

Stock code:1325



UNIVERSAL INCORPORATION

**2023 Annual Shareholders' Meeting**

Meeting Handbook

June 27, 2023

**Notice to readers**

*This English-version meeting handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

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# **Universal Incorporation**

## **2023 Annual Shareholders' Meeting Procedure**

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Matters for Ratification
5. Election Items
6. Discussion Items
7. Provisional Motion
8. Meeting Adjourned

# Universal Incorporation

## 2023 Shareholder's Meeting Agenda

Type of Meeting: Physical Meeting

Time: 09:00 a.m. on Tuesday, June 27, 2023

Place: First meeting room, 3F., No. 350, Songjiang Rd., Zhongshan Dist., Taipei City  
(Importers and Exporters Association of Taipei)

### 1. Report Items :

- 1.1 2022 Business Report
- 1.2 2022 Audit Committee's Review Report.
- 1.3 Distribution of Remuneration to Employees and Directors in 2022.
- 1.4 Distribution of Cash Dividend in 2022.

### 2. Matters for Ratification :

- 2.1 Ratification of 2022 business report and financial statements
- 2.2 Ratification of 2022 earnings distribution proposal

### 3. Election Item :

- 3.1 Election of the company's 21<sup>st</sup> term directors (including independent directors).

### 4. Discussion Items :

- 4.1 Release of non-competition restrictions on directors
- 4.2 Amendments to the Articles of Incorporation.

### 5. Provisional Motion :

### 6. Meeting Adjourned :

## 1. Report Items

First case:

2022 Business Report

Explanation : 2022 Business Report, please refer to pages 8~11 of the Business Report as Attachment 1

Second case:

2022 audit committee's review report

Explanation :

1. 2022 Business report and Financial statements, audited by accountant and Audit Committee to provide audit report respectively.
2. Ask the Audit Committee to read the audit report. Please refer to pages 12 of the Audit Committee's Review Report as Attachment 2.

Third case:

Distribution of Remuneration to Employees and Directors in 2022

Explanation :

The Board of Directors have approved the distribution of Employee remuneration of NT\$118,657 and directors remuneration of NT\$47,463 on March 24, 2023, as below:

1. The Company's profit in 2022 (i.e., the profit before tax at that year before deducting the compensation of employees and directors) is NT\$23,731,347.(i.e., Net profit before tax after deducting compensation is NT\$23,565,227 and add back employee's remuneration NT\$118,657 and directors' remuneration NT\$47,463 in the financial statement).
2. According to Articles of Incorporation, the company can distribute some bonus of profits, allocate 0.5% to 5% for employee's remuneration and no higher than 2.5% for directors' remuneration.
3. According to Articles of Incorporation, the company allocates 0.5% of profit for employee's remuneration, NT\$118,657 and 0.2% of profit for directors' remuneration, NT\$47,463.
4. The employee's remuneration and directors' remuneration are all paid in cash.

Forth case :

Distribution of Cash Dividend in 2022

Explanation :

1. On March 24, 2023, the Company's profit distribution of 2022 has been approved by the Board of Directors. The resolution was NT\$0.5 per share in cash, the total amount is NT\$42,640,599, cash dividend distribution as below:

The company's profit after tax in 2022 is NT\$16,580,450, and appropriate 10% as legal reserve NT\$1,658,045, and after distribute the special reserve NT\$5,390,526, the distributable surplus is NT\$1,335,051,703, the Board of Directors approve to distribute dividends and bonuses total NT\$0.5 per share in cash, total amount of shareholder's cash dividend is NT\$42,640,599 which belong surplus of 2022 is NT\$9,531,879 and undistributed surplus of 1998 to 2021 is NT\$33,108,720.

Cash dividends will be distributed up to Yuan (rounded down below yuan), the total fractional amount shall be included in the capital surplus of the company.

## 2. Matters for Ratification

First case :

Ratification of 2022 business report and financial statements (Proposed by the Board of Directors)

Explanation :

- 1.All financial statements of 2022, including balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement, were audited by Hsueh, Chun Ming & Chang, Chun Yi of Deloitte & Touche Tohmatsu Limited and provide audit report with unmodified opinion.

- 2.The above financial statements and business report were passed by the Board of Directors and completed audit by Audit Committee. Regarding to business report, please refer to pages 8-11 as Attachment 1, Regarding to independent auditors' report and financial statements, please refer to pages 13-32 as Attachment 3 and 4.

Resolution:

Second case :

Ratification of 2022 earnings distribution proposal (Proposed by the Board of Directors)

Explanation :

- 1.The company's distributable earnings are explained as follows: unappropriated earnings of beginning of 2022 was NT\$1,325,519,824 and add profit after tax is NT\$16,580,450 in 2022, appropriate 10% as legal reserve NT\$1,658,045 and

because the total amount of other equity items of shareholders' equity was minus, increase the provision of special reserve NT\$5,390,526 in accordance with regulations, total available for distribution surplus is NT\$1,335,051,703

2.The proposal for the earnings distribution of the 2022 according to Articles of Incorporation, distribute dividends and bonuses total NT\$0.5 per share in cash, total amount of shareholder's cash dividend is NT\$42,640,599, which belong surplus of 2022 is NT\$9,531,879 and undistributed surplus of 1998 to 2021 is NT\$33,108,720.

Cash dividends will be distributed up to Yuan (rounded down below yuan), the total fractional amount shall be included in the capital surplus of the company.

3.Regarding 2022 Earnings Distribution Table, please refer to pages 33 as Attachment 5.

Resolution:

### 3.Election Item

First case:

Election of the company's 21st term directors (including independent directors).  
(Proposed by the Board of Directors)

Explanation :

- 1.The company's 20<sup>th</sup> term directors (including independent directors) will expire in June 14, 2023. The 21<sup>st</sup> term directors will be elected (including independent directors) at shareholders' meeting in 2023. The 20<sup>th</sup> term directors extended until June 27, 2023, dismissal after election of new directors (including independent directors) by the shareholders' meeting.
- 2.Regarding to Articles of Incorporation, the 21<sup>st</sup> term will be elected seven directors (including four independent directors) at shareholders' meeting in 2023. The tenure of newly elected Directors shall be 3 years, commencing on June 27, 2023 and expiring on June 26, 2026.
- 3.The Directors (including independent directors) shall be elected by adopting candidates' nomination according to Article 192-1 of the Company Act. The Directors and Independent Directors shall be elected from the nominated candidates at shareholders' meeting.
- 4.The 21<sup>st</sup> term list of Directors and Independent Directors nominated candidates,

please refer to pages 34 as Attachment 6.

5.This case was passed by the 19th and 20th meetings in the 20<sup>th</sup> term Board of Directors.

Election results

#### 4.Discussion Items

First case :

Release of non-competition restrictions on directors (Proposed by the Board of Directors)

Explanation:

- 1.Regarding to Article 209 of the Company Act, the director acts for himself or others within the scope of the company's business, shall report to the shareholders' meeting to explain the important content of their actions and obtain the company's shareholder' meeting permission.
- 2.The 21st term newly elected Directors of the company (If a legal person shareholder is elected as a director, including the legal person shareholder and its designated representative) investing in or operating other companies with the same or similar business scope as the company and acting as a director or manager shall be approved by shareholders' meeting with regulations. If the newly elected directors of the company (If a legal person shareholder is elected as a director, including the legal person shareholder and its designated representative) have the above circumstances, shareholders' meeting agree to release their non-competition restrictions.
- 3.This case was passed by the 19th meetings in the 20th term Board of Directors. The release list of Non-competition restrictions on directors, please refer to pages 35 as Attachment 7

Resolution:

Second case :

Amendments to the Articles of Incorporation (Proposed by the Board of Directors)

Explanation:

- 1.Cooperate with the actual operating conditions of the company, the company amend Article 2<sup>nd</sup> and 31<sup>st</sup> of the Articles of incorporation.
- 2.The amendments to the Articles of incorporation are explained as follows:  
(1) According to the letter No. 11101137200 on July 22, 2022 of Department of

Commerce, the Ministry of Economic Affairs, Subparagraphs 38-43 of Article 2 of the Articles of incorporation because that not be registered without permission. The company cooperates to delete business items such as Manufacture of Drugs and Medicines, Wholesale of Western Pharmaceutical, Retail Sale of Western Pharmaceutical, Manufacture of Chinese Medicines, Wholesale of Traditional Chinese Medicine, and Retail Sale of Traditional Chinese Medicine, so article 2 of the articles of incorporation is amended.

