article 27 The Company shall is committed to evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company is advised to, through commercial activities, endowments, volunteering service or other charitable professional services etc. Also, the Company participates in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.	The content of this article was amended in accordance with Article 27 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 28 The Company is committed to disclose information according to relevant laws, regulations and the “Corporate Governance Best Practice Principles” and shall fully disclose relevant and reliable information relating to its <u>sustainable development</u> initiatives to	Article 28 The Company is committed to disclose information according to relevant laws, regulations and the “Corporate Governance Best Practice Principles” and shall fully disclose relevant and reliable information relating to its	The description of this article was amended in accordance with Article 28 of the “Sustainable Development Best Practice Principles for

After amendment	Before amendment	Explanation
improve information transparency. Relevant information relating to <u>sustainable development</u> which the Company shall disclose includes: 1.The policy, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives, as resolved by the board of directors. 2.The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3.Goals and measures for <u>promoting</u> the <u>sustainable development</u> initiatives established by the companies, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to <u>sustainable development</u> initiatives.	corporate social responsibility initiatives to improve information transparency. Relevant information relating to corporate social responsibility which the Company shall disclose includes: 1.The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors. 2.The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3.Goals and measures for promoting the corporate social responsibility initiatives established by the companies, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to corporate social responsibility initiatives.	TWSE/TPEX Listed Companies”.
Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability development reports, to disclose the status of its implementation of the <u>sustainable development</u> policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>sustainable development</u> initiatives.	Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of its implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1. The policy, system, or relevant management guidelines and concrete promotion plans for	The description of this article was amended in accordance with Article 29 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.

After amendment	Before amendment	Explanation
2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4. Future improvements and goals.	implementing corporate social responsibility initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4. Future improvements and goals.	
Article 30 The Company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve their established <u>sustainable development</u> framework and to obtain better results from the promotion of the <u>sustainable development</u> policy.	Article 30 The Company shall at all times monitor the development of domestic and foreign corporate social responsible standards and the change of business environment so as to examine and improve their established corporate social responsible framework and to obtain better results from the promotion of the corporate social responsible policy.	The description of this article was amended in accordance with Article 30 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”
<u>Article 31</u> <u>These principles shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</u>		Added the article.
<u>Article 32</u> <u>These principles were stipulated on 5 August 2015.</u> <u>The first amendment was made on 9 May 2022, and the name was changed to “Sustainable Development Best Practice Principles”.</u>		Added amendment date.

Attachment 4

Independent Auditors' Report Translated from Chinese

To UNIVERSAL MICROELECTRONICS Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of UNIVERSAL MICROELECTRONICS Co., Ltd. (the “Company”) as of 31 December 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2022 and 2021, and its financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit 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 Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment of accounts receivable

As of 31 December 2022, gross accounts receivable and loss allowance by the Company amounted to NT\$1,223,053 thousand and NT\$1,993 thousand, respectively. Net accounts receivable accounted for 24% of total assets, which was significant to the Company's financial statements. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the effectiveness of internal controls around accounts receivable management, including performing simple tests by sampling and understanding management's assessment for expected credit losses of accounts receivable, dividing the expected loss rate of risk group and each group, selecting samples to perform the accounts receivable confirmation, analyzing trends of changes in account receivable of prior and subsequent periods and turnover rates, reviewing the collection in subsequent period to assess their recoverability, and performing assessment of the reasonableness of impairment for individual long term accounts receivable. We also assessed the adequacy of the disclosures related to accounts receivable in Notes 5 and 6.

2. Valuation for inventories (Including inventories of the subsidiaries under the equity method)

The amount of inventories of the Company and its subsidiaries was significant to the financial statements. Due to uncertainty arising from rapid changes in product technology, the provision for valuation loss, sluggish or obsolete inventories involves major judgments by the management. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, evaluate the effectiveness of the internal control established by the management for inventory, including performing simple tests and understanding the appropriateness of the management's assessment of inventory evaluation policies and methods, evaluating the management's stocktaking plan and conducting inventory inspections on the spot, obtain the inventory aging table and test the correctness of the inventory age, re-calculating the unit cost of inventories, and evaluating and testing net realizable value adopted by management. We also assessed the adequacy of the disclosures related to inventories in Notes 5 and 6.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 financial reporting process of the Company.

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

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

As part of an audit in accordance with auditing standards in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 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.

Lo, Wen Chen

Huang, Tzu Ping

Ernst & Young, Taiwan

16 March 2023

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

UNIVERSAL MICROELECTRONICS CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2022	2021
Current assets			
Cash and cash equivalents	4,6(1)	\$344,047	\$293,090
Notes receivable, net	4,7	11,741	3,216
Accounts receivable, net	4,6(2)	836,144	671,838
Accounts receivable due from related parties, net	4,6(2),7	384,916	568,710
Other receivables	4	20,520	11,519
Other receivable due from related parties, net	4,7	340,527	394,480
Current tax assets		-	212
Current inventories	4,6(3)	1,344,998	836,926
Prepayments	7	87,195	95,459
Other current assets	4,6(4)	207,917	7,238
Total current assets		3,578,005	2,882,688
Non-current assets			
Non-current financial assets at fair value through other comprehensive income	4,6(5)	287,274	534,632
Investments accounted for using equity method	4,6(6)	471,728	526,348
Property, plant and equipment	4,6(7)	505,165	496,121
Right-of-use assets	4,6(18)	2,948	4,087
Investment property, net	4,6(8)	103,254	103,729
Intangible assets	4	6,714	6,342
Deferred tax assets	4,6(22)	40,755	61,314
Other non-current assets	7	147,299	11,667
Total non-current assets		1,565,137	1,744,240
Total assets		\$5,143,142	\$4,626,928

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD.
 PARENT COMPANY ONLY BALANCE SHEETS
 31 December 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of 31 December	
		2022	2021
Current liabilities			
Current borrowings	4,6(9)	\$240,800	\$199,526
Short-term notes and bills payable	4,6(10)	44,945	79,971
Current financial liabilities at fair value through profit or loss	4,6(11)	957	-
Current contract liabilities	6(16)	228,452	90,837
Accounts payable		635,193	465,292
Other payables	6(12),7	173,380	121,813
Current tax liabilities	4	66,073	7,901
Current lease liabilities	4,6(18)	2,263	1,834
Long-term borrowings, current portion	4,6(13)	844,877	527,559
Other current liabilities, others		10,500	13,406
Total current liabilities		2,247,440	1,508,139
Non-current liabilities			
Non-current portion of non-current borrowings	4,6(13)	809,295	1,164,683
Deferred tax liabilities	4,6(22)	-	28,213
Non-current lease liabilities	4,6(18)	721	2,281
Net defined benefit liability, non-current	4,6(14)	47,707	62,868
Other non-current liabilities, others		2,239	3,569
Total non-current liabilities		859,962	1,261,614
Total liabilities		3,107,402	2,769,753
Equity	4,6(15)		
Share capital			
Ordinary share		1,273,592	1,273,592
Capital surplus		373,076	370,396
Retained earnings			
Legal reserve		11,494	4,699
Special reserve		135,032	281,724
Unappropriated retained earnings		581,301	67,947
Total retained earnings		727,827	354,370
Other equity interest		(332,604)	(135,032)
Treasury shares		(6,151)	(6,151)
Total equity		2,035,740	1,857,175
Total liabilities and equity		\$5,143,142	\$4,626,928

