

UNIVERSAL MICROELECTRONICS CO., LTD.

2024 ANNUAL GENERAL SHAREHOLDERS' MEETING

MEETING HANDBOOK



Meeting Date: 26 June 2024

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 2024 Annual Meeting of Shareholder

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I. Meeting Procedure

UNIVERSAL MICROELECTRONICS CO., LTD Agenda of 2024 Annual Meeting of Shareholders

Time: 9:00 a.m. on Wednesday, 26 June 2024

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 2024 annual meeting of shareholders:

1. Call the meeting to order
2. Chairperson remarks
3. Management Presentation
 - (1) Report on the Company's 2023 operating performance
 - (2) Audit Committee's review report on the 2023 financial statement
 - (3) Report on external endorsement and guarantee of the Company
 - (4) Report on the distribution of employee and director remuneration for 2023
 - (5) Report on the amendment of the Company's "Rules of Procedure for Board of Directors Meetings"
4. Proposals
 - (1) Adoption of the Company's business report and financial statements for 2023
 - (2) Adoption of the Company's proposal of profit distribution for 2023
5. Questions and Motions
6. Adjournment

II. Management Presentation

1.

Description: Report on the Company's 2023 operating performance.

Explanation: The Company's business report has been disclosed on page 5~8 (Attachment 1) of this handbook.

2.

Description: Audit Committee's review report on the 2023 financial statement.

Explanation: The Company's financial statements for 2023 have been audited by CPAs and reviewed by the Audit Committee. The issued review report has been disclosed on page 9 (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 2023 is as follows:

The endorsed and guaranteed parties	Amount (limit)
Jialong Technology (Shenzhen) Co., Ltd.	NT\$216,350 thousand

4.

Description: Report on the distribution of employee and director remuneration for 2023.

Explanation: (1) The allocation of director remuneration for the 2023 of the Company is in accordance with the Company's Articles of Incorporation and the "Remuneration Payment Regulations for Directors and Functional Committee Members", which is distributed in cash. The individual director's remuneration distribution amount is calculated in accordance with the "Remuneration Payment Regulations for Directors and Functional Committee Members", which is distributed in cash. It is proposed to distribute director remuneration in the total amount of NT\$2,507,565. Additionally, in accordance with Article 23 of the Company's Articles of Incorporation, the distribution of director remuneration in the total amount of NT\$926,000 is based on the level of participation and the value of contribution to the Company's operations by the directors, and considers domestic industry standards.

- (2) The distribution of employee remuneration for 2023 shall be in accordance with Article 235-1 of the Company Act and Article 26 of the Company's Articles of Incorporation. The Company allocate 10% as employee remuneration in cash for a distribution amount of NT\$13,777,828.
- (3) 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 amendment of the Company's "Rules of Procedure for Board of Directors Meetings".

Explanation: According to the Letter Jin-Guan-Zheng-Fa-Zi No. 11203839965 dated 11 January 2024 from Financial Supervisory Commission, certain articles of the Company's "meeting regulations of the board of directors" has been revised. For the comparison table of the amended articles, please refer to pages 10~17 (Attachment 3) of this handbook.

III. Proposals

1. (Proposed by the board)

Description: Adoption of the Company's business report and financial statements for 2023.

Explanation: (1) For the Company's business report, please refer to page 5~8 (Attachment 1) of this handbook

(2) The Company's financial statements and consolidated statement for 2023 have been prepared and audited by the CPAs of Ernst & Young, WEN-CHEN LO and CHING-YA HUANG, who have issued a review report. For the review report, please refer to page 18~40 (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 proposal of profit distribution for 2023

Explanation: (1) The profit distribution table for 2023 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 41(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 2023. A cash dividend of NT\$0.2 per share is planned, totaling NT\$25,364,240.
- (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 2023 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. Questions and Motions

Adjournment

V. Attachment

Attachment 1

UNIVERSAL MICROELECTRONICS CO., LTD. 2023 business report

1. 2023 business report

(1) Implementation results of business plan

The increase in supply shortages of electronic materials for electromagnetic and power products has led to an increase in inventory and contributed to operational challenges in 2023. The Group's consolidated revenue decreased by 4.77% in the 2023 compared to the same period last year. As a result, the Group's consolidated net profit after tax was NT\$106,046 thousand in 2023, with a net profit attributable to the owners of the parent company of NT\$106,486thousand.