(2)Article 31 provides the number of additional revisions and the date of revision.

3.Comparison between the original and amendments to Articles of Incorporation, please refer to pages 36-38 as Attachment 8.

Resolution:

5. Provisional Motion

6. Meeting Adjourned

## **Attachment 1 :**

# **Universal Incorporation**

## **2022 Business Report**

### **1. Business plan implementation results**

The total consolidated net sales revenue in 2022 was NT\$553,968 thousand (the following currency is NT\$ in thousand), decrease 53.49% compared with 2021; the sales of various product in 2022 as follows: the sales revenue of nonwovens was NT\$463,257 thousand, accounted for 83.63% of the total net sales revenue, the sales revenue of converted masks was NT\$85,506 thousand, accounted for 15.43% of the total net sales revenue, and other sales revenue was NT\$5,205 thousand, accounted for 0.94% of the total net sales revenue. The consolidated sales volume of non-woven fabrics in 2022 was 6,934.4tons, decrease 32.75% compared with 2021.

When the new coronavirus (Covid-19) outbreak in 2020, demand for raw materials and finished products of non-woven fabrics, masks and protective clothing are strong caused the peers expansion of the equipment of Spunbond, composite, Meltblown non-woven fabrics, mask. The peers completed expansion of the production capacity of non-woven fabrics and masks, and the material inventory for new coronavirus prevention was sufficient let demand decreased in the market, the capacity of the market was over supply and the market is very competitive. So the net sales revenue of the company in 2022 decreased compared with 2021.

The consolidated net profit after-tax in 2022 was NT\$13,526 thousand, and net profit attributable to owner of the company was NT\$16,580 thousand, and the earning per share was NT\$0.19. Profit decreased compared to 2021 because of the sales revenue decreased.

The consolidated production and sales status in 2022 is hereby explained as below:

1.1 Consolidated production volume: The production volume of non-woven fabrics and the increase (decrease) situation are listed as the following table:

Product Item	Unit	2022	2021	Increase (Decrease)	Growth rate (%)
Spunbond & Composite Nonwoven	Ton	6,731.6	10,473.4	(3,741.8)	(35.73)
Meltblown Nonwoven	Ton	98.5	233.4	(134.9)	(57.80)
Nonwoven Total	Ton	6,830.1	10,706.8	(3,876.7)	(36.21)
Material Processing	Ton	30.4	121.1	(90.7)	(74.90)

Note 1: Material processing includes laminating fabrics, post-treatment fabrics, high-efficiency filter media and laminating filter media, etc.. Since the aforementioned products are produced by self-produced Spunbond and composite non-woven fabrics, Meltblown non-woven fabrics and other non-woven fabrics or made by laminating with purchased materials, etc., the total production volume of non-woven fabrics is not double-counted.

1.2 Consolidated sales volume and sales revenue:

Unit of sale volume : nonwoven fabric : Ton ; sale revenue : NT \$ in thousand

Product Type	Unit	2022		2021		Increase (Decrease)		Growth rate (%)	
		Volume	Sales revenue	Volume	Sales revenue	Volume	Sales revenue	Volume	Sales revenue
Spunbond & Composite Nonwoven	Ton	6,847.4	442,999	10,009.2	631,346	(3,161.8)	(188,347)	(31.59)	(29.83)
Meltblown Nonwoven	Ton	64.8	14,734	167.0	70,437	(102.2)	(55,703)	(61.20)	(79.08)
Material processing	Ton	22.2	5,524	135.2	16,926	(113.0)	(11,402)	(83.58)	(67.36)
Sub-total of Nonwoven	Ton	6,934.4	463,257	10,311.4	718,709	(3,377.0)	(255,452)	(32.75)	(35.54)
Converted Products			85,506		469,116		(383,610)		(81.77)
Others			5,205		3,218		1,987		61.75
Total			553,968		1,191,043		(637,075)		(53.49)

Note 1: Material processing includes laminating fabric, post-treatment fabric, high efficiency filter media and laminating filter media, etc.; the converted product is mask.

Note 2: Others include raw materials, recycle PP, waste fabrics, international trade, etc.

**2. Budget execution situation: Not applicable, because the company has not disclosed its financial forecast for 2022.**

**3. Overview of consolidated financial income and expenditure and profitability analysis:**

3.1 Consolidated Financial Income and Expenditure

The comparison and analysis of the company's consolidated revenue, surplus and expenditure in 2022 and 2021 as below:

Unit : NT\$ in thousand

Item	2022	2021	Increase (Decrease)	Increase (Decrease) %
Net sales	553,968	1,191,043	(637,075)	(53.49)
Gross profit	43,674	439,793	(396,119)	(90.07)
(Loss) profit from operations	(5,022)	370,105	(375,127)	(101.36)
Non-operating Income and Expenses				
Interest income	21,274	9,089	12,185	134.06
Other income	3,569	17,545	(13,976)	(79.66)
Other gains and losses	704	(7,206)	7,910	109.77
Finance cost	(14)	(13)	1	7.69
Total non-operating income and expenses	25,533	19,415	6,118	31.51
Profit before income tax	20,511	389,520	(369,009)	(94.73)
Net profit for the year	13,526	277,492	(263,966)	(95.13)
Net profit Attributable to :				
Owner of the company	16,580	278,378	(261,798)	(94.04)
Noncontrolling interests	(3,054)	(886)	(2,168)	(244.70)

Notes : 1. Other income includes the total amount of dividend income, rental income and other income.

2. Other gains and losses: including net (loss) gain on foreign currency exchange, gains (loss) on disposal of property, plant and equipment, net gain on disposal of financial assets, net gain on financial assets at fair value through Profit or Loss, and net (loss) gain on other expenses.

3. Financial costs are interest on bank loans and lease liabilities.

### 3.2 Consolidated Profitability Analysis:

Year		2022	2021
Analytical item			
Return on assets (%)		0.44%	7.07%
Return on equity (%)		0.46%	8.07%
Capital ratio (%)	(Loss) profit from operations	(0.59%)	43.40%
	Profit before income tax	2.41%	45.67%
Net profit margin (%)		2.44%	23.30%
Earnings per share (NT\$) (Note1)		0.19	3.26

Note 1: Calculated based on the weighted average number of shares outstanding.  
(The number of shares issued at the end of 2021 and 2022 were 85,281,198 shares each with a par value of NT\$10 per share)

## 4. Research and development status:

### 4.1 Main research results:

The company has been making continuous efforts in research and development.

The main research results are summarized as follows:

- (1). Research and development of general medical masks and colored medical masks, customized masks, 3D masks, and high-end masks.
- (2). Research and development of Meltblown non-woven fabrics and high-efficiency filter media.
- (3). Research and development of laminating filter media and air filter media.
- (4). Improved filter efficiency of melt-blown non-woven fabric.
- (5). Research and development of coarse denier non-woven fabrics.
- (6). Research and development of non-woven fabrics for skin care centered hydrophilic nonwoven fabrics.
- (7). Research and development of soft, silk soft and ultra-soft non-woven fabrics.
- (8). Research and development of SS hydrophilic soft non-woven fabric for composite film on diapers.
- (9). Research and development of SMMS permanent hydrophilic nonwoven fabric for the usage of diaper.
- (10). Research and development of impact penetration SMMS composite non-woven fabrics for medical use.
- (11). Development of SMS composite non-woven fabrics.
- (12). Research and development of Spunbond, Meltblown and composite elastic non-woven fabrics.
- (13). Research and development of antistatic non-woven fabrics with online spray treatment.
- (14). Research and development of composite material lamination.
- (15). Research on post-treatment process of SMS composite nonwoven fabric.
- (16). Research on post-treatment process of SMMS composite non-woven fabric.
- (17). Improvement of SMMS Alcohol Repellency, anti-static, anti-blood treatment for medical use.