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
UNIVERSAL MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the years ended 31 December	
	Notes	2022	2021
Operating revenue	4,6(16),7	\$5,627,188	\$4,647,604
Operating costs	4,6(19),7	(5,070,377)	(4,172,674)
Gross profit from operations		\$556,811	474,930
Unrealized profit (loss) from sales		(104)	(105)
Realized profit (loss) on from sales		105	131
Gross profit from operations		\$556,812	474,956
Operating expenses	4,6(19),7		
Selling expenses		(80,262)	(74,311)
Administrative expenses		(154,969)	(131,136)
Research and development expenses		(193,747)	(204,654)
Impairment loss (impairment gain and reversal of impairment loss)	6(17)	(282)	985
Total operating expenses		(429,260)	(409,116)
Net operating income		127,552	65,840
Non-operating income and expenses	4,6(20),7		
Interest revenue		9,770	5,614
Other income		15,907	19,394
Other gains and losses		155,916	(22,024)
Finance costs		(32,597)	(26,208)
Share of profit (loss) of associates and joint ventures accounted for using equity method	4,6(6)	46,752	8,191
Total non-operating income and expenses		195,748	(15,033)
Profit from continuing operations before tax		323,300	50,807
Tax expense	4,6(22)	(60,723)	(6,101)
Profit		262,577	44,706
Other comprehensive income	4,6(21)		
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on remeasurements of defined benefit plans		13,519	(1,667)
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(115,163)	250,593
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(77)	48
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		3,597	(28,892)
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation		13,090	5,287
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(1,658)	(1,057)
Total other comprehensive income		(86,692)	224,312
Total comprehensive income		\$175,885	\$269,018
Basic earnings per share (NTD)			
Basic earnings per share	6(23)	\$2.07	\$0.35
Diluted earnings per share		\$2.06	\$0.35

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD.
 PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
 For the years ended 31 December 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity interest		Treasury shares	Total equity
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		
Balance as of 1 January 2021	\$1,273,592	\$369,437	\$4,699	\$335,229	\$(107,884)	\$(34,294)	\$(247,430)	\$(6,151)	\$1,587,198
Appropriation and distribution of 2020 retained earnings									
Reversal of special reserve				(53,505)	53,505				-
Changes in equity of associates and joint ventures accounted for using equity method		959							959
Profit in 2021					44,706				44,706
Other comprehensive income in 2021					(1,334)	4,230	221,416		224,312
Total comprehensive income	-	-	-	-	43,372	4,230	221,416	-	269,018
Disposal of investments in equity instruments designated at fair value through other comprehensive income					78,954		(78,954)		-
Balance as of 31 December 2021	<u>\$1,273,592</u>	<u>\$370,396</u>	<u>\$4,699</u>	<u>\$281,724</u>	<u>\$67,947</u>	<u>\$(30,064)</u>	<u>\$(104,968)</u>	<u>\$(6,151)</u>	<u>\$1,857,175</u>
Balance as of 1 January 2022	\$1,273,592	\$370,396	\$4,699	\$281,724	\$67,947	\$(30,064)	\$(104,968)	\$(6,151)	\$1,857,175
Appropriation and distribution of 2021 retained earnings									
Legal reserve appropriated			6,795		(6,795)				-
Reversal of special reserve				(146,692)	146,692				-
Changes in equity of associates and joint ventures accounted for using equity method		2,680							2,680
Profit in 2022					262,577				262,577
Other comprehensive income in 2022					10,815	11,432	(108,939)		(86,692)
Total comprehensive income	-	-	-	-	273,392	11,432	(108,939)	-	175,885
Disposal of investments in equity instruments designated at fair value through other comprehensive income					100,065		(100,065)		-
Balance as of 31 December 2022	<u>\$1,273,592</u>	<u>\$373,076</u>	<u>\$11,494</u>	<u>\$135,032</u>	<u>\$581,301</u>	<u>\$(18,632)</u>	<u>\$(313,972)</u>	<u>\$(6,151)</u>	<u>\$2,035,740</u>

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD.
 PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
 For the years ended 31 December 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from operating activities:		
Profit from continuing operations before tax	\$323,300	\$50,807
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	61,097	63,886
Amortization expense	8,694	9,504
Expected credit loss (gain)	282	(985)
Net loss on financial assets or liabilities at fair value through profit or loss	957	-
Interest expense	32,597	26,208
Interest income	(9,770)	(5,614)
Dividend income	(2,700)	(4,240)
Share of gain of associates and joint ventures accounted for using equity method	(46,752)	(8,191)
Loss on disposal of investments	9,662	-
Reversal of impairment loss on non-financial assets	-	(16,147)
Unrealized profit (loss) from sales	104	105
Realized loss (profit) on from sales	(105)	(131)
Total adjustments to reconcile profit (loss)	(1,631)	(603)
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(8,525)	1,873
Decrease (increase) in accounts receivable	19,206	(75,816)
(Increase) decrease in other receivable	(50,990)	14,621
Increase in inventories	(508,072)	(302,694)
Decrease (increase) in prepayments	8,264	(45,044)
Decrease (increase) in other current assets	6,920	(6,646)
Increase in contract liabilities	137,615	44,650
Increase (decrease) in accounts payable	169,901	(25,705)
Increase in other payable	51,259	4,348
Decrease in other current liabilities	(2,906)	(450)
Decrease in net defined benefit liability	(1,642)	(1,514)
Cash inflow (outflow) generated from operations	196,765	(277,778)
Interest received	9,881	7,539
Dividends received	8,897	4,240
Interest paid	(32,289)	(26,312)
Income taxes paid	(8,054)	(281)
Net cash flows from (used in) operating activities	175,200	(292,592)

(Continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD.
 PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS(Continued)
 For the years ended 31 December 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(19,600)	(28,248)
Proceeds from disposal of financial assets at fair value through other comprehensive income	151,795	132,510
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	1,997
Proceeds from capital reduction of investments accounted for using equity method	102,838	-
Acquisition of property, plant and equipment	(67,674)	(59,875)
Acquisition of intangible assets	(7,221)	(6,882)
(Increase) decrease in other financial assets	(207,599)	2
Increase in other non-current assets	(41,646)	(4,484)
Net cash flows (used in) from investing activities	(89,107)	35,020
Cash flows from financing activities:		
Increase in short-term loans	41,274	79,526
(Decrease) increase in short-term notes and bills payable	(35,026)	79,971
Proceeds from long-term debt	752,200	492,943
Repayments of long-term debt	(790,270)	(653,390)
Payments of lease liabilities	(1,984)	(1,833)
Decrease in other non-current liabilities	(1,330)	(429)
Net cash used in financing activities	(35,136)	(3,212)
Net increase (decrease) in cash and cash equivalents	50,957	(260,784)
Cash and cash equivalents at beginning of period	293,090	553,874
Cash and cash equivalents at end of period	\$344,047	\$293,090

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

UNIVERSAL MICROELECTRONICS CO., LTD.

Statement

The entities that are required to be included in the consolidated statements of affiliates of Universal Microelectronics Co., Ltd. as of and for the year ended 31 December 2022 under the “Criteria Governing the Preparation of Affiliation Reports, consolidated business reports and consolidated financial statements of affiliated enterprises” are the same as those included in the consolidated financial statements prepared in conformity with international financial reporting standards No.10 “Consolidated Financial Statements”. Relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Universal Microelectronics Co., Ltd. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates

Truly yours,

UNIVERSAL MICROELECTRONICS CO., LTD.