(2) Budget execution status in 2023: 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			
	2023	2022	Amount of increase (decrease)	Increase (decrease)%
Operating revenue	5,147,932	5,627,188	-479,256	-8.52%
Operating cost	4,641,034	5,070,377	-429,343	-8.47%
Gross profit	506,862	556,812	-49,950	-8.97%
Income (loss) before tax	121,493	323,300	-201,807	-62.42%
Net profit (or net loss) for the period	106,486	262,577	-156,091	-59.45%

Unit: NT\$ (thousand)

Item \ Year	Consolidated financial information for the last 2 years			
	2023	2022	Amount of increase (decrease)	Increase (decrease)%
Operating revenue	4,603,781	4,834,189	-230,408	-4.77%
Operating cost	3,918,917	3,995,500	-76,583	-1.92%
Gross profit	684,864	838,689	-153,825	-18.34%
Income (loss) before tax	130,372	328,857	-198,485	-60.36%
Net profit (or net loss) for the period	106,046	262,060	-156,014	-59.53%
Net profit attributable to owners of the parent company	106,486	262,577	-156,091	-59.45%

(4) Profitability Analysis

Individual financial analysis items		2023	2022
Return on assets (%)		2.76	5.91
Return on equity (%)		5.25	13.49
The capital adequacy ratio (%)	Net operating income (loss)	5.53	10.02
	Pre-tax income(loss)	9.54	25.38
Net profit margin (%)		2.07	4.67
Earnings per share (NT\$)		0.84	2.07

Consolidated financial analysis items		2023	2022
Return on assets (%)		2.58	5.52
Return on equity (%)		5.23	13.46
The capital adequacy ratio (%)	Net operating income (loss)	6.71	20.20
	Pre-tax income(loss)	10.23	25.82
Net profit margin (%)		2.30	5.42
Earnings per share (NT\$)		0.84	2.07

(5) Research & development status

1. In 2023, the Company and its subsidiaries collectively invested NT\$191,241 thousand in research and development, accounting for 4.15% of the consolidated operating revenue.
2. Newly developed successful technologies and products in 2023 are as follows:

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

- ① Developed the Common Mode Line Filter 13-34D series, packaged with K20S, for applications in DC power lines, buck-boost converter filter, and low-bit-rate data lines.
- ② Completed the development of the High-Current (35A) Power Inductor 22-30D series, designed on the ER25 platform, suitable for use in Automotive, DC/DC converters and inverters for noise suppression.
- ③ Successfully developed the High-Voltage Isolated Flyback Transformer 06-38D series, utilizing the ER11/5 design low-profile platform in SMD packaging. These transformers find applications in industrial automation systems, medical electronics and equipment, solar inverters, hybrid electric vehicles (HEV), and household appliance motor control.
- ④ Developed the Common Mode and Differential Mode Choke 14-34D series, packaged in EE10 platform, SMD/DIP format, compliant with UL1993 standards. These chokes are used for LED and CCFL lighting, power line input and output filters, power

electronics, ballast, and Electronic Tools, effectively suppressing common mode and differential mode noise.

- ⑤ Developed the High-Power (71W) PoE Flyback Transformer 05-38D series, based on the EFD20 design platform. These transformers are ideal for applications in high-power PoE, smart buildings, and Internet of Things (IoT).

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

- ① Completed the development of 200W 1/4 brick and 400W 1/2 brick high efficiency power modules, which are suitable for power requirements in applications, such as networking equipment/industrial control.
- ② Completed the development of 150W 1/4 brick and 12-fold voltage input range power modules, which features built-in Vbus pin meeting the requirements of EN50155 Class C2.S2 to cater to power demands in railway, industrial and networking applications.
- ③ Completed the development of 220W triple-output power supply for office machine, adopted the design of Flyback circuit architecture and enhanced extremely light-load efficiency to meet the increasingly stringent demands for standby power consumption in the market of office machine.
- ④ Completed the development of a half-digital (PFC+LLC) 250W 2"x4" AC/DC Open-Frame high-efficiency products, which is compliant with standards, such as IEC60335-1, IEC6238-1, and medical safety standard IEC60601-1, etc.
- ⑤ Completed the development of 400W~800W smart chargers, which is compliant with the UL1236 charging standards, IP68 waterproof, remote, Bluetooth and suitable for the demand of advanced applications, such as marine environments, vessels, and recreational vehicles.
- ⑥ Completed the development of SSI 400W products and adopted digital programmable design, to provide more power control functions for system integration and increase the added value for networking customer systems.

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

- ① The development of 60GHz low-power and low-cost radar has been completed and successfully integrated into radar detection in original equipment manufacturer DVRs in Asian automotive factories, and successful verification will lead to small-scale production starting in 2024.
- ② UN R151 BSIS radar and bicycle rear warning radar began small-scale shipments in 2023 and will be shipped gradually starting in the first quarter of 2024.
- ③ The preliminary development of 77GHz low-power and low-cost radar has been successful, and it will be integrated in UN R151 BSIS radar and bicycle rear warning

radar in 2024.

(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, type-C, ALT mode transceiver for image transmission, HDMI 2.1, DisplayPort (DP), KVM, and others.

Chairman: OU, CHENG-MING

Manager: OU, CHENG-MING

Accounting supervisor: HSUEH, CHING-YI

Attachment 2

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

The board of directors has prepared the Company's 2023 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, CHING-YA, 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.
2024 Annual Shareholders' Meeting

UNIVERSAL MICROELECTRONICS CO., LTD.
Chairman of the Audit Committee: TSOU, YEN-CHUNG
12 March 2024

Attachment 3

UNIVERSAL MICROELECTRONICS CO., LTD.