President : Huang, Mei-Hui

Manager : Huang, Mei-Hui

Accounting Manager : Liao, Shu-Ji

## **Attachment 2**

# **Universal Incorporation**

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements and earnings distribution proposal. The financial statements have been audited by Deloitte & Touche Tohmatsu Limited and Independent auditors' report have been issued by the accountant. Above mentioned business report, Financial Statements and earnings distribution proposal have been reviewed by the Audit Committee and there is no problem. The report as above according to the relevant provisions of the Securities Exchange Law and the Company Law.

Submitted to :  
The Company's 2023 Annual Shareholders' Meeting

Audit Committee Convener :

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Chang, Jin-Lian

On the Date of March 24, 2023

# Attachment 3

## Accountant audit report

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Universal Incorporation

#### Opinion

We have audited the accompanying consolidated financial statements of Universal Incorporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the consolidated financial statements for the year ended December 31, 2022. 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.

## Authenticity of Sales Revenue

The revenue of Universal Incorporation Group mainly comes from the sale of non-woven fabrics and its processed products, which decreased in 2022. The decrease in sales from those products is due to the easing of the Covid-19 pandemic. Even though overall sales revenue decreased, sales revenue from some of the customers were higher and significant compared to the prior year, and the quantity of sales transactions from those customers was also large; therefore, we assessed that the risk related to sales revenue, that is, whether the transactions actually occurred, is high, and deemed the authenticity of sales revenue as the key audit matter.

Refer to Note 4 to the consolidated financial statements for the accounting policies related to revenue recognition.

Our main audit procedures performed in response to the abovementioned key audit matter included the following:

1. We understood and tested the design and operating effectiveness of the internal controls related to the sales revenue recognition process.
2. We reviewed the basic information of major customers and analyzed the reasonableness of the nature of transactions and the change in amounts.
3. We performed tests of details and checked the original receipts to confirm the authenticity of the sales transactions.
4. We selected samples from the records of sales returns and allowances and confirmed that payments were collected after the balance sheet date.

## **Other Matter**

We have also audited the parent company only financial statements of Universal Incorporation as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

## **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 Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## **Auditors' 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 auditors' 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 the Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain 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 Group's internal control.
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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. 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 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Chun- Ming Hsueh and Chun-Yi Chang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 24, 2023

#### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# UNIVERSAL INCORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,013,789	34	\$ 406,558	13
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	332,413	10
Financial assets at amortized cost - current (Notes 4 and 8)	526,793	17	890,354	28
Notes receivable (Notes 4 and 10)	541	-	5,890	-
Trade receivable (Notes 4 and 10)	69,163	2	89,249	3
Current tax assets (Notes 4 and 21)	-	-	1,022	-
Inventories (Notes 4 and 11)	124,110	4	170,113	5
Other current assets (Notes 4 and 12)	12,003	1	8,316	-
Total current assets	<u>1,746,399</u>	<u>58</u>	<u>1,903,915</u>	<u>59</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	65,179	2	87,390	3
Financial assets at amortized cost - non-current (Notes 4 and 8)	11,023	1	-	-
Property, plant and equipment (Notes 4, 14 and 27)	1,168,563	39	1,213,631	38
Right-of-use assets (Notes 4 and 15)	7,078	-	7,084	-
Deferred tax assets (Notes 4 and 21)	5,386	-	5,143	-
Refundable deposits	1,720	-	219	-
Total non-current assets	<u>1,258,949</u>	<u>42</u>	<u>1,313,467</u>	<u>41</u>
<b>TOTAL</b>	<u>\$3,005,348</u>	<u>100</u>	<u>\$3,217,382</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 15,829	1	\$ -	-
Trade payable	993	-	6,128	-
Other payables (Note 17)	34,930	1	53,114	2
Current tax liabilities (Notes 4 and 21)	10,178	-	40,066	1
Lease liabilities - current (Notes 4 and 15)	37	-	42	-
Other current liabilities	6,563	-	6,298	-
Total current liabilities	<u>68,530</u>	<u>2</u>	<u>105,648</u>	<u>3</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 21)	49,572	2	51,810	2
Lease liabilities - non-current (Notes 4 and 15)	188	-	-	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	7,840	-	11,278	-
Guarantee deposits received	210	-	-	-
Total non-current liabilities	<u>57,810</u>	<u>2</u>	<u>63,088</u>	<u>2</u>
Total liabilities	<u>126,340</u>	<u>4</u>	<u>168,736</u>	<u>5</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 19)</b>				
Share capital				
Ordinary shares	852,812	28	852,812	27
Capital surplus	3,333	-	3,261	-
Retained earnings				
Legal reserve	440,026	15	412,188	13
Special reserve	147,307	5	147,481	5
Unappropriated earnings	1,342,101	45	1,523,921	47
Total retained earnings	<u>1,929,434</u>	<u>65</u>	<u>2,083,590</u>	<u>65</u>
Other equity	(5,391)	-	8,686	-
Total equity attributable to owners of the Company	2,780,188	93	2,948,349	92
<b>NON-CONTROLLING INTERESTS (Notes 4 and 19)</b>	<u>98,820</u>	<u>3</u>	<u>100,297</u>	<u>3</u>
Total equity	<u>2,879,008</u>	<u>96</u>	<u>3,048,646</u>	<u>95</u>
<b>TOTAL</b>	<u>\$3,005,348</u>	<u>100</u>	<u>\$3,217,382</u>	<u>100</u>

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

# UNIVERSAL INCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 4)	\$ 553,968	100	\$ 1,191,043	100
OPERATING COSTS (Notes 4, 11 and 20)				
Cost of goods sold	<u>510,294</u>	<u>92</u>	<u>751,250</u>	<u>63</u>
GROSS PROFIT	<u>43,674</u>	<u>8</u>	<u>439,793</u>	<u>37</u>
OPERATING EXPENSES (Note 20)				
Selling and marketing expenses	13,051	2	19,257	2
General and administrative expenses	26,276	5	40,558	3
Research and development expenses	<u>9,369</u>	<u>2</u>	<u>9,873</u>	<u>1</u>
Total operating expenses	<u>48,696</u>	<u>9</u>	<u>69,688</u>	<u>6</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(5,022)</u>	<u>(1)</u>	<u>370,105</u>	<u>31</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)				
Interest income	21,274	4	9,089	1
Other income	3,569	1	17,545	2
Other gains and losses	704	-	(7,206)	(1)
Finance costs	<u>(14)</u>	<u>-</u>	<u>(13)</u>	<u>-</u>
Total non-operating income and expenses	<u>25,533</u>	<u>5</u>	<u>19,415</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	20,511	4	389,520	33
INCOME TAX EXPENSE (Notes 4 and 21)	<u>6,985</u>	<u>1</u>	<u>112,028</u>	<u>10</u>
NET PROFIT FOR THE YEAR	<u>13,526</u>	<u>3</u>	<u>277,492</u>	<u>23</u>
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	2,748	-	7,483	1
Unrealized loss on investments in equity instruments designated as a fair value through other comprehensive income	(22,211)	(4)	(38,729)	(4)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(550)	-	(1,497)	-

(Continued)