Chairman: OU, CHENG-MING

16 March 2023

Independent Auditors' Report Translated from Chinese

To UNIVERSAL MICROELECTRONICS Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of UNIVERSAL MICROELECTRONICS Co., Ltd. and its subsidiaries (the “Group”) as of 31 December 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries (the “Group”) as of 31 December 2022 and 2021, and their consolidated financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of consolidated financial statements 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. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment of accounts receivable

As of 31 December 2022, gross accounts receivable and loss allowance by the Group amounted to NT\$855,122 thousand and NT\$1,993 thousand, respectively. Net accounts receivable accounted for 16% of total consolidated assets and have significant impacts on the Group. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the effectiveness of internal controls around accounts receivable management, including performing simple tests by sampling and understanding management's assessment for expected credit losses of accounts receivable, dividing the expected loss rate of risk group and each group, selecting samples to perform the accounts receivable confirmation, analyzing trends of changes in account receivable of prior and subsequent periods and turnover rates, reviewing the collection in subsequent period to assess their recoverability, and performing assessment of the reasonableness of impairment for individual long term accounts receivable. We also assessed the adequacy of the disclosures related to accounts receivable in Notes 5 and 6.

2. Valuation for inventories

As of 31 December 2022, the Group's net inventories amounted to NT\$2,054,312 thousand. Net inventories accounted for 37% of consolidated total assets, which was considered material in the consolidated statements. Due to uncertainty arising from rapid changes in product technology, the provision for valuation loss, sluggish or obsolete inventories involves major judgments by the management. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, evaluate the effectiveness of the internal control established by the management for inventory, including performing simple tests and understanding the appropriateness of the management's assessment of inventory evaluation policies and methods, evaluating the management's stocktaking plan and conducting inventory inspections on the spot, obtain the inventory aging table and test the correctness of the inventory age, re-calculating the unit cost of inventories, and evaluating and testing net realizable value adopted by management. We also assessed the adequacy of the disclosures related to inventories in Notes 5 and 6.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, 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 audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

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

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

As part of an audit in accordance with auditing standards in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 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.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended 31 December 2022 and 2021.

Lo, Wen Chen

Huang, Tzu Ping

Ernst & Young, Taiwan

16 March 2023

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards in the Republic of China, and their applications in practice.

UNIVERSAL MICROELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2022	2021
Current assets			
Cash and cash equivalents	4,6(1)	\$627,056	\$581,732
Current financial assets at fair value through profit or loss	4,6(2)	25,951	32,245
Current financial assets at amortised cost	4,6(3)	-	13,840
Notes receivable, net	4,7	11,741	3,216
Accounts receivable, net	4,6(4),(20)	853,044	702,594
Accounts receivable due from related parties, net	4,6(4),(20),7	85	7,124
Other receivables		26,539	18,141
Current tax assets		125	212
Current inventories	4,6(5)	2,054,312	1,539,813
Prepayments	4	33,409	40,066
Other current assets	4,6(6),8	212,142	11,316
Total current assets		3,844,404	2,950,299
Non-current assets			
Non-current financial assets at fair value through other comprehensive income	4,6(7)	289,820	537,257
Investments accounted for using equity method	4,6(8)	13,272	13,629
Property, plant and equipment	4,6(9),8	1,099,984	1,142,919
Right-of-use assets	4,6(21)	67,144	62,815
Investment property, net	4,6(10),8	86,096	86,096
Intangible assets	4	10,865	12,093
Deferred tax assets	4,6(25)	40,755	63,283
Other non-current assets	6(11)	92,309	54,897
Total non-current assets		1,700,245	1,972,989
Total assets		\$5,544,649	\$4,923,288

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS(Continued)
 31 December 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars)

Liabilities and equity	Notes	As of 31 December	
		2022	2021
Current liabilities			
Current borrowings	4,6(12)	\$240,800	\$199,526
Short-term notes and bills payable	4,6(13)	44,945	79,971
Current financial liabilities at fair value through profit or loss	4,6(14)	957	-
Current contract liabilities	6(19)	230,903	91,785
Notes payable		525	1,578
Accounts payable		941,099	672,271
Other payables	6(15)	242,589	194,196
Current tax liabilities	4	68,420	9,466
Current lease liabilities	4,6(21)	6,721	6,134
Long-term borrowings, current portion	4,6(16)	844,877	527,559
Other current liabilities, others		13,396	14,337
Total current liabilities		<u>2,635,232</u>	<u>1,796,823</u>
Non-current liabilities			
Non-current portion of non-current borrowings	4,6(16)	809,295	1,164,683
Deferred tax liabilities	4,6(25)	-	28,213
Non-current lease liabilities	4,6(21)	8,513	3,569
Net defined benefit liability, non-current	4,6(17)	47,707	62,868
Other non-current liabilities, others		7,095	8,373
Total non-current liabilities		<u>872,610</u>	<u>1,267,706</u>
Total liabilities		<u>3,507,842</u>	<u>3,064,529</u>
Equity	4,6(18)		
Equity attributable to owners of parent			
Share capital			
Ordinary share		1,273,592	1,273,592
Capital surplus		373,076	370,396
Retained earnings			
Legal reserve		11,494	4,699
Special reserve		135,032	281,724
Unappropriated retained earnings		581,301	67,947
Total retained earnings		<u>727,827</u>	<u>354,370</u>
Other equity interest		(332,604)	(135,032)
Treasury shares		(6,151)	(6,151)
Total equity attributable to owners of parent		<u>2,035,740</u>	<u>1,857,175</u>
Non-controlling interests		<u>1,067</u>	<u>1,584</u>
Total equity		<u>2,036,807</u>	<u>1,858,759</u>
Total liabilities and equity		<u>\$5,544,649</u>	<u>\$4,923,288</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 For the years ended 31 December 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December	
		2022	2021
Operating revenue	4,6(19),7	\$4,834,189	\$4,040,354
Operating costs	4,6(22)	(3,995,500)	(3,414,832)
Gross profit from operations		838,689	625,522
Operating expenses	6(22),7		
Selling expenses		(114,386)	(108,654)
Administrative expenses		(282,532)	(264,758)
Research and development expenses		(183,734)	(196,311)
Impairment loss (impairment gain and reversal of impairment loss)	4,6(20)	(672)	985
Total operating expenses		(581,324)	(568,738)
Net operating income		257,365	56,784
Non-operating income and expenses	4,6(23)		
Interest income		6,009	834
Other income		50,187	63,656
Other gains and losses		52,157	(33,467)
Finance costs		(33,824)	(26,848)
Share of profit (loss) of associates and joint ventures accounted for using equity method	4,6(8)	(3,037)	(2,221)
Total non-operating income and expenses		71,492	1,954
Profit from continuing operations before tax		328,857	58,738
Tax expense	4,6(25)	(66,797)	(14,611)
Profit		262,060	44,127
Other comprehensive income	4,6(24)		
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on remeasurements of defined benefit plans		13,519	(1,667)
Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income		(115,240)	250,641
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		3,597	(28,892)
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation		13,090	5,287
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(1,658)	(1,057)
Total other comprehensive income		(86,692)	224,312
Total comprehensive income		\$175,368	\$268,439
Profit, attributable to:			
Profit, attributable to owners of parent		\$262,577	\$44,706
Profit, attributable to non-controlling interests		(517)	(579)
		\$262,060	\$44,127
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		\$175,885	\$269,018
Comprehensive income, attributable to non-controlling interests		(517)	(579)
		\$175,368	\$268,439
Basic earnings per share (NTD)	6(26)		
Basic earnings per share		\$2.07	\$0.35
Diluted earnings per share		\$2.06	\$0.35