Comparison table for Rules of Procedure for Board of Directors Meetings before and after amendment

After amendment	Before amendment	Explanation
<p>Article 3 (Convening and notice of board meetings) A board of directors of the Company shall meet <u>at least</u> quarterly. The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice of board meetings may be effected by means of writing, electronic E-mail, or fax transmission. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</p>	<p>Article 3 (Convening and notice of board meetings) The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice of board meetings may be effected by means of writing, E-mail, or fax transmission. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</p>	<p>Stipulate to convene the board meetings quarterly.</p>
<p>Article 8 (Reference materials, non-voting participants, and holding board meetings) When a board meeting is held, the Finance Department shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place. If one-half of all the directors are not in attendance at the appointed meeting</p>	<p>Article 8 (Reference materials, non-voting participants, and holding board meetings) When a board meeting is held, the Finance Department shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place. If one-half of all the directors are not in attendance at the appointed meeting</p>	<p>To avoid disputes arising from the uncertainty of extending the duration of the board meeting, it is stipulated that in the event of insufficient attendance, the chairman may declare a deadline for adjournment limited to the same day.</p>

After amendment	Before amendment	Explanation
<p>time, the chair may announce postponement <u>on the same day</u>, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.</p> <p>The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.</p>	<p>time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.</p> <p>The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.</p>	
<p>Article 11 (Discussion of proposals) A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 7, paragraph 3 shall apply mutatis mutandis. <u>During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 7, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.</u></p>	<p>Article 11 (Discussion of proposals) A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.</p>	<p>In consideration of practicality, to ensure the smooth operation of the board meeting, in the event that the chairman is unable to preside over the meeting or fails to adjourn the meeting as prescribed during the course of the board meeting, Paragraph 4 is added.</p>
<p>Article 12 (Matters requiring discussion at a board meeting) The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <p>1. The Corporation's business plan.</p>	<p>Article 12 (Matters requiring discussion at a board meeting) The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <p>1. The Corporation's business plan.</p>	<p>Add Paragraph 6 and adjust the numbering.</p>

After amendment	Before amendment	Explanation
<p>2. Annual and semi-annual financial reports.</p> <p>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.</p> <p>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. <u>If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u></p> <p>7. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 8 of the preceding</p>	<p>2. Annual and semi-annual financial reports.</p> <p>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.</p> <p>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means</p>	

After amendment	Before amendment	Explanation
<p>paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.) The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. If a company has an independent director or directors, at least one independent director of this Corporation shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that</p>	<p>an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.) The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. If a company has an independent director or directors, at least one independent director of this Corporation shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	

After amendment	Before amendment	Explanation
<p>director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>		
<p>Article 13 (Voting—I) When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved, with the same effect as a passed vote. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote. One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:</p> <ol style="list-style-type: none"> 1. A show of hands or a vote by voting machine. 2. A roll call vote. 3. A vote by ballot. 4. A vote by a method selected at this Corporation's discretion. <p>"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.</p>	<p>Article 13 (Voting—I) When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved, with the same effect as a passed vote. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote. One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:</p> <ol style="list-style-type: none"> 1. A show of hands or a vote by voting machine. 2. A roll call vote. 3. A vote by ballot. 4. A vote by a method selected at this Corporation's discretion. <p>"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 16, paragraph 1.</p>	<p>Amend the referenced article number.</p>
<p>Article 16 (Meeting minutes and sign-in matters) Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> 1. The meeting session (or year) and the time and place of the meeting. 2. The name of the chair. 	<p>Article 16 (Meeting minutes and sign-in matters) Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> 1. The meeting session (or year) and the time and place of the meeting. 2. The name of the chair. 	<p>Minor text revisions.</p>

After amendment	Before amendment	Explanation
<p>3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.</p> <p>4. The names and titles of those attending the meeting as non-voting participants.</p> <p>5. The name of the minute taker.</p> <p>6. The matters reported at the meeting.</p> <p>7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.</p> <p>8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the</p>	<p>3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.</p> <p>4. The names and titles of those attending the meeting as non-voting participants.</p> <p>5. The name of the minute taker.</p> <p>6. The matters reported at the meeting.</p> <p>7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.</p> <p>8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the</p>	

After amendment	Before amendment	Explanation
<p>reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>9. <u>Other matters required to be recorded.</u></p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the competent authority, within 2 days from the date of the meeting:</p> <ol style="list-style-type: none"> 1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement. 2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of this Corporation. <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and permanently and appropriately preserved during the existence of this Corporation.</p> <p>The meeting minutes of paragraph 1 may produced and distributed in electronic form.</p>	<p>reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the competent authority, within 2 days from the date of the meeting:</p> <ol style="list-style-type: none"> 1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement. 2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of this Corporation. <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and permanently and appropriately preserved during the existence of this Corporation.</p> <p>The meeting minutes of paragraph 1 may produced and distributed in electronic form.</p>	
<p>Article 18(Supplementary provisions) The enactment and amendment of these Rules shall of take effect after having</p>	<p>Article 18(Supplementary provisions) The enactment and amendment of these Rules shall of take effect after having</p>	<p>Delete the submission of shareholder's</p>