## UNIVERSAL INCORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 7,513	1	\$ (2,705)	-
Other comprehensive loss for the year, net of income tax	(12,500)	(3)	(35,448)	(3)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>\$ 1,026</b>	<b>-</b>	<b>\$ 242,044</b>	<b>20</b>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 16,580	3	\$ 278,378	23
Non-controlling interests	(3,054)	-	(886)	-
	<b>\$ 13,526</b>	<b>3</b>	<b>\$ 277,492</b>	<b>23</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 2,503	-	\$ 243,498	20
Non-controlling interests	(1,477)	-	(1,454)	-
	<b>\$ 1,026</b>	<b>-</b>	<b>\$ 242,044</b>	<b>20</b>
<b>EARNINGS PER SHARE (Note 22)</b>				
Basic	\$ 0.19		\$ 3.26	
Diluted	\$ 0.19		\$ 3.24	

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

# UNIVERSAL INCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Others Equity			Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings			Remeasurement of Defined Benefit Plans	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income			
			Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2021	\$ 852,812	\$ 3,167	\$ 214,690	\$ 179,174	\$2,434,722	\$ (8,565)	\$ (20,542)	\$ 72,673	\$3,728,131	\$ 101,751	\$3,829,882
Appropriation of 2020 earnings											
Legal reserve	-	-	197,498	-	(197,498)	-	-	-	-	-	-
Special reserve	-	-	-	(31,693)	31,693	-	-	-	-	-	-
Cash dividends distributed by the Company—\$12 per share	-	-	-	-	(1,023,374)	-	-	-	(1,023,374)	-	(1,023,374)
Due to donated assets received	-	94	-	-	-	-	-	-	94	-	94
Net profit for the year ended December 31, 2021	-	-	-	-	278,378	-	-	-	278,378	(886)	277,492
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	5,986	(2,137)	(38,729)	(34,880)	(568)	(35,448)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	278,378	5,986	(2,137)	(38,729)	243,498	(1,454)	242,044
BALANCE AT DECEMBER 31, 2021	852,812	3,261	412,188	147,481	1,523,921	(2,579)	(22,679)	33,944	2,948,349	100,297	3,048,646
Appropriation of 2021 earnings											
Legal reserve	-	-	27,838	-	(27,838)	-	-	-	-	-	-
Special reserve	-	-	-	(174)	-	-	-	-	(174)	-	(174)
Cash dividends distributed by the Company—\$2 per share	-	-	-	-	(170,562)	-	-	-	(170,562)	-	(170,562)
Due to donated assets received	-	72	-	-	-	-	-	-	72	-	72
Net profit for the year ended December 31, 2022	-	-	-	-	16,580	-	-	-	16,580	(3,054)	13,526
Other comprehensive (loss) income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,198	5,936	(22,211)	(14,077)	1,577	(12,500)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	16,580	2,198	5,936	(22,211)	2,503	(1,477)	1,026
BALANCE AT DECEMBER 31, 2022	\$ 852,812	\$ 3,333	\$ 440,026	\$ 147,307	\$1,342,101	\$ (381)	\$ (16,743)	\$ 11,733	\$2,780,188	\$ 98,820	\$2,879,008

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

# UNIVERSAL INCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 20,511	\$ 389,520
Adjustments for:		
Depreciation expenses	61,623	63,368
Net loss on fair value changes of financial assets at fair value through profit or loss	1,056	1,754
Finance costs	14	13
Interest income	(21,274)	(9,089)
Dividend income	(1,799)	(3,373)
Net (gain) loss on disposal of property, plant and equipment	(6,916)	2,379
Net gain on disposal of financial assets	(1,550)	(3,883)
Write-downs of inventories	899	400
Net gain on foreign currency exchange	(2,072)	(4,510)
Changes in operating assets and liabilities		
Notes receivable	5,349	(390)
Trade receivable	19,996	242,139
Inventories	45,714	25,797
Other current assets	2,269	4,500
Trade payable	(5,138)	(22,762)
Other payables	(16,676)	(136,771)
Other current liabilities	265	(24,522)
Net defined benefit liabilities - non-current	(690)	(2,283)
Cash generated from operations	101,581	522,287
Interest received	15,239	8,048
Interest paid	(12)	(13)
Income tax paid	(38,882)	(535,249)
Net cash generated from (used in) operating activities	<u>77,926</u>	<u>(4,927)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Refund of paid-up capital from financial assets at fair value through other comprehensive income	-	696
Purchase of financial assets at amortized cost	(901,930)	(936,034)
Proceeds from sale of financial assets at amortized cost	1,256,712	948,561
Purchase of financial assets at fair value through profit or loss	-	(434,000)
Proceeds from sale of financial assets at fair value through profit or loss	332,907	1,446,925
Acquisition of property, plant and equipment	(16,052)	(92,659)
Proceeds from disposal of property, plant and equipment	7,356	18
Increase in refundable deposits	(1,500)	-
Other dividends received	1,799	3,373
Net cash generated from investing activities	<u>679,292</u>	<u>936,880</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		

(Continued)

# UNIVERSAL INCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

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	2022	2021
Increase in short-term borrowings	\$ 15,829	\$ -
Increase in guarantee deposits received	210	-
Repayment of the principal portion of lease liabilities	(42)	(40)
Dividends distributed	(170,562)	(1,023,374)
Other financing activities	<u>72</u>	<u>94</u>
Net cash used in financing activities	<u>(154,493)</u>	<u>(1,023,320)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>4,506</u>	<u>(3,838)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	607,231	(95,205)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>406,558</u>	<u>501,763</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$1,013,789</u>	<u>\$ 406,558</u>

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

# Attachment 4

## Accountant audit report

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Universal Incorporation

#### Opinion

We have audited the accompanying financial statements of Universal Incorporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Authenticity of Sales Revenue

The revenue of Universal Incorporation mainly comes from the sale of non-woven fabrics and its processed products, which decreased in 2022. The decrease in sales from those products is due to the easing of the Covid-19 pandemic. Even though overall sales revenue decreased,

sales revenue from some of the customers were higher and significant compared to the prior year, and the quantity of sales transactions from those customers was also large; therefore, we assessed that the risk related to sales revenue, that is, whether the transactions actually occurred, is high, and deemed the authenticity of sales revenue as the key audit matter.

Refer to Note 4 to the consolidated financial statements for the accounting policies related to revenue recognition.

Our main audit procedures performed in response to the abovementioned key audit matter included the following:

1. We understood and tested the design and operating effectiveness of the internal controls related to the sales revenue recognition process.
2. We reviewed the basic information of major customers and analyzed the reasonableness of the nature of transactions and the change in amounts.
3. We performed tests of details and checked the original receipts to confirm the authenticity of the sales transactions.
4. We selected samples from the records of sales returns and allowances and confirmed that payments were collected after the balance sheet date.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the Standards on Auditing of 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Company's internal control.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the 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 the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Ming Hsueh and Chun-Yi Chang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 24, 2023