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
UNIVERSAL MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Retained earnings					Other equity interest					
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of 1 January 2021	\$1,273,592	\$369,437	\$4,699	\$335,229	\$(107,884)	\$(34,294)	\$(247,430)	\$(6,151)	\$1,587,198	\$2,163	\$1,589,361
Appropriation and distribution of 2020 retained earnings											
Reversal of special reserve				(53,505)	53,505				-		-
Changes in equity of associates and joint ventures accounted for using equity method		959							959		959
Profit in 2021					44,706				44,706	(579)	44,127
Other comprehensive income in 2021					(1,334)	4,230	221,416		224,312	-	224,312
Total comprehensive income	-	-	-	-	43,372	4,230	221,416	-	269,018	(579)	268,439
Disposal of investments in equity instruments designated at fair value through other comprehensive income					78,954		(78,954)		-		-
Balance as of 31 December 2021	\$1,273,592	\$370,396	\$4,699	\$281,724	\$67,947	\$(30,064)	\$(104,968)	\$(6,151)	\$1,857,175	\$1,584	\$1,858,759
Balance as of 1 January 2022	\$1,273,592	\$370,396	\$4,699	\$281,724	\$67,947	\$(30,064)	\$(104,968)	\$(6,151)	\$1,857,175	\$1,584	\$1,858,759
Appropriation and distribution of 2021 retained earnings											
Legal reserve appropriated			6,795		(6,795)				-		-
Reversal of special reserve				(146,692)	146,692				-		-
Changes in equity of associates and joint ventures accounted for using equity method		2,680							2,680		2,680
Profit in 2022					262,577				262,577	(517)	262,060
Other comprehensive income in 2022					10,815	11,432	(108,939)		(86,692)	-	(86,692)
Total comprehensive income	-	-	-	-	273,392	11,432	(108,939)	-	175,885	(517)	175,368
Disposal of investments in equity instruments designated at fair value through other comprehensive income					100,065		(100,065)		-		-
Balance as of 31 December 2022	\$1,273,592	\$373,076	\$11,494	\$135,032	\$581,301	\$(18,632)	\$(313,972)	\$(6,151)	\$2,035,740	\$1,067	\$2,036,807

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the years ended 31 December 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from operating activities:		
Profit from continuing operations before tax	\$328,857	\$58,738
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	152,405	158,996
Amortization expense	22,059	22,722
Expected credit loss (gain)	672	(985)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	7,251	(1,356)
Interest expense	33,824	26,848
Interest income	(6,009)	(834)
Dividend income	(4,334)	(5,766)
Share of loss of associates and joint ventures accounted for using equity method	3,037	2,221
(Gain) loss on disposal of property, plan and equipment	(839)	18,226
Loss on disposal of intangible assets	438	-
Reversal of impairment loss on non-financial assets	-	(16,147)
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(8,525)	1,873
Increase in accounts receivable	(144,083)	(14,145)
(Increase) decrease in other receivable	(8,135)	2,010
Increase in inventories	(514,499)	(552,917)
Decrease (increase) in prepayments	6,657	(11,141)
Decrease in other current assets	8,107	5,958
Increase in contract liabilities	139,118	44,058
(Decrease) increase in notes payable	(1,053)	50
Increase (decrease) in accounts payable	268,828	(14,917)
Increase (decrease) in other payable	48,085	(7,107)
Decrease in other current liabilities	(941)	(1,678)
Decrease in net defined benefit liability	(1,642)	(1,514)
Cash inflow (outflow) generated from operations	329,278	(286,807)
Interest received	5,746	858
Dividends received	4,334	5,766
Interest paid	(33,516)	(26,952)
Income taxes paid	(11,532)	(7,794)
Net cash flows from (used in) operating activities	294,310	(314,929)

(Continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS(Continued)
 For the years ended 31 December 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(19,600)	(28,248)
Proceeds from disposal of financial assets at fair value through other comprehensive income	151,797	132,510
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	1,997
Acquisition of financial assets at amortised cost	-	(13,840)
Proceeds from repayments of financial assets at amortised cost	13,840	-
Acquisition of property, plant and equipment	(75,434)	(102,330)
Proceeds from disposal of property, plant and equipment	1,799	2,393
Acquisition of intangible assets	(7,222)	(6,881)
(Increase) decrease in other financial assets	(208,933)	2
Increase in other non-current assets	(51,350)	(7,068)
Net cash flows used in investing activities	(195,103)	(21,465)
Cash flows from financing activities:		
Increase in short-term loans	41,274	79,526
(Decrease) increase in short-term notes and bills payable	(35,026)	79,971
Proceeds from long-term debt	752,200	492,943
Repayments of long-term debt	(790,270)	(653,390)
Payments of lease liabilities	(8,543)	(10,953)
(Decrease) increase in other non-current liabilities	(1,278)	3,167
Net cash flows used in financing activities	(41,643)	(8,736)
Effect of exchange rate changes on cash and cash equivalents	(12,240)	(10,684)
Net increase (decrease) in cash and cash equivalents	45,324	(355,814)
Cash and cash equivalents at beginning of period	581,732	937,546
Cash and cash equivalents at end of period	<u>\$627,056</u>	<u>\$581,732</u>

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

UNIVERSAL MICROELECTRONICS CO., LTD.

2022 Profit Distribution Table

Unit: NT\$

Items	Amount	
	Subtotal	Total
Unappropriated retained earnings		207,843,960
Add: Other comprehensive income (recognize the remeasurements of defined benefit plans in retained earnings)	10,815,235	
Add: 2022 net profit after tax	262,576,097	
Add: Disposal of equity instruments measured at fair value through other comprehensive income	<u>100,064,858</u>	<u>373,456,190</u>
Total		581,300,150
Appropriated items:		
Less: Appropriation of legal reserves	-37,345,619	
Less: Appropriation of special reserves	-197,571,628	<u>-234,917,247</u>
Accumulative Distributable net profit		346,382,903
Distributable items:		
Less: Cash dividends on common shares - Distribution of NT\$0.5 per share		<u>-63,410,600</u>
Unappropriated retained earnings		282,972,303

Attachment 6

UNIVERSAL MICROELECTRONICS CO., LTD. Comparison table for “Procedures for the Acquisition or Disposal of Assets” before and after amendment

After amendment	Before amendment	Explanation
Article 6 Decision-making authority For the acquisition or disposition of assets, the chairman is authorized to make final decisions, subject to prior approval by the board of directors, except in the following circumstances. 1. For the acquisition of equipment to be used in business operations, the chairman is authorized to make final decisions for individual transactions with a value equal to or below NT\$50 million. 2. For the acquisition of assets other than the first category <u>and derivative financial instruments</u>, the chairman is authorized to make final decisions for individual transactions with a value equal to or below NT\$20 million.	Article 6 Decision-making authority For the acquisition or disposition of assets, the chairman is authorized to make final decisions, subject to prior approval by the board of directors, except in the following circumstances. 1. For the acquisition of equipment to be used in business operations, the chairman is authorized to make final decisions for individual transactions with a value equal to or below NT\$50 million. 2. For the acquisition of assets other than the first category, the chairman is authorized to make final decisions for individual transactions with a value equal to or below NT\$20 million.	The decision making authority for derivative financial instruments is governed by the "Derivative Financial Instrument Handling Procedure."
Article 29 Effective date Upon approval by the Audit Committee and subsequent approval by the board of directors, this procedure shall be implemented. It shall also be subject to approval by the shareholders' meeting when required, including any amendments. In the event of a dissenting opinion expressed by a director with documented or written statement, the company shall submit the dissenting director's information to the Audit Committee for review.	Article 29 Effective date Upon approval by the Audit Committee and subsequent approval by the board of directors, this procedure shall be implemented. It shall also be subject to approval by the shareholders' meeting when required, including any amendments. In the event of a dissenting opinion expressed by a director with documented or written statement, the company shall submit the dissenting director's	Addition of the revision date for this amendment.