After amendment	Before amendment	Explanation
<p>been approved by a meeting of the board of directors and shall be reported to the shareholders meeting.</p> <p>Amendment date is 26 March 2014. Amendment date is 1 August 2017. Amendment date is 17 March 2020. Amendment date is 12 March 2024.</p>	<p>been approved by a meeting of the board of directors and shall be reported to the shareholders meeting.</p> <p>Amendment date is 26 March 2014. Amendment date is 1 August 2017. Amendment date is 17 March 2020.</p>	<p>meeting reports and add the amendment date of this amendment.</p>

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 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, 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 2023 and 2022, and its financial performance and cash flows for the years ended 31 December 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries 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 and the report(s) of the other auditors, 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 2023 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 2023, gross accounts receivable and loss allowance by the Company amounted to NT\$986,782 thousand and NT\$1,910 thousand, respectively. Net accounts receivable accounted for 21 % 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 determining appropriate aging intervals 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. 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 2023 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, Ching Ya

Ernst & Young, Taiwan

12 March 2024

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 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2023	2022
Current assets			
Cash and cash equivalents	4,6(1)	\$443,592	\$344,047
Current financial assets at fair value through profit or loss	4,6(2)	\$3,177	\$ -
Notes receivable, net	4,7	454	11,741
Accounts receivable, net	4,6(3)	550,835	836,144
Accounts receivable due from related parties, net	4,6(3),7	434,037	384,916
Other receivables	4	12,456	20,520
Other receivable due from related parties, net	4,7	207,306	340,527
Current inventories	4,6(4)	1,255,009	1,344,998
Prepayments	7	126,889	87,195
Other current assets	4,6(5)	35,593	207,917
Total current assets		3,069,348	3,578,005
Non-current assets			
Non-current financial assets at fair value through other comprehensive income	4,6(6)	201,649	287,274
Investments accounted for using equity method	4,6(7)	407,973	471,728
Property, plant and equipment	4,6(8)	513,888	505,165
Right-of-use assets	4,6(18)	1,001	2,948
Investment property, net	4,6(9)	102,778	103,254
Intangible assets	4	12,062	6,714
Deferred tax assets	4,6(22)	45,552	40,755
Other non-current assets	7	287,779	147,299
Total non-current assets		1,572,682	1,565,137
Total assets		\$4,642,030	\$5,143,142

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD.
 PARENT COMPANY ONLY BALANCE SHEETS
 31 December 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of 31 December	
		2023	2022
Current liabilities			
Current borrowings	4,6(10)	\$228,000	\$240,800
Short-term notes and bills payable	4,6(11)	79,944	44,945
Current financial liabilities at fair value through profit or loss	4,6(2)	-	957
Current contract liabilities	6(16)	59,291	228,452
Accounts payable		554,451	635,193
Other payables	6(12),7	165,404	173,380
Current tax liabilities	4	39,703	66,073
Current lease liabilities	4,6(18)	826	2,263
Long-term borrowings, current portion	4,6(13)	513,310	844,877
Other current liabilities, others		20,002	10,500
Total current liabilities		<u>1,660,931</u>	<u>2,247,440</u>
Non-current liabilities			
Non-current portion of non-current borrowings	4,6(13)	912,432	809,295
Non-current lease liabilities	4,6(18)	189	721
Net defined benefit liability, non-current	4,6(14)	49,434	47,707
Other non-current liabilities, others		1,015	2,239
Total non-current liabilities		<u>963,070</u>	<u>859,962</u>
Total liabilities		<u>2,624,001</u>	<u>3,107,402</u>
Equity			
	4,6(15)		
Share capital			
Ordinary share		1,273,592	1,273,592
Capital surplus		373,076	373,076
Retained earnings			
Legal reserve		48,839	11,494
Special reserve		332,604	135,032
Unappropriated retained earnings		349,167	581,301
Total retained earnings		<u>730,610</u>	<u>727,827</u>
Other equity interest		(353,098)	(332,604)
Treasury shares		(6,151)	(6,151)
Total equity		<u>2,018,029</u>	<u>2,035,740</u>
Total liabilities and equity		<u>\$4,642,030</u>	<u>\$5,143,142</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 COMPREHENSIVE INCOME
 For the years ended 31 December 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December	
		2023	2022
Operating revenue	4,6(16),7	\$5,147,932	\$5,627,188
Operating costs	4,6(19),7	(4,641,034)	(5,070,377)
Gross profit from operations		\$506,898	\$556,811
Unrealized profit (loss) from sales		(140)	(104)
Realized profit (loss) on from sales		104	105
Gross profit from operations		\$506,862	\$556,812
Operating expenses	4,6(19),7		
Selling expenses		(80,812)	(80,262)
Administrative expenses		(154,683)	(154,969)
Research and development expenses		(201,076)	(193,747)
Impairment loss (impairment gain and reversal of impairment loss)	6(17)	83	(282)
Total operating expenses		(436,488)	(429,260)
Net operating income		70,374	127,552
Non-operating income and expenses	4,6(20),7		
Interest income		10,313	9,770
Other income		20,678	15,907
Other gains and losses		8,504	155,916
Finance costs		(35,557)	(32,597)
Share of profit (loss) of associates and joint ventures accounted for using equity method	4,6(7)	47,181	46,752
Total non-operating income and expenses		51,119	195,748
Profit from continuing operations before tax		121,493	323,300
Tax expense	4,6(22)	(15,007)	(60,723)
Profit		106,486	262,577
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		(3,256)	13,519
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(55,183)	(115,163)
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		124	(77)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		10,073	3,597
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation		(15,680)	13,090
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		3,136	(1,658)
Total other comprehensive income		(60,786)	(86,692)
Total comprehensive income		\$45,700	\$175,885
Earnings per share (NTD)			
Basic earnings per share	6(23)	\$0.84	\$2.07
Diluted earnings per share		\$0.84	\$2.06