*Notice to Readers*

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

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

# UNIVERSAL INCORPORATION

## BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS <sup>m</sup>	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 989,843	34	\$ 278,898	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	332,413	11
Financial assets at amortized cost - current (Notes 4 and 8)	260,026	9	742,743	24
Notes receivable (Notes 4 and 10)	541	-	1,679	-
Trade receivable (Notes 4 and 10)	69,163	2	77,935	3
Inventories (Notes 4 and 11)	100,664	4	135,448	4
Other current assets (Note 12)	8,863	-	4,341	-
Total current assets	<u>1,429,100</u>	<u>49</u>	<u>1,573,457</u>	<u>51</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	65,179	2	87,390	3
Investments accounted for using the equity method (Notes 4 and 13)	371,976	13	377,534	12
Property, plant and equipment (Notes 4, 14 and 27)	1,031,023	36	1,070,340	34
Right-of-use assets (Notes 4 and 15)	220	-	35	-
Deferred tax assets (Notes 4 and 21)	5,386	-	5,143	-
Refundable deposits	1,696	-	196	-
Total non-current assets	<u>1,475,480</u>	<u>51</u>	<u>1,540,638</u>	<u>49</u>
<b>TOTAL</b>	<u>\$ 2,904,580</u>	<u>100</u>	<u>\$ 3,114,095</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 15,829	1	\$ -	-
Trade payable	993	-	5,484	-
Other payables (Note 17)	33,190	1	51,340	2
Current tax liabilities (Notes 4 and 21)	10,178	-	40,066	1
Lease liabilities - current (Notes 4 and 15)	37	-	42	-
Other current liabilities	6,355	-	5,726	-
Total current liabilities	<u>66,582</u>	<u>2</u>	<u>102,658</u>	<u>3</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 21)	49,572	2	51,810	2
Lease liabilities - non-current (Notes 4 and 15)	188	-	-	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	7,840	-	11,278	-
Guarantee deposits received	210	-	-	-
Total non-current liabilities	<u>57,810</u>	<u>2</u>	<u>63,088</u>	<u>2</u>
Total liabilities	<u>124,392</u>	<u>4</u>	<u>165,746</u>	<u>5</u>
<b>EQUITY (Notes 4 and 19)</b>				
Share capital				
Ordinary shares	852,812	29	852,812	28
Capital surplus	3,333	-	3,261	-
Retained earnings				
Legal reserve	440,026	15	412,188	13
Special reserve	147,307	5	147,481	5
Unappropriated earnings	1,342,101	47	1,523,921	49
Total retained earnings	1,929,434	67	2,083,590	67
Other equity	(5,391)	-	8,686	-
Total equity	<u>2,780,188</u>	<u>96</u>	<u>2,948,349</u>	<u>95</u>
<b>TOTAL</b>	<u>\$ 2,904,580</u>	<u>100</u>	<u>\$ 3,114,095</u>	<u>100</u>

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

# UNIVERSAL INCORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 4)	\$ 526,702	100	\$ 1,048,841	100
OPERATING COSTS (Notes 4, 11 and 20)				
Cost of goods sold	<u>464,868</u>	<u>88</u>	<u>607,751</u>	<u>58</u>
GROSS PROFIT	<u>61,834</u>	<u>12</u>	<u>441,090</u>	<u>42</u>
OPERATING EXPENSES (Note 20)				
Selling and marketing expenses	11,904	2	16,940	2
General and administrative expenses	18,209	4	32,657	3
Research and development expenses	<u>9,369</u>	<u>2</u>	<u>9,873</u>	<u>1</u>
Total operating expenses	<u>39,482</u>	<u>8</u>	<u>59,470</u>	<u>6</u>
OPERATING INCOME	<u>22,352</u>	<u>4</u>	<u>381,620</u>	<u>36</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)				
Interest income	17,334	3	6,294	1
Other income	3,021	-	12,098	1
Other gains and losses	(7,634)	(1)	(6,594)	(1)
Finance costs	(14)	-	(13)	-
Share of loss of subsidiaries and associates	<u>(11,494)</u>	<u>(2)</u>	<u>(3,337)</u>	<u>-</u>
Total non-operating income and expenses	<u>1,213</u>	<u>-</u>	<u>8,448</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	23,565	4	390,068	37
INCOME TAX EXPENSE (Notes 4 and 21)	<u>6,985</u>	<u>1</u>	<u>111,690</u>	<u>11</u>
NET PROFIT FOR THE YEAR	<u>16,580</u>	<u>3</u>	<u>278,378</u>	<u>26</u>
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	2,748	-	7,483	1
Unrealized loss on investments in equity instruments designated as a fair value through other comprehensive income	(22,211)	(4)	(38,729)	(4)

(Continued)

# UNIVERSAL INCORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ (550)	-	\$ (1,497)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>5,936</u>	<u>1</u>	<u>(2,137)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(14,077)</u>	<u>(3)</u>	<u>(34,880)</u>	<u>(3)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 2,503</u>	<u>-</u>	<u>\$ 243,498</u>	<u>23</u>
<b>EARNINGS PER SHARE (Note 22)</b>				
Basic	<u>\$ 0.19</u>		<u>\$ 3.26</u>	
Diluted	<u>\$ 0.19</u>		<u>\$ 3.24</u>	

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

# UNIVERSAL INCORPORATION

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Ordinary Shares	Capital Surplus	Retained Earnings			Remeasurement of Defined Benefit Plans	Others Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2021	\$ 852,812	\$ 3,167	\$ 214,690	\$ 179,174	\$ 2,434,722	\$ (8,565)	\$ (20,542)	\$ 72,673	\$ 3,728,131
Appropriation of 2020 earnings									
Legal reserve	-	-	197,498	-	(197,498)	-	-	-	-
Special reserve	-	-	-	(31,693)	31,693	-	-	-	-
Cash dividends distributed by the Company - \$12 per share	-	-	-	-	(1,023,374)	-	-	-	(1,023,374)
Due to donated assets received	-	94	-	-	-	-	-	-	94
Net profit for the year ended December 31, 2021	-	-	-	-	278,378	-	-	-	278,378
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	5,986	(2,137)	(38,729)	(34,880)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	278,378	5,986	(2,137)	(38,729)	243,498
BALANCE AT DECEMBER 31, 2021	852,812	3,261	412,188	147,481	1,523,921	(2,579)	(22,679)	33,944	2,948,349
Appropriation of 2021 earnings									
Legal reserve	-	-	27,838	-	(27,838)	-	-	-	-
Special reserve	-	-	-	(174)	-	-	-	-	(174)
Cash dividends distributed by the Company - \$2 per share	-	-	-	-	(170,562)	-	-	-	(170,562)
Due to donated assets received	-	72	-	-	-	-	-	-	72
Net profit for the year ended December 31, 2022	-	-	-	-	16,580	-	-	-	16,580
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,198	5,936	(22,211)	(14,077)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	16,580	2,198	5,936	(22,211)	2,503
BALANCE AT DECEMBER 31, 2022	<u>\$ 852,812</u>	<u>\$ 3,333</u>	<u>\$ 440,026</u>	<u>\$ 147,307</u>	<u>\$ 1,342,101</u>	<u>\$ (381)</u>	<u>\$ (16,743)</u>	<u>\$ 11,733</u>	<u>\$ 2,780,188</u>

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

# UNIVERSAL INCORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 23,565	\$ 390,068
Adjustments for:		
Depreciation expenses	52,754	53,466
Net loss on fair value changes of financial assets at fair value through profit or loss	1,056	1,754
Finance costs	14	13
Interest income	(17,334)	(6,294)
Dividend income	(1,799)	(3,373)
Share of loss of subsidiaries and associates for using the equity method	11,494	3,337
Net (gain) loss on disposal of property, plant and equipment	(663)	2,376
Net gain on disposal of financial assets	(1,550)	(3,883)
Write-downs of inventories	899	400
Net gain loss on foreign currency exchange	(2,072)	(4,510)
Changes in operating assets and liabilities		
Notes receivable	1,138	3,821
Trade receivables	8,682	228,418
Inventories	33,885	17,919
Other current assets	422	1,471
Trade payable	(4,494)	(21,144)
Other payables	(16,642)	(131,955)
Other current liabilities	629	(16,367)
Net defined benefit liabilities - non-current	(690)	(2,283)
Cash generated from operations	89,294	513,234
Interest received	12,311	6,008
Interest paid	(12)	(13)
Income tax paid	(39,904)	(527,599)
Net cash generated from ( used in ) operating activities	<u>61,689</u>	<u>(8,370)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Refund of paid-up capital from financial assets at fair value through other comprehensive income	-	696
Purchase of financial assets at amortized cost	(624,140)	(788,423)
Proceeds from sale of financial assets at amortized cost	1,109,101	822,658
Purchase of financial assets at fair value through profit or loss	-	(434,000)
Proceeds from sale of financial assets at fair value through profit or loss	332,907	1,446,925
Acquisition of property, plant and equipment	(15,454)	(90,858)
Proceeds from disposal of property, plant and equipment	1,036	18
Increase in refundable deposits	(1,500)	-
Other dividends received	1,799	3,373
Net cash generated from investing activities	<u>803,749</u>	<u>960,389</u>