After amendment	Before amendment	Explanation
These procedures were stipulated on 21 June 2016; The procedures were revised on 20 June 2017; The procedures were revised on 19 June 2019; These procedures were revised on 22 June 2020; These procedures were revised on 20 June 2022; <u>These procedures were revised on 26 June 2023.</u>	information to the Audit Committee for review. These procedures were stipulated on 21 June 2016; The procedures were revised on 20 June 2017; The procedures were revised on 19 June 2019; These procedures were revised on 22 June 2020; These procedures were revised on 20 June 2022.	

VII. Appendix

Appendix 1

UNIVERSAL MICROELECTRONICS CO., LTD. Articles of Incorporation

Chapter 1 General Provision

Article 1 The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be UNIVERSAL MICROELECTRONICS CO., LTD.

Article 2 The business of the Company is as follows:

- 1 CC01080 Electronic Parts and Components Manufacturing
- 2 CC01070 Telecommunication Equipment and Apparatus Manufacturing
- 3 CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
- 4 CC01040 Lighting Equipment Manufacturing
- 5 CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- 6 CC01020 Electric Wires and Cables Manufacturing
- 7 CC01010 Power Generation, Transmission and Distribution Machinery Manufacturing
- 8 CC01110 Computer and Peripheral Equipment Manufacturing
- 9 CC01990 Electrical Machinery, Supplies Manufacturing
- 10 CD01030 Automobiles and Parts Manufacturing
- 11 CE01030 Photographic and Optical Equipment Manufacturing
- 12 F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- 13 F113010 Wholesale of Machinery
- 14 F113020 Wholesale of Electrical Appliances
- 15 F113030 Wholesale of Precision Instruments
- 16 F113050 Wholesale of Computers and Clerical Machinery Equipment
- 17 F113070 Wholesale of Telecommunication Apparatus
- 18 F114030 Wholesale of Motor Vehicle Parts and Supplies
- 19 F119010 Wholesale of Electronic Materials
- 20 F401010 International Trade
- 21 IG03010 Energy Technical Services
- 22 I501010 Product Designing
- 23 C802041 Manufacture of Drugs and Medicines
- 24 CF01011 Medical Devices Manufacturing
- 25 F108021 Wholesale of Western Pharmaceutical
- 26 F108031 Wholesale of Medical Devices
- 27 F208021 Retail Sale of Western Pharmaceutical
- 28 F208031 Retail Sale of Medical Apparatus
- 29 ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The Company may provide endorsement and guarantee and act as a guarantor.

Article 2-2 The total amount of the Company's reinvestment shall not be subject to the investment ratio limit specified in Article 13 of the Company Act.

Article 3 The Company shall have its head office in Taichung City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the board of directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Chapter 2 Capital Stock

Article 4 The total capital stock of the Company shall be in the amount of NT\$2,047,460,000, divided into 204,746,000 shares, at NT\$10 to be issued in installments each. The unissued shares were authorized to the board of directors to issue in installments.

Article 5 The Company's stock is registered in the name of the shareholder and shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the law before issuance. For the shares to be issued by the Company, the issuing company may be exempted from printing any share certificate for the shares issued. However, the shares shall be registered with a centralized securities depositary enterprise.

Article 6 Shareholders are required to provide their true name or company name, address or place of residence, specimen of their seal or signature, and unified business registration number for registration and record-keeping by our company or the stock transfer agent. Any changes to this information should also be promptly reported. When shareholders receive dividends, bonuses, or exercise their shareholder rights in writing from our company or the stock transfer agent, their seal shall serve as proof of identity. In the event of seal loss, the procedures specified in the "Regulations Governing the Administration of Shareholder Services of Public Companies" must be followed.

Article 7 The treasury shares purchased by the Company in accordance with the Company Act, the transferee of which includes the employees of parents or subsidiaries of the company meeting certain specific requirements.

Qualification requirements of employees entitled to receive share subscription warrant includes the employees of parents or subsidiaries of the company meeting certain specific requirements.

While issuing new shares, the qualification requirements of employees include the employees of parents or subsidiaries of the company meeting certain specific requirements. The conditions and distribution methods mentioned above are authorized to be determined by the board of directors.

Article 8 Unless otherwise specified by laws and regulations, the handling of the Company's shareholder affairs shall be conducted in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” issued by the Financial Supervisory Commission.

Article 9 The share transfer registration shall be suspended within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders Meeting

Article 10 Shareholders meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations.

Article 10-1 A shareholders meeting can be held by means of virtual-only shareholders meeting or other means approved and published by the central regulating authorities.

Article 11 According to Article 177 of the Company Act, if a shareholder is unavailable to attend a shareholders meeting, he/she could hand in a written proxy and appoints a proxy to attend the shareholders meeting on his/her behalf. Unless otherwise stipulated in the Company Act, the means of attending a shareholders meeting by proxy shall in line with the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

Article 12 During the shareholders meeting, the chairman shall serve as the chairperson of the meeting. In case the chairman is absent, the chairman shall designate one of the directors to serve as the chairperson. In the absence of such a designation, the directors shall elect from among themselves an acting chairperson of the board of directors. Where as for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairperson of that meeting provided, however, that if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among themselves.

Article 13 Unless otherwise specified by laws and regulations, the shareholders of the company shall have one voting power in respect of each share in his/her/its possession.

Article 14 Resolutions at a shareholders' meeting shall, unless otherwise provided for by relevant laws and regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 15 Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting.

Chapter 4 Board of directors

Article 16 The Company has a board of directors consisting of eleven members, including a minimum of two independent directors, who must constitute at least one-fifth of the total number of directors. The independent directors form the Audit Committee. The election of directors is carried out by the shareholders' meeting from among individuals with legal capacity, and their term of office is three years, with the possibility of reelection. After being elected, the board of directors may decide to purchase liability insurance for directors to cover their compensation obligations within their scope of business as required by law. The total shareholding percentage of all directors is subject to the regulations of the securities regulatory authority.

The Company follows a candidate nomination system for directors, with the selection of directors from the list of candidates determined by the shareholders' meeting. The qualifications, shareholding and concurrent position restrictions, criteria for independence determination, nomination procedures, and other applicable matters related to independent directors must comply with relevant laws and regulations set by the competent authority.

Article 17 When the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies.

Article 18 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date.

Article 19 The directors shall organize the board of directors. The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors to execute all matters of the Company in accordance with applicable laws and regulations, the Articles of Incorporation, and resolutions of the shareholders' meeting and the board of directors.

Article 20 The operational guidelines and other important matters of the company shall be determined by the board of directors. Except for the first meeting of each term of the board of directors shall be convened in accordance with Article 203 of the Company Act, the meetings of the board of directors shall be convened by the chairman of the board of directors. In case the chairman of the board of directors is absent, the chairman of the board of directors shall designate one of the directors. In the absence of such a designation, the directors shall elect from among themselves an acting chairperson of the board of directors.

The notice for board meetings may be issued in writing, via email, or fax.

Article 21 Unless otherwise specified by the Company Act, the resolutions of the board of directors require the presence of a majority of directors, and approval by a majority of the attending directors. Board meetings may be conducted through video conferences. In cases where a director is unable to attend due to circumstances, another director may be authorized to attend in accordance with Article 205 of the Company Act.