(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 2023 and 2022
(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	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 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	\$1,273,592	\$373,076	\$11,494	\$135,032	\$581,301	\$(18,632)	\$(313,972)	\$(6,151)	\$2,035,740
Balance as of 1 January 2023	\$1,273,592	\$373,076	\$11,494	\$135,032	\$581,301	\$(18,632)	\$(313,972)	\$(6,151)	\$2,035,740
Appropriation and distribution of 2022 retained earnings									
Legal reserve appropriated			37,345		(37,345)				-
Special reserve appropriated				197,572	(197,572)				-
Cash dividends of ordinary share					(63,411)				(63,411)
Profit in 2023					106,486				106,486
Other comprehensive income in 2023					(2,605)	(12,544)	(45,637)		(60,786)
Total comprehensive income	-	-	-	-	103,881	(12,544)	(45,637)	-	45,700
Others					(37,687)		37,687		-
Balance as of 31 December 2023	\$1,273,592	\$373,076	\$48,839	\$332,604	\$349,167	\$(31,176)	\$(321,922)	\$(6,151)	\$2,018,029

(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 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2023	2022
Cash flows from operating activities:		
Profit from continuing operations before tax	\$121,493	\$323,300
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	63,399	61,097
Amortization expense	12,109	8,694
Expected credit loss (gain)	(83)	282
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(922)	957
Interest expense	35,557	32,597
Interest income	(10,313)	(9,770)
Dividend income	(3,113)	(2,700)
Share of profit of associates and joint ventures accounted for using equity method	(47,181)	(46,752)
Gain on disposal of property, plan and equipment	(8)	-
Loss on disposal of investments	10,274	9,662
Unrealized profit from sales	140	104
Realized profit on from sales	(104)	(105)
Others	-	(1,631)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	11,287	(8,525)
Decrease in accounts receivable	236,271	19,206
Decrease (increase) in other receivable	141,310	(50,990)
Decrease (increase) in inventories	89,989	(508,072)
(Increase) decrease in prepayments	(39,694)	8,264
(Increase) decrease in other current assets	(263)	6,920
(Decrease) Increase in contract liabilities	(169,161)	137,615
(Decrease) Increase in accounts payable	(80,742)	169,901
(Decrease) Increase in other payable	(7,940)	51,259
Increase (decrease) in other current liabilities	9,502	(2,906)
Decrease in net defined benefit liability	(1,529)	(1,642)
Cash inflow generated from operations	370,278	196,765
Interest received	10,288	9,881
Dividends received	3,113	8,897
Interest paid	(35,593)	(32,289)
Income taxes paid	(32,965)	(8,054)
Net cash flows from (used in) operating activities	315,121	175,200

(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 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(22,400)	(19,600)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	151,795
Acquisition of financial assets at fair value through profit or loss	(3,212)	-
Proceeds from capital reduction of investments accounted for using equity method	233,743	102,838
Acquisition of property, plant and equipment	(70,609)	(67,674)
Proceeds from disposal of property, plant and equipment	1,238	-
Acquisition of intangible assets	(13,729)	(7,221)
(Increase) decrease in other financial assets	172,587	(207,599)
Increase in other non-current assets	(240,039)	(41,646)
Net cash flows (used in) from investing activities	57,579	(89,107)
Cash flows from financing activities:		
Increase in short-term loans	(12,800)	41,274
(Decrease) increase in short-term notes and bills payable	34,999	(35,026)
Proceeds from long-term debt	973,585	752,200
Repayments of long-term debt	(1,202,015)	(790,270)
Payments of lease liabilities	(2,289)	(1,984)
Decrease in other non-current liabilities	(1,224)	(1,330)
Cash dividend distribution	(63,411)	-
Net cash used in financing activities	(273,155)	(35,136)
Net increase (decrease) in cash and cash equivalents	99,545	50,957
Cash and cash equivalents at beginning of period	344,047	293,090
Cash and cash equivalents at end of period	\$443,592	\$344,047

(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 2023 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

12 March 2024

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 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, 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 2023 and 2022, and their consolidated financial performance and cash flows for the years ended 31 December 2023 and 2022, 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries 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 and the report(s) of the other auditors, 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 2023 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 2023, gross accounts receivable and loss allowance by the Group amounted to NT\$565,120 thousand and NT\$1,910 thousand, respectively. Net accounts receivable accounted for 12% 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 determining appropriate aging intervals 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. 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 2023, the Group's net inventories amounted to NT\$1,822,672 thousand. Net inventories accounted for 38% 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 2023 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 2023 and 2022.