(Continued)

# UNIVERSAL INCORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

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	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 15,829	\$ -
Increase in guarantee deposits received	210	-
Repayment of the principal of lease liabilities	(42)	(40)
Dividends distributed	(170,562)	(1,023,374)
Other financing activities	<u>72</u>	<u>94</u>
Net cash used in financing activities	<u>(154,493)</u>	<u>(1,023,320)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	710,945	(71,301)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>278,898</u>	<u>350,199</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 989,843</u>	<u>\$ 278,898</u>

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

(Concluded)

## Attachment 5 Universal Incorporation

### Earnings distribution table For the Year 2022

Unit: NT\$

Items	Amount
1. Earnings available for distribution:	
Beginning unappropriated earnings	1,325,519,824
Net profit for the Year 2022	16,580,450
Subtracted: Legal reserve (10%)	(1,658,045)
Appropriation of special reserve	(5,390,526)
<b>Earnings available for distribution</b>	<b>1,335,051,703</b>
2. Earnings distribution items:	
Cash Dividends (NT\$ 0.3 per share)	25,584,360
cash bonus (NT\$ 0.2 per share)	17,056,239
Total	42,640,599
3. Ending unappropriated earnings after distribution	1,292,411,104
<b>Remarks:</b>	
1. Beginning unappropriated earnings is belong unappropriated earnings of 1998 to 2021	
2. Because the total amount of other equity items of shareholders' equity was minus, according to provisions to increase the appropriation of special reserve NT\$5,390,526	
3. Earnings distribution items belong earnings NT\$9,531,879 in 2022 and unappropriated earnings of 1998 to 2021 is NT\$33,108,720	
4. In addition, cooperate with the requirements of the Ministry of Finance's "Profit Enterprise Income Tax Settlement Declaration" and "Profit Enterprise Income Tax Undistributed Surplus Declaration", when calculating the undistributed surplus that is subject to 5% profit-seeking enterprise income tax in Article 66-9 of the Income Tax Act, the surplus belonging to the current year shall be distributed preferentially.	
5. The actual number of shares issued at Dec 31, 2022 were 85,281,198 shares with a par value of NT\$10 per share , Paid-in capital is NT\$ 852,811,980	

President : Huang, Mei-Hui

Manager : Huang, Mei-Hui

Accounting Manager : Liao, Shu-Ji

## Attachment 6

### Universal Incorporation's list of Candidates for the 21st Term of Directors and Independent Directors

No.	Type	Name	Shares held	Main education and working experience
1	Director Candidate	Universal Investment Co., Limited representative Huang, Mei-Hui	24, 679, 800	Master of Information Management, Eastern Michigan University, USA Present job: President & General Manager, Universal Incorporation (Universal Investment Co., Limited representative) President, Hong Kong Everbig Int'l Investment Ltd. (Universal Incorporation representative) President & General Manager, Xiamen Universal Incorporation (Hong Kong Everbig Int'l Investment Ltd. representative) · Director, Universal Investment Co., Limited (Universal Incorporation representative) · Supervisor, Everspring Enterprises Inc. Director, Fortune Industrial and Commercial Development Foundation Director, Universal Culture and Education Foundation
2	Director Candidate	Universal Investment Co., Limited representative Lam, Minh	24, 679, 800	Master of Industrial Engineering, Eastern Michigan University, USA Present job: Director, Universal Incorporation (Universal Investment Co., Limited representative) · Director, Hong Kong Everbig Int'l Investment Ltd. (Universal Investment Co., Limited representative) · Director, Xiamen Universal Incorporation (Hong Kong Everbig Int'l Investment Ltd. representative) · Supervisor, Universal Investment Co., Limited · Director & General Manager, Everspring Enterprises INC. (Universal Investment Co., Limited representative)
3	Director Candidate	Universal Investment Co., Limited representative Kao, Ching Hai	24, 679, 800	Master of Business Administration, National Chengchi University Present job: Deputy General Manager, Universal Incorporation Supervisor, Universal Investment Co., Limited · Director, Fortune Industrial and Commercial Development Foundation
4	Independent Director Candidate	Wu, Cheng Ming	4	Graduated from Department of Nuclear Engineering, National Tsing Hua University Nuclear Engineering Project Manager, CTCI Smart Engineering Corporation Research Assistant, Nuclear Science and Technology Development Center, National Tsing Hua University Present job: Independent Director & Remuneration Committee & Audit Committee, Universal Incorporation
5	Independent Director Candidate	Chang, Jin-Lian	0	Graduated from Accounting, National Taipei University of Business Accounting Dept., Nan Ya Plastics Corporation · Accounting auditor, Formosa Petrochemical Corporation Present job: Independent Director & Remuneration Committee & Audit Committee, Universal Incorporation
6	Independent Director Candidate	Chang, Ming-Lun	0	Graduated from Accountancy, Soochow University Asia Information Officer, Expeditors Taiwan Co., Ltd. Present job: Independent Director & Remuneration Committee & Audit Committee, Universal Incorporation
7	Independent Director Candidate	Lu, Fei-Huang	0	Graduated from Financial and Economics Law Group of Department of Law, National Chengchi University Sale & Principal, Fei-Huang clothing department store · Supervisor, Universal Incorporation Present job: Principal, Fei-Huang clothing department store

## Attachment 7

### The release list of non-competition restrictions on directors

<b>Name/Title</b>	<b>Hold other company positions</b>
<b>Universal Investment Co., Limited Representative : Huang, Mei-Hui</b>	<b>President &amp; General Manager, Xiamen Universal Incorporation</b>
<b>Universal Investment Co., Limited Representative : Lam, Minh</b>	<b>Director, Xiamen Universal Incorporation</b>

## Attachment 8

### Universal Incorporation Comparison between the original and amendments to Articles of Incorporation

Amended Articles	Articles before revision	Revision Notes
<p>Article 2 : Main content of business :</p> <p>1. C301010 Spinning of Yarn</p> <p>2. C302010 Weaving of Textiles</p> <p>3. C303010 Manufacture of Non-woven Fabrics</p> <p>4. C305010 Printing, Dyeing, and Finishing</p> <p>5. C306010 Wearing Apparel</p> <p>6. C307010 Clothing Accessories</p> <p>7. C399990 Other textile and products manufacturing</p> <p>8. C402030 Tanning and Dressing of Leather; Dressing and Dyeing of Fur</p> <p>9. C801100 Synthetic Resin and Plastic Manufacturing</p> <p>10. C801020 Petrochemical Materials Manufacturing</p> <p>11. C801120 Manufacture of Man-made Fibers</p> <p>12. C805010 Manufacture of Plastic Sheets, Pipes and Tubes</p> <p>13. C805060 Plastic Leathers Products Manufacturing</p> <p>14. C805070 Reinforced Plastic Products Manufacturing</p> <p>15. C805990 Manufacturing of other plastic products</p> <p>16. C901010 Ceramic and Ceramic Products Manufacturing</p> <p>17. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing</p> <p>18. CC01080 Electronics</p>	<p>Article 2 : Main content of business :</p> <p>1. C301010 Spinning of Yarn</p> <p>2. C302010 Weaving of Textiles</p> <p>3. C303010 Manufacture of Non-woven Fabrics</p> <p>4. C305010 Printing, Dyeing, and Finishing</p> <p>5. C306010 Wearing Apparel</p> <p>6. C307010 Clothing Accessories</p> <p>7. C399990 Other textile and products manufacturing</p> <p>8. C402030 Tanning and Dressing of Leather; Dressing and Dyeing of Fur</p> <p>9. C801100 Synthetic Resin and Plastic Manufacturing</p> <p>10. C801020 Petrochemical Materials Manufacturing</p> <p>11. C801120 Manufacture of Man-made Fibers</p> <p>12. C805010 Manufacture of Plastic Sheets, Pipes and Tubes</p> <p>13. C805060 Plastic Leathers Products Manufacturing</p> <p>14. C805070 Reinforced Plastic Products Manufacturing</p> <p>15. C805990 Manufacturing of other plastic products</p> <p>16. C901010 Ceramic and Ceramic Products Manufacturing</p> <p>17. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing</p> <p>18. CC01080 Electronics</p>	<p>According to the letter No. 11101137200 on July 22, 2022 of the Department of commerce, Ministry of Economic Affairs, Subparagraphs 38-43 of Article 2 of the Articles of Incorporation because that not be registered without permission. The company cooperates to delete business items such as Manufacture of Drugs and Medicines, Wholesale of Western Pharmaceutical, Retail Sale of Western Pharmaceutical, Manufacture of Chinese Medicines, Wholesale of Traditional Chinese Medicine, and</p>