Article 22 The minutes of a board meeting shall bear the signature or seal of the meeting chairperson; a copy of the minutes shall be distributed to each director within 20 days after the meeting, the meeting minutes may be conducted via electronic transmission. A meeting minute shall include a summary of the essential points of the proceedings and the results of the meeting. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company.

Article 23 The board of directors is authorized to determine the salary for the directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry. However, the remuneration for each director shall not exceed a maximum of NT\$1,000,000 per year.

Chapter 5 Managers

Article 24 The Company may appoint several managers and one general manager. In accordance with the policies determined by the board of directors, the overall management of all company operations, as well as the appointment, dismissal, and remuneration of the general manager and managers, shall be conducted by the board of directors with the presence of a majority of directors and approval by a majority of the attending directors.

Chapter 6 Accounting

Article 25 The following reports shall be prepared by the board of directors 30 days before the shareholders' meeting, and submitted to the regular shareholders meeting for acceptance:

1. Business report;
2. Financial statements;
3. Proposal concerning the distribution of earnings or covering of losses.

Article 26 If the Company has made profit in the year, it shall allocate no less than 4% for employee remuneration and no more than 3% for director remuneration. However, in the case of accumulated losses, an amount should be reserved in advance for recovery. Employee remuneration can be distributed in the form of stock or cash, and the recipients may include employees of controlled and subsidiary companies who meet certain criteria. The conditions and distribution methods for employee remuneration are authorized by the board of directors.

The distribution of employee compensation and director remuneration should be approved by a resolution of the board of directors with the attendance of at least two-thirds of the directors and the approval of a majority of the attending directors. The resolution should also be reported to the shareholders' meeting.

Chapter 7 Supplementary Provisions

Article 27 After the annual general settlement, if our company has surplus, it shall be distributed in the following order:

1. Payment of taxes and donations.
2. Offset of accumulated losses from previous years.
3. Allocation of 10% as the legal reserve. However, if the cumulative amount of the legal reserve reaches the total paid-up capital of the Company, no further allocation is required. Any remaining amount shall be allocated or transferred according to legal requirements, such as to the special surplus reserve. If there is still a balance, along with the accumulated undistributed earnings, the board of directors shall prepare a proposal for profit distribution and submit it to the shareholders' meeting for approval of dividend distribution to shareholders.
4. The Company's dividend policy is aligned with current and future development plans, taking into consideration the investment environment, capital requirements, domestic and international competitive conditions, and the interests of shareholders. When distributing dividends to shareholders, it can be done in the form of cash or stock, with cash dividends amounting to at least 10% of the total dividend amount.

Article 28 The Company's charters and operating procedures are established by the board of directors.

Article 29 In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 30 The Articles of Incorporation was established on 26 January 1982.

The first amendment was made on 1 April 1984.

The second amendment was made on 30 June 1987.

The third amendment was made on 8 July 1989.

The fourth amendment was made on 27 November 1989.

The fifth amendment was made on 15 June 1990.

The sixth amendment was made on 30 August 1991.

The seventh amendment was made on 3 July 1993.

The eighth amendment was made on 7 April 1996.

The ninth amendment was made on 6 December 1996.

The tenth amendment was made on 8 March 1997.
The eleventh amendment was made on 13 March 1998.
The twelfth amendment was made on 29 April 1999.
The thirteenth amendment was made on 14 October 1999.
The fourteenth amendment was made on 6 May 2000.
The fifteenth amendment was made on 4 May 2001.
The sixteenth amendment was made on 3 June 2002.
The seventeenth amendment was made on 6 June 2003.
The eighteenth amendment was made on 28 June 2005.
The nineteenth amendment was made on 15 June 2007.
The twentieth amendment was made on 13 June 2008.
The twenty-first amendment was made on 10 June 2009.
The twenty-second amendment was made on 15 June 2010.
The twenty-third amendment was made on 21 June 2012.
The twenty-fourth amendment was made on 21 June 2013.
The twenty-fifth amendment was made on 26 June 2014.
The twenty-sixth amendment was made on 21 June 2016.
The twenty-seventh amendment was made on 20 June 2017.
The twenty-eighth amendment was made on 19 June 2018.
The twenty-ninth amendment was made on 19 June 2019.
The thirtieth amendment was made on 24 June 2021.
The thirty-first amendment was made on 18 March 2022.
The thirty-second amendment was made on 20 June 2022.

UNIVERSAL MICROELECTRONICS CO., LTD.
Chairman: OU, CHENG-MING

Appendix 2

UNIVERSAL MICROELECTRONICS CO., LTD. Corporate Social Responsibility Best Practice Principles

Chapter 1 General Principles

Article 1

In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development. As a result, these Principles were formulated in accordance with the “Corporate Social Responsibility Best Practice Principle for TWSE/TPEX Listed Companies” to manage economic, environmental and social risks and impact.

Article 2

The Company actively fulfill corporate social responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate responsibility.

Article 3

In implementing corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance, and incorporate them into our company management policies and operational activities.

Article 4

To implement corporate social responsibility initiatives, the Company is advised to follow the principles below:

- 1.Exercise corporate governance.
- 2.Foster a sustainable environment.
- 3.Preserve public welfare.
- 4.Enhance disclosure of corporate social responsibility information.

Article 5

The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

Chapter 2 Exercising Corporate Governance

Article 6

The Company adheres to the Corporate Governance Best Practice Principles for Listed and OTC Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies. The Company establish an effective governance framework and relevant ethical standards to ensure sound corporate governance.

Article 7

The Company's directors shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of the company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its corporate social responsibility objectives:

1. Identifying the Company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8

The Company is advised to, on a regular basis, organize education and training on the promotion of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9

For the purpose of managing corporate social responsibility initiatives. The Company is committed to establishing sound corporate social responsibility management. The management department is responsible for formulating and implementing corporate social responsibility policies, systems, relevant management guidelines, and specific action plans. The audit office regularly reports the audit results to the board of directors.

The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.

Article 10

The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about..

Chapter 3 Fostering a Sustainable Environment

Article 11

The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12

The Company is advised to endeavor to utilize resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13

The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14

The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15

The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16

To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as externally purchased electricity, heating, or steam.

The Company acknowledges the impact of climate change on its operational activities. Based on the operational status and results of greenhouse gas inventory, the Company develops energy-saving, carbon reduction, and greenhouse gas reduction strategies. Also, the Company's carbon reduction strategies include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18

The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19

The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20

The Company is committed to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company is advised to organize training on safety and health for its employees on a regular basis.

Article 21

The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

The Company shall appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22

The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 23

The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. The Company further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24

The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industry.

The Company shall follow relevant laws and regulations and international guidelines, and marketing and labeling of its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25

The Company evaluates and manages all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company provides a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26

The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27

The Company shall is committed to evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through commercial activities, endowments, volunteering service or other charitable professional services etc. Also, the Company participates in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 28

The Company is committed to disclose information according to relevant laws, regulations and the “Corporate Governance Best Practice Principles” and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for promoting the corporate social responsibility initiatives established by the companies, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to corporate social responsibility initiatives

Article 29

The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of its implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.

The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30

The Company shall at all times monitor the development of domestic and foreign corporate social responsible standards and the change of business environment so as to examine and improve their established corporate social responsible framework and to obtain better results from the promotion of the corporate social responsible policy.

These procedures were formulated on 5 August 2015.