Lo, Wen Chen

Huang, Ching Ya

Ernst & Young, Taiwan

12 March 2024

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.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 31 December 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2023	2022
Current assets			
Cash and cash equivalents	4,6(1)	\$723,930	\$627,056
Current financial assets at fair value through profit or loss	4,6(2)	38,085	25,951
Notes receivable, net	4,7	454	11,741
Accounts receivable, net	4,6(3),(19)	562,730	853,044
Accounts receivable due from related parties, net	4,6(3),(19),7	480	85
Other receivables		15,976	26,539
Current tax assets		135	125
Current inventories	4,6(4)	1,822,672	2,054,312
Prepayments	4	20,593	33,409
Other current assets	4,6(5),8	52,332	212,142
Total current assets		3,237,387	3,844,404
Non-current assets			
Non-current financial assets at fair value through other comprehensive income	4,6(6)	204,319	289,820
Investments accounted for using equity method	4,6(7)	67,266	13,272
Property, plant and equipment	4,6(8),8	1,016,493	1,099,984
Right-of-use assets	4,6(20)	57,685	67,144
Investment property, net	4,6(9),8	116,167	86,096
Intangible assets	4	16,092	10,865
Deferred tax assets	4,6(24)	45,552	40,755
Other non-current assets	6(10)	88,048	92,309
Total non-current assets		1,611,622	1,700,245
Total assets		\$4,849,009	\$5,544,649

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 UNIVERSAL MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS(Continued)
 31 December 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

Liabilities and equity	Notes	As of 31 December	
		2023	2022
Current liabilities			
Current borrowings	4,6(11)	\$228,000	\$240,800
Short-term notes and bills payable	4,6(12)	79,944	44,945
Current financial liabilities at fair value through profit or loss	4,6(13)	0	957
Current contract liabilities	6(18)	60,207	230,903
Notes payable		513	525
Accounts payable		686,525	941,099
Other payables	6(14)	220,910	242,589
Current tax liabilities	4	40,959	68,420
Current lease liabilities	4,6(20)	6,604	6,721
Long-term borrowings, current portion	4,6(15)	513,310	844,877
Other current liabilities, others		20,756	13,396
Total current liabilities		<u>1,857,728</u>	<u>2,635,232</u>
Non-current liabilities			
Non-current portion of non-current borrowings	4,6(15)	912,432	809,295
Non-current lease liabilities	4,6(20)	6,298	8,513
Net defined benefit liability, non-current	4,6(16)	49,434	47,707
Other non-current liabilities, others		4,461	7,095
Total non-current liabilities		<u>972,625</u>	<u>872,610</u>
Total liabilities		<u>2,830,353</u>	<u>3,507,842</u>
Equity	4,6(17)		
Equity attributable to owners of parent			
Share capital			
Ordinary share		1,273,592	1,273,592
Capital surplus		373,076	373,076
Retained earnings			
Legal reserve		48,839	11,494
Special reserve		332,604	135,032
Unappropriated retained earnings		349,167	581,301
Total retained earnings		<u>730,610</u>	<u>727,827</u>
Other equity interest		(353,098)	(332,604)
Treasury shares		(6,151)	(6,151)
Total equity attributable to owners of parent		<u>2,018,029</u>	<u>2,035,740</u>
Non-controlling interests		627	1,067
Total equity		<u>2,018,656</u>	<u>2,036,807</u>
Total liabilities and equity		<u>\$4,849,009</u>	<u>\$5,544,649</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 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December	
		2023	2022
Operating revenue	4,6(18),7	\$4,603,781	\$4,834,189
Operating costs	4,6(21)	(3,918,917)	(3,995,500)
Gross profit from operations		684,864	838,689
Operating expenses	6(21),7		
Selling expenses		(101,159)	(114,386)
Administrative expenses		(306,993)	(282,532)
Research and development expenses		(191,241)	(183,734)
Impairment loss (impairment gain and reversal of impairment loss)	4,6(19)	83	(672)
Total operating expenses		(599,310)	(581,324)
Net operating income		85,554	257,365
Non-operating income and expenses	4,6(22)		
Interest income		11,725	6,009
Other income		67,070	50,187
Other gains and losses		501	52,157
Finance costs		(35,630)	(33,824)
Share of profit (loss) of associates and joint ventures accounted for using equity method	4,6(7)	1,152	(3,037)
Total non-operating income and expenses		44,818	71,492
Profit from continuing operations before tax		130,372	328,857
Tax expense	4,6(24)	(24,326)	(66,797)
Profit		106,046	262,060
Other comprehensive income	4,6(23)		
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on remeasurements of defined benefit plans		(3,256)	13,519
Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income		(55,059)	(115,240)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		10,073	3,597
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation		(15,680)	13,090
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		3,136	(1,658)
Total other comprehensive income		(60,786)	(86,692)
Total comprehensive income		\$45,260	\$175,368
Profit, attributable to:			
Profit, attributable to owners of parent		\$106,486	\$262,577
Profit, attributable to non-controlling interests		(440)	(517)
		\$106,046	\$262,060
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		\$45,700	\$175,885
Comprehensive income, attributable to non-controlling interests		(440)	(517)
		\$45,260	\$175,368
Earnings per share (NTD)	6(25)		
Basic earnings per share		\$0.84	\$2.07
Diluted earnings per share		\$0.84	\$2.06