<p>components manufacturing</p> <p>19. CF01011 Medical Devices Manufacturing</p> <p>20. CJ01010 Hat Manufacturing</p> <p>21. CM01010 Case and Bag Manufacturing</p> <p>22. F101040 Wholesale of Livestock and Poultry</p> <p>23. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories</p> <p>24. F108031 Wholesale of Medical Devices</p> <p>25. F114010 Wholesale of Motor Vehicles</p> <p>26. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories</p> <p>27. F201020 Retail Sale of Livestock Products</p> <p>28. F203010 Retail Sale of Food, Grocery and Beverage</p> <p>29. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories</p> <p>30. F208031 Retail Sale of Medical Apparatus</p> <p>31. F214010 Retail Sale of Motor Vehicles</p> <p>32. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories</p> <p>33. H701010 Housing and Building Development and Rental</p> <p>34. H701040 Specific Area Development</p> <p>35. H701060 New Towns, New Community Development Industry</p> <p>36. F401010 International Trade</p> <p>37. ZZ99999 All business activities that are not prohibited or restricted</p>	<p>components manufacturing</p> <p>19. CF01011 Medical Devices Manufacturing</p> <p>20. CJ01010 Hat Manufacturing</p> <p>21. CM01010 Case and Bag Manufacturing</p> <p>22. F101040 Wholesale of Livestock and Poultry</p> <p>23. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories</p> <p>24. F108031 Wholesale of Medical Devices</p> <p>25. F114010 Wholesale of Motor Vehicles</p> <p>26. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories</p> <p>27. F201020 Retail Sale of Livestock Products</p> <p>28. F203010 Retail Sale of Food, Grocery and Beverage</p> <p>29. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories</p> <p>30. F208031 Retail Sale of Medical Apparatus</p> <p>31. F214010 Retail Sale of Motor Vehicles</p> <p>32. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories</p> <p>33. H701010 Housing and Building Development and Rental</p> <p>34. H701040 Specific Area Development</p> <p>35. H701060 New Towns, New Community Development Industry</p> <p>36. F401010 International Trade</p> <p>37. ZZ99999 All business activities that are not prohibited or restricted</p>	<p>Retail Sale of Traditional Chinese Medicine.</p>
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<p>by law, except those that are subject to special approval.</p>	<p>by law, except those that are subject to special approval.  <u><b>38. C802041 Manufacture of Drugs and Medicines</b></u>  <u><b>39. F108021 Wholesale of Western Pharmaceutical</b></u>  <u><b>40. F208021 Retail Sale of Western Pharmaceutical</b></u>  <u><b>41. C802051 Manufacture of Chinese Medicines</b></u>  <u><b>42. F108011 Wholesale of Traditional Chinese Medicine</b></u>  <u><b>43. F208011 Retail Sale of Traditional Chinese Medicine</b></u></p>	
<p>Article 31 : This Articles of Incorporation is established by the promoters on Aug. 23, 1962, amendment 1 on Apr. 10, 1965 Amendment 34 on June 14,2010,Amendment 35 on June 15,2011,Amendment 36 on June 20,2012,Amendment 37 on June 28,2013,Amendment 38 on June 27,2016,Amendment 39 on June 27,2017,Amendment 40 on June 27,2019,Amendment 41 on June 15,2020,Amendment 42 on June 29,2022,<b>Amendment 43 on June 27,2023.</b></p>	<p>Article 31 : This Articles of Incorporation is established by the promoters on Aug. 23, 1962, amendment 1 on Apr. 10,1965 Amendment 34 on June 14,2010,Amendment 35 on June 15,2011,Amendment 36 on June 20,2012,Amendment 37 on June 28,2013,Amendment 38 on June 27,2016,Amendment 39 on June 27,2017,Amendment 40 on June 27,2019,Amendment 41 on June 15,2020,Amendment 42 on June 29,2022.</p>	<p>The number of additional revisions and the date of revision.</p>

# Appendix 1

## Universal Incorporation Rules and Procedures for the Shareholders' Meeting

(Fourth Revision: Implementation after passing by shareholders' Meeting on June 15, 2020.)

1. The rules and procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be according to the Rules and Procedures stated below.
2. The shareholder meeting shall set up a signature book for the attendance of shareholders to sign in, or the attendance card shall be submitted by the attending shareholder to sign in. The number of shares attended is based on the signature book or the handed-in attendance card, plus the shares that exercise voting rights in writing or electronically to count it.
3. Attending and voting at a shareholders meeting shall be calculated based the number of shares.
4. A shareholders' meeting shall be held at the Company's location, or at a place and time convenient to shareholders and suitable for holding such a meeting. The meeting shall begin no earlier than 9:00 a.m. and no later than 3:00 p.m.
5. When a shareholders' meeting is convened by the Board of Directors, the Chairman of the Board will chair the meeting. In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his/her power and authority for any cause, the vice chairman shall act on his/her behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his/her power and authority for any cause, the Chairman of the Board of Directors shall designate one of the managing directors, or where there is no managing director, designate one of the directors to act on his/her behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the Board of Directors.

For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there were two or more people having the convening right, the chairman of the meeting shall be elected from among themselves.

6. The Company may designate its lawyer, certified public accountant or other relevant people to attend the shareholders' meeting.  
Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
7. The entire meeting process of the shareholders' meeting shall be audio-recorded or video-recorded. The recorded materials of the preceding paragraph shall be retained for at least 1 year.
8. The Chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the

quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman calls tentative resolution according to paragraph 1 of Article 175 of Company Act.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

9. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. All agenda (including extraordinary motions and original proposal Amended) should be voted. 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 to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.  
The Chairman 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.  
After the meeting is end, shareholders can't elect another chairman to continue the meeting at the original address or another place. If the Chairman declares the meeting adjourned in violation of the rules of procedure, elect a new chairman by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
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 Chairman.  
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 Chairman and the speaker's shareholder that has the floor; the Chairman shall stop any violations.
11. Except with the consent of the Chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.
12. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.  
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.
13. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.
14. When the chairman considers that the discussion of the proposal has reached a level that can be voted on, he may announce the suspension of the discussion and put it to the vote.
15. The scrutiny and counting personnel for voting on proposals shall be designated by the

chairman. But the scrutineers should have the status of shareholders. The voting results should be reported on the spot and recorded.

16. During the meeting, the chairman may announce a break according to the time.

17. When the Company holds a shareholders' meeting, it should allow the shareholders to exercise voting rights by electronic transmission or in written form. The way of exercising is in accordance with the Company Law and the regulations of the competent authority. Except as otherwise provided in the Company Law and in the Company's articles of incorporation, the proposal shall agree by more than half vote at a meeting of the attending shareholders.

18. When there is an amendment or an alternative to a proposal, the Chairman 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 one of the proposals has been passed, the other proposals shall be deemed to be rejected and there shall be no further voting.

19. The Chairman may direct the pickets (or security personnel) to help maintain order at the meeting venue. When pickets or security personnel help maintain order at the meeting venue, they shall wear an identification card or armband bearing the word "picket".