Appendix 3

UNIVERSAL MICROELECTRONICS CO., LTD.

Procedures for the Acquisition or Disposal of Assets

Article 1 Purpose

To ensure investment protection and promote information transparency, the Company shall follow the following procedures when acquiring or disposing of assets.

Article 2 Basis

These procedures are conducted in accordance with the provisions of Article 36-1 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

Article 3 The term "assets" as used in these procedures includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment
3. Memberships
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets
5. Right-of-use assets
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables)
7. Derivatives
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law
9. Other major assets

Article 4 Assessment Procedure

1. When acquiring or disposing of valuable securities that are not traded on centralized trading markets or securities brokerages, considerations should include the net asset value per share, profitability, future growth potential, market interest rates, bond coupon rates, creditworthiness of the debtor, and the agreed-upon transaction price at the time.
2. When acquiring or disposing of valuable securities traded on centralized trading markets or securities brokerages, the decision should be based on the prevailing equity or bond prices at that time.

3. When acquiring or disposing of other assets mentioned in the preceding two paragraphs, one should choose from the options of quotation, comparison, negotiation, or public bidding. The decision should be based on announced present value, assessed present value, actual transaction prices of adjacent properties, and other agreed-upon criteria. If it meets the disclosure and declaration standards as specified in this procedure, a professional appraisal report should be consulted.

Article 5 Asset acquisition or disposal procedure

1. When acquiring or disposing of assets, the responsible unit shall evaluate the reasons, subject matter, counterparties, transfer price, payment conditions, and basis for price reference. After the evaluation, it shall submit a request for decision to the competent authority and have it executed by the management department. The relevant matters shall be handled in accordance with the relevant operational provisions of the Company's internal control system and this processing procedure.
2. The execution unit for long-term and short-term securities investments in the Company is the finance department, while the execution units for real estate and other fixed assets are the respective user departments and related responsible units. Other assets that do not fall under securities investments, real estate, or other fixed assets can only be acquired or disposed of after evaluation by the relevant executing units.
3. The acquisition or disposal of assets is carried out in accordance with the relevant provisions of the Company's internal control system. In the event of significant violations, appropriate disciplinary actions shall be taken against the individuals involved, based on the nature of the violation.

Article 6 Decision-Making Authority

For the acquisition or disposition of assets, the chairman is authorized to make final decisions, subject to prior approval by the board of directors, except in the following circumstances:

1. For the acquisition of equipment to be used in business operations, and with a value equal to or below NT\$50 million.
2. For the acquisition of assets other than the first category, and with a value equal to or below NT\$20 million.

Article 7 Investment limit

The Company may purchase non-operational real estate or securities, subject to the following limitations: the total investment amount shall not exceed 70% of the total assets, the investment in securities shall not exceed 60% of the total assets, and the investment amount in individual securities shall not exceed 30% of the total assets.

Article 8 Standards for announcement and declaration requirements

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the designated website of the securities regulatory authority in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (A) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (B) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (A) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.

- (B) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
- (C) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these procedures need not be counted toward the transaction amount.

A public company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the designated information reporting website by the 10th day of each month.

When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

A public company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

Article 9 The deadline for announcement and declaration

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the securities regulatory authority within 2 days counting inclusively from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 10 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. If the valuation result by the professional appraiser falls into one of the following situations, except when the valuation results for asset acquisition are consistently higher than the transaction amount, or the valuation results for asset disposal are consistently lower than the transaction amount, it should be referred to an accountant for handling in accordance with Accounting Research and Development Foundation Statement of Auditing Standards No.20. The CPA should provide specific opinions on the reasons for the differences and the reasonableness of the transaction price.
 - (A) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (B) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

- Article 11 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If an accountant needs to rely on an expert report, it should be handled in accordance with Statement of Auditing Standards No.20 issued by the Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.
- Article 12 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The CPA should handle the matter in accordance with Statement of Auditing Standards No.20 issued by the Accounting Research and Development Foundation.
- Article 12-1 The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 8, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
- Article 13 Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- Article 14 Professional appraisers and their officers, CPAs, attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:
1. May not have previously received a final and unappealable sentence b to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
 2. May not be a related party or de facto related party of any party to the transaction.
 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- (1) Prior to accepting a case, the Company shall assess its own professional capabilities, practical experience, and independence.
- (2) When conducting a case, the Company shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- (3) The Company shall undertake an item-by-item evaluation of the completeness, appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- (4) The Company shall issue a statement attesting to the professional and that the Company has evaluated and found that the information used is appropriate and reasonable, and that the Company has complied with applicable laws and regulations.

Article 15 When the Company acquires or disposes of assets with related parties, in addition to following the prescribed decision-making procedures and evaluating the reasonableness of the transaction terms, if the transaction amount reaches 10% or more of the company's total assets, the company should also obtain an appraisal report from a professional appraiser or an opinion from a CPA, as stipulated in the preceding section.

The calculation of the transaction amount mentioned in the preceding paragraph should be conducted in accordance with Article 8, paragraph 2.

In determining whether a transaction counterparty is a related party, attention should be paid not only to its legal form but also to the substance of the relationship.

Article 16 Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. For any funds issued in the money market, the following information should be submitted for approval by the board of directors and acknowledgment by the Audit Committee before entering into a transaction agreement and making payments.

1. The purpose, necessity, and expected benefits of acquiring or disposing of assets.
2. The reason for choosing the affiliated enterprise as a trading counterparty.

3. Information relating to appraisal of the reasonableness of the preliminary transaction terms when acquiring real property or right-of-use assets from an affiliated enterprise in accordance with Articles 17 and Article 18 of this procedure.
4. The date and price at which the real property was originally acquired by the affiliated enterprise, the trading counterparty, and the trading counterparty's relationship with the Company and its affiliated enterprises.
5. The date and price at which the real property was originally acquired by the affiliated enterprise, the trading counterparty, and the trading counterparty's relationship with the Company and its affiliated enterprises.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Any restrictions on the transaction and other important stipulations.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 8, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the Audit Committee need not be counted toward the transaction amount.

The chairman is authorized to make prior decisions, within the limit specified in Article 6, regarding the acquisition or disposal of equipment or assets for business use between the company and its parent company, subsidiary companies, or subsidiary companies in which it directly or indirectly holds 100% of the issued shares or capital. Such transactions shall be subsequently reported to the board of directors for ratification in the most recent meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an Audit Committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the Audit Committee shall first be approved by one-half or more of all Audit Committee members and then submitted to the board of directors for a resolution. If the matter under a subparagraph of the preceding paragraph that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the directors meeting.

The term "all members of the Audit Committee" refers to the actual serving members, and the term "all directors" mentioned in the preceding paragraph refers to the actual serving directors.

If the first transaction mentioned involves a subsidiary of the Company that is not a domestic publicly traded company and the transaction amount reaches or exceeds ten percent of the total assets of the Company, the Company must submit the various items listed in the first paragraph to the shareholders' meeting for approval before entering into the transaction contract and making payment. However, this requirement does not apply to transactions between the Company and its subsidiary companies, or transactions between subsidiary companies.

The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the Audit Committee need not be counted toward the transaction amount.

Article 17 When the Company acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

When the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article, and the preceding three paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 18 When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 19. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. Where the Company acquires real property, or obtains real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 19 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the rules are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with the rules against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under the rules shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. The Audit committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

If the Company has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 20 When engaging in derivative financial product transactions, the Company should follow the "Derivative Financial Product Trading Processing Procedures" and pay attention to risk management and audit matters to implement internal control systems.