(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 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Retained earnings					Other equity interest			Total equity attributable to owners of parent	Non-controlling interests	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	Treasury shares			
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	<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>	<u>\$1,067</u>	<u>\$2,036,807</u>
Balance as of 1 January 2023	\$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
Appropriation and distribution of 2022 retained earnings											
Legal reserve appropriated			37,345		(37,345)				-		-
Reversal of special reserve				\$197,572	(197,572)				-		-
Cash dividends of ordinary share					(63,411)				(63,411)		(63,411)
Profit in 2023					106,486				106,486	(440)	106,046
Other comprehensive income in 2023					(2,605)	(12,544)	(45,637)		(60,786)	-	(60,786)
Total comprehensive income	-	-	-	-	103,881	(12,544)	(45,637)	-	45,700	(440)	45,260
Others					(37,687)		37,687		-		-
Balance as of 31 December 2023	<u>\$1,273,592</u>	<u>\$373,076</u>	<u>\$48,839</u>	<u>\$332,604</u>	<u>\$349,167</u>	<u>\$(31,176)</u>	<u>\$(321,922)</u>	<u>\$(6,151)</u>	<u>\$2,018,029</u>	<u>\$627</u>	<u>\$2,018,656</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 CASH FLOWS
 For the years ended 31 December 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2023	2022
Cash flows from operating activities:		
Profit from continuing operations before tax	\$130,372	\$328,857
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	147,836	152,405
Amortization expense	23,898	22,059
Expected credit (gain) loss	(83)	672
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(9,879)	7,251
Interest expense	35,630	33,824
Interest income	(11,725)	(6,009)
Dividend income	(4,905)	(4,334)
Share of (gain) loss of associates and joint ventures accounted for using equity method	(1,152)	3,037
Gain on disposal of property, plan and equipment	(2,976)	(839)
Loss on disposal of intangible assets	-	438
Others	(6)	-
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	11,287	(8,525)
Decrease (increase) in accounts receivable	290,002	(144,083)
Decrease (increase) in other receivable	10,385	(8,135)
Decrease (increase) in inventories	231,640	(514,499)
Decrease in prepayments	12,816	6,657
(Increase) decrease in other current assets	(12,811)	8,107
(Decrease) increase in contract liabilities	(170,696)	139,118
Decrease in notes payable	(12)	(1,053)
(Decrease) increase in accounts payable	(254,574)	268,828
(Decrease) increase in payable	(21,643)	48,085
Increase (decrease) in other current liabilities	7,360	(941)
Decrease in net defined benefit liability	(1,529)	(1,642)
Cash inflow generated from operations	409,235	329,278
Interest received	11,903	5,746
Dividends received	4,905	4,334
Interest paid	(35,666)	(33,516)
Income taxes paid	(43,427)	(11,532)
Net cash flows from (used in) operating activities	346,950	294,310

(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 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(22,400)	(19,600)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	151,797
Acquisition of financial assets at amortised cost	(15,570)	-
Proceeds from repayments of financial assets at amortised cost	15,570	13,840
Acquisition of financial assets at fair value through profit or loss	(3,212)	-
Acquisition of property, plant and equipment	(106,496)	(75,434)
Proceeds from disposal of property, plant and equipment	4,388	1,799
Acquisition of intangible assets	(15,056)	(7,222)
(Increase) decrease in other financial assets	172,621	(208,933)
Increase in other non-current assets	(9,960)	(51,350)
Net cash flows used in investing activities	<u>19,885</u>	<u>(195,103)</u>
Cash flows from financing activities:		
(Decrease) increase in short-term loans	(12,800)	41,274
Increase (decrease) in short-term notes and bills payable	34,999	(35,026)
Proceeds from long-term debt	973,585	752,200
Repayments of long-term debt	(1,202,015)	(790,270)
Payments of lease liabilities	(8,666)	(8,543)
Decrease in other non-current liabilities	(2,634)	(1,278)
Cash dividend distribution	(63,411)	-
Net cash outflows used in financing activities	<u>(280,942)</u>	<u>(41,643)</u>
Effect of exchange rate changes on cash and cash equivalents	10,981	(12,240)
Net increase in cash and cash equivalents	96,874	45,324
Cash and cash equivalents at beginning of period	627,056	581,732
Cash and cash equivalents at end of period	<u>\$723,930</u>	<u>\$627,056</u>

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

UNIVERSAL MICROELECTRONICS CO., LTD.