Article 21 When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

When the Company participates in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 22 A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the Financial Supervisory Commission is notified in advance of extraordinary circumstances and grants consent.

When the Company participates in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the Financial Supervisory Commission is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

Article 23 Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 24 The Company participates in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 25 The contract for participation by a public company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.

2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 26 After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 27 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 22, Article 23, and the preceding article.

Article 28 Regulations on Acquisition or Disposal of Subsidiary Assets

1. In addition to complying with its own established procedures, the acquisition or disposal of assets by a subsidiary should be conducted in accordance with the regulations set forth by the parent company.
2. For subsidiaries that are not domestic publicly traded companies and acquire or dispose of assets meeting the disclosure and reporting criteria as defined in Article 8, such matters shall be handled by the parent company for the purpose of public announcement and reporting.
3. The term "reaching 20 percent of the subsidiary's paid-in capital" or "10 percent of the total assets" in the disclosure and reporting criteria of the subsidiary refers to the paid-in capital or total assets of the parent company as the basis.

The term "subsidiary as defined by the financial reporting standards for issuers of securities" refers to the recognition based on the criteria for the preparation of financial statements.

Article 29 Effective Date

After obtaining approval from the Audit Committee and subsequently being endorsed by the board of directors, these procedures shall be implemented. It must also receive approval from the shareholders' meeting. The same applies to any amendments made. In the event that a director expresses objections and provides documented or written statements, the company shall submit the records of director objections to the Audit Committee.

These procedures were amended on 21 June 2016.

These procedures were amended on 20 June 2017.

These procedures were amended on 19 June 2019.

These procedures were amended on 22 June 2020.

These procedures were amended on 20 June 2022.

Appendix 4

UNIVERSAL MICROELECTRONICS CO., LTD.

Shareholders' Meeting Procedure Rules

- Article 1 The rules of procedures for the UNIVERSAL MICROELECTRONICS CO., LTD. 's (hereinafter referred to as the Company) shareholders meetings were formulated in accordance with Article 182-1 of the Company Act, except as otherwise provided by law or regulation, shall be as provided in these Rule.
- Article 2 The term “shareholder” as referred to in these Rules includes both the shareholders themselves and their proxies attending on their behalf. Shareholders attending the meeting are requested to bring their attendance books. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.
- Article 3 Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares.
- Article 4 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- Article 5 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairman shall designate one executive director to act as his/her proxy; if there is no executive director the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the executive directors or the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene other than the board of directors, the convening party shall chair the meeting.
- Article 6 The Company may appoint its attorneys, CPAs, or related persons retained by it to attend a shareholders' meeting.
- Article 7 The Company shall record with an audio or video tape the whole proceedings of the shareholders' meeting, and said video tape or audio tape shall be kept for at least one year.
- Article 8 When it is time to convene a shareholders' meeting, the chairman shall immediately convene the meeting, provided; however, if the shareholders present do not represent a majority of the total amount of issued shares, the chairman may postpone the meeting; provided however the postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the meeting has been postponed for two times, but the shareholders present still do not represent a majority of the total amount of issued shares, a tentative resolution may be adopted in accordance with paragraph 1 of Article 175 of the Company Act by shareholders representing one-third of the total amount of issued shares. Before the close of the said meeting if the shareholders present represent a majority of the total amount of issued shares, the chairman may present the tentative resolution so adopted to the meeting for resolution in accordance with Article 174 of the Company Act.

- Article 9 If a shareholders' meeting is called by the board of directors, the meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
- The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
- The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- Article 10 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- Article 11 A shareholder shall not speak more than two times for one motion, unless he/she has obtained the prior consent from the chairman, and each speech shall not exceed 5 minutes. If the shareholder's speech violates the aforementioned rules or exceeds the scope of the agenda item, the chair may terminate the speech. Other shareholders may also request the chairperson to take such action.
- Article 12 When a juristic person is entrusted to attend a shareholders' meeting, the juristic person may only appoint one representative to attend on his/her behalf. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 13 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 14 When the chair at a shareholders' meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.
- Article 15 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
- Article 16 When a meeting is in progress, the chair may announce a break based on time considerations. If a meeting cannot be concluded, a resolution may be passed by the shareholders' meeting to continue within five days without the need for notification or announcement.

- Article 17 Except as otherwise provided in the Company Act and the Company's Articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. During voting, if the chairperson, after seeking no objections, deems a proposal as approved, it shall have the same effect as a vote. Each shareholder is entitled to one voting right per share. Shareholders may appoint proxies to attend the shareholders' meeting on their behalf. However, unless it is a trust enterprise or a share registration and transfer agency approved by the competent authority, if one person is entrusted by two or more shareholders at the same time, the voting rights of the agent shall not exceed three percent of the total voting rights of the issued shares. Any voting rights exceeding this limit shall not be counted.
- Article 18 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 19 The chair may direct the proctors (or security personnel) to help maintain order at the meeting place.
- Article 20 In the event of a major disaster such as an air raid warning, earthquake, fire, etc., during the meeting, it shall be announced to stop or temporarily suspend the meeting, and everyone shall evacuate accordingly. After one hour from the situation's resolution, the chairperson shall announce the resumption of the meeting.
- Article 21 For matters not stipulated in these Rules, they shall be handled in accordance with the provisions of the Company Act, other relevant laws and regulations, and the Articles of Incorporation of the Company.
- Article 22 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.
- These Rules were first amended on 21 June 2016.

Appendix 5

UNIVERSAL MICROELECTRONICS CO., LTD. Shareholdings of Directors and Independent Directors

1. In accordance with Article 3, paragraph 1, subparagraph 4 of the “Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies”, the prescribed provisions shall be complied with and implemented.
2. The paid-in capital of the Company is NT\$1,273,592,000 with 127,359,200 shares issued.
3. Under Article 26 of the Securities and Exchange Act, the minimum number of shares required to be held by all directors is 8,000,000 shares.
4. The numbers of shares held by the directors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of the book closure date for that shareholders' meeting are as follows:
All directors of the Company hold shares in compliance with the statutory ownership percentage requirements.

Base date: 28 April 2023

Title	Name	Date of election/ appointment	Term	The shareholding of all directors as of the book closure date	
				Shares	%
Chairman	OU, CHENG-MING	20 June 2022	3 years	34,870,964	27.38
Director	YANG, SHANG-JU	20 June 2022	3 years	0	0
Director	HSU, KUAN-CHUN	20 June 2022	3 years	1,748,177	1.37
Juristic person	Zhao Zan Investment Co., Ltd.	20 June 2022	3 years	687,000	0.54
Representative	OU, JEN-CHIEH			0	
Juristic person	Yuan Rong Investment Co., Ltd.	20 June 2022	3 years	659,000	0.52
Representative	OU, TZU-HUEI			0	
Director	LIEN, TSUNG-FU	20 June 2022	3 years	798,146	0.63
Director	TSAI, KUO-CHI	20 June 2022	3 years	700,929	0.55
Independent director	TSOU, YEN-CHUNG	20 June 2022	3 years	0	0
Independent director	WU, TEH-CHUAN	20 June 2022	3 years	0	0
Independent director	WU, HUEI-HUANG	20 June 2022	3 years	0	0
Independent director	KO, HSIN-SUI	20 June 2022	3 years	0	0
Total				39,464,216	30.99

Appendix 6

1. The impact of the issuance of bonus shares on the Company's operating performance, earnings per share, and shareholder return is as follows:

There were no bonus shares being issued in 2022, therefore it is not applicable.



UNIVERSAL MICROELECTRONICS CO., LTD.