2023 Profit Distribution Table

Unit: NT\$

Items	Amount	
	Subtotal	Total
Unappropriated retained earnings		282,972,303
Add: Other comprehensive income (recognize the remeasurements of defined benefit plans in retained earnings)	-2,604,908	
Add: 2023 net profit after tax	106,486,022	
Add: Disposal of equity instruments measured at fair value through other comprehensive income	<u>-37,687,031</u>	<u>66,194,083</u>
Total		349,166,386
Appropriated items:		
Less: Appropriation of legal reserves	-6,619,408	
Less: Appropriation of special reserves	-20,494,015	<u>-27,113,423</u>
Accumulative Distributable net profit		322,052,963
Distributable items:		
Less: Cash dividends on common shares - Distribution of NT\$0.2 per share		<u>-25,364,240</u>
Unappropriated retained earnings		296,688,723

Note: 2023 profit is distributed with priority.

VI. 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 depository 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. Rules of Procedure for Board of Directors Meetings

Article 1 (Basis for the adoption of these Rules)

To establish a strong governance system and sound supervisory capabilities for this Corporation's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 (Scope of these Rules)

To establish a strong governance system and sound supervisory capabilities for this Corporation's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 3 (Convening and notice of board meetings)

The board of directors shall meet at least quarterly.

A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

The notice of board meetings may be effected by means of writing, E-mail, or fax transmission. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4 (Meeting notification and meeting materials)

The designated unit responsible for the board meetings of this Corporation shall be the Finance Department.

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5 (Preparation of attendance book and other documents; attendance by proxy)

When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with this Corporation's articles of incorporation. Attendance by videoconference will be deemed attendance in person.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6 (Principles for determining the place and time of a board meeting)

A board meeting shall be held at the premises and during the business hours of this Corporation, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7 (Chair and acting chair of a board meeting)

Board meetings are convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

Where a board meeting is convened by a majority of the directors in accordance with Article 203, paragraph 4 or Article 203,-1, paragraph 3 of the Company Act, the directors shall select from among themselves one director to serve as chair.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, by a managing director designated by the chairperson, or, if the chairperson does not make such a designation, by a director elected by and from among themselves.

Article 8 (Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, the management (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9 (Documentation of a board meeting by audio or video)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of this Corporation.

Article 10 (Agenda items)

Agenda items for regular board meetings of this Corporation shall include at least the following:

1. Matters to be reported:
 - Minutes of the last meeting and action taken.
 - Important financial and business matters.
 - Internal audit activities.
 - Other important matters to be reported.
2. Matters for discussions:
 - Items for continued discussion from the last meeting.
 - Items for discussion at this meeting.
3. Extraordinary motions.

Article 11 (Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply *mutatis mutandis*.

Article 12 (Matters requiring discussion at a board meeting)

The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:

1. The Corporation's business plan.
2. Annual and semi-annual financial reports.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted

to the following board of directors meeting for retroactive recognition.

8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.)

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director of this Corporation shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 13 (Voting—I)

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved, with the same effect as a passed vote. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at this Corporation's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 16, paragraph 1.

Article 14 (Voting—II and methods for vote monitoring and counting)

Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

When there is an amendment or 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. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 15 (Recusal system for directors)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

A director is deemed to be an interested party with respect to an aforementioned agenda item in respect of which its spouse or a blood relative within the second degree of kinship, or a company with a controlling or subordinate relation with the director, is an interested party.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.

Article 16 (Meeting minutes and sign-in matters)

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing

objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.

8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the competent authority, within 2 days from the date of the meeting:

1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of this Corporation.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Corporation.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

Article 17 (Principles with respect to the delegation of powers by the board)

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints the chairman to exercise the powers of the board in accordance with applicable laws and regulations or this Corporation's articles of incorporation, the content of such delegation carried out in accordance with the principles below:

1. In accordance with the company's authority matrix.
2. In accordance with the company's management regulations, policies, and procedures.
3. The appointment of directors and supervisors of the investees.
4. The base date of capital increase or decrease and cash dividend distributions.

Article 18 (Supplementary provisions)

The enactment and amendment of these Rules shall take effect after having been approved by a meeting of the board of directors and shall be reported to the shareholders meeting.

Amendment date is 26 March 2014.

Amendment date is 1 August 2017.

Amendment date is 17 March 2020.

Appendix 3

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 4

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 2024

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. Representative: OU, JEN-CHIEH	20 June 2022	3 years	687,000	0.54
Juristic person	Yuan Rong Investment Co., Ltd. Representative: OU, TZU-HUEI	20 June 2022	3 years	659,000	0.52
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.