20. These Rules, Procedures and any amendments hereto, shall be implemented after adoption at shareholders' meetings.

## Appendix 2

# Articles of Universal Incorporation

(Amendment 42 on June 29, 2022.)

## Chapter I General Principles

1. The organization's name is Universal Incorporation, according to the provisions related to limited companies in the Company Act.
2. Main content of business
  - (1) C301010 Spinning of Yarn
  - (2) C302010 Weaving of Textiles
  - (3) C303010 Manufacture of Non-woven Fabrics
  - (4) C305010 Printing, Dyeing, and Finishing
  - (5) C306010 Wearing Apparel
  - (6) C307010 Clothing Accessories
  - (7) C399990 Other textile and products manufacturing
  - (8) C402030 Tanning and Dressing of Leather; Dressing and Dyeing of Fur
  - (9) C801100 Synthetic Resin and Plastic Manufacturing
  - (10) C801020 Petrochemical Materials Manufacturing
  - (11) C801120 Manufacture of Man-made Fibers
  - (12) C805010 Manufacture of Plastic Sheets, Pipes and Tubes
  - (13) C805060 Plastic Leathers Products Manufacturing
  - (14) C805070 Reinforced Plastic Products Manufacturing
  - (15) C805990 Manufacturing of other plastic products
  - (16) C901010 Ceramic and Ceramic Products Manufacturing
  - (17) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
  - (18) CC01080 Electronics components manufacturing
  - (19) CF01011 Medical Devices Manufacturing
  - (20) CJ01010 Hat Manufacturing
  - (21) CM01010 Case and Bag Manufacturing
  - (22) F101040 Wholesale of Livestock and Poultry
  - (23) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
  - (24) F108031 Wholesale of Medical Devices
  - (25) F114010 Wholesale of Motor Vehicles
  - (26) F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
  - (27) F201020 Retail Sale of Livestock Products
  - (28) F203010 Retail Sale of Food, Grocery and Beverage
  - (29) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
  - (30) F208031 Retail Sale of Medical Apparatus

- (31) F214010 Retail Sale of Motor Vehicles
- (32) F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (33) H701010 Housing and Building Development and Rental
- (34) H701040 Specific Area Development
- (35) H701060 New Towns, New Community Development Industry
- (36) F401010 International Trade
- (37) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- (38) C802041 Manufacture of Drugs and Medicines
- (39) F108021 Wholesale of Western Pharmaceutical
- (40) F208021 Retail Sale of Western Pharmaceutical
- (41) C802051 Manufacture of Chinese Medicines
- (42) F108011 Wholesale of Traditional Chinese Medicine
- (43) F208011 Retail Sale of Traditional Chinese Medicine

3. The Company is headquartered in Taipei City, Taiwan. If necessary, the Board of Directors will pass a resolution to set up branch offices in the domestic or international markets.
4. The company's reinvestment is not subject to the restriction that the total amount of reinvestment stipulated in Article 13 of the Company Law shall not exceed 40% of the paid-in share capital.
5. Due to business needs, the company handles endorsement guarantees in accordance with the company's external endorsement guarantee measures.

## Chapter II Shares

6. The total capital of the Company is NT\$1,300,000,000, consisting of 130,000,000 shares at par value NT\$10 per share. The shares are issued in installments. Unissued shares authorize the board of directors to decide to issue in installments according to actual business needs.

NT\$100 million is reserved for the capital in the preceding paragraph, which is divided into 10 million shares, which are the reserved warrants, preferred stock shares with warrants, and corporate bonds with warrants. It is used when the warrant holders exercise their stock options, and is issued in installments according to the resolution of the board of directors.

7. The stock of the company is registered, and the stock should be numbered, signed or sealed by the director representing the company, and issued by the bank that is the certifier of the stock issue according to law. Shares issued by the company do not need to print stock certificates, but need to contact the centralized securities depository institution to register.

8. Shareholders should submit their names and addresses or residences and seals to the company for registration and deposit. It is the same way when changing. When shareholders receive dividends and bonuses from the company or exercise other rights, they all rely on the retained seal.
9. Shareholders handle stock transfer, pledge setting, dissolution, loss reporting, inheritance, gift, seal report loss, change or address change, etc. Unless otherwise stipulated by laws and securities regulations, it shall be handled according to the "Standards for the Handling of Share Affairs of Companies Offering Shares to the Public" promulgated by the competent authority.
10. Within 60 days before each ordinary meeting of shareholders, within 30 days before the extraordinary meeting of shareholders, or within 5 days before the company decides to distribute dividends, bonuses or other benefits, the stock transfer shall be suspended.

## Chapter III Shareholders' Meeting

11. Shareholders' meeting is divided into ordinary meeting and extraordinary meeting. An ordinary meeting of shareholders is held at least once every year, and shall be convened within 6 months after the close of the fiscal year. An extraordinary meeting of shareholders shall be convened as required under the related rules. When the company's shareholders' meeting is held, it shall be held by video conference or other methods announced by the central competent authority.
12. A notice to convene an ordinary meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. A notice to convene An extraordinary meeting of shareholders shall be given no later than 15 days prior to the scheduled meeting date.
13. When a shareholder cannot attend a shareholders' meeting, he/she/its may appoint a proxy to attend on his/her/its behalf by executing a power of attorney printed by the company stating the scope of power authorized to the proxy. In addition to the provisions of Article 177 of the Company Law, the procedures for shareholders to entrust attendance shall be handled according to the "Rules on the Use of Power of Attorneys for Attending Shareholders' Meetings of Publicly Issued Companies" promulgated by the competent authority.
14. When a shareholders' meeting is convened by the Board of Directors, the Chairman of the Board will hold the meeting. In case the Chairman of the Board of Directors is on leave or absent and authority for any cause, the vice chairman shall act on his/her behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his/her power and authority for any cause, the Chairman of the Board of Directors shall designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the Board of Directors. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more people having the convening right, the chairman of the meeting shall be elected from among themselves.

15. In addition to regulation, each shareholder of the Company has one vote per share. The company holds a shareholders' meeting, voting rights shall be exercised electronically and in writing, the method of exercise shall be handled according to the company law and the regulations of the competent authority.
16. Resolutions of the shareholders' meeting, in addition to company law and other relevant laws, shall be attended by shareholders representing more than half of the total number of issued shares and more than half of the voting rights of the shareholders present agree to do it.
17. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.  
The distribution and storage of meeting minutes according to company law.

## Chapter IV Directors and Audit Committee

18. The Company has 7 to 9 directors (including at least 3 independent directors) with a term of three years. The election of directors (including independent directors) adopts a candidate nomination system. Directors elected from the list of director candidates at the shareholders' meeting and the list shall be eligible for re-election. The total shareholding ratio of all directors shall comply with the regulations of the securities regulatory authority.  
The election of independent directors shall be elected from the list of candidates for independent directors at the shareholders' meeting. Regarding the professional qualifications, shareholding, part-time job restrictions, determination of independence of independent directors, nomination and selection methods and other matters to be complied with shall be in accordance with the relevant regulations of the competent authority. When directors are elected, independent directors and non-independent directors shall be elected together according to Article 198 of the Company Law. The number of elected persons shall be calculated separately, and those with more votes represented by the votes obtained shall be elected as independent directors and non-independent directors.
19. The remuneration of directors is authorized by the board of directors according to the usual standards in the industry; Directors' remuneration shall be paid regardless of profit or loss.
20. The company's directors recommend one person as president. The president is the chairman of the shareholder meeting and the board of directors internally, and represents the company externally. In addition, the company shall depend on business needs to appoint a vice president who elected from directors to assist the president in handling relevant business.
21. The execution of the company's business shall be carried out by the resolution of the board of directors, except for the company law or the Articles of Incorporation, which shall be resolved by the shareholders' meeting; The reason for the convening of the board of directors shall be stated, and the directors shall be notified 7 days in advance, but in case of emergency, the meeting of the board of directors may be

called at any time; The convening of the board of directors of the company can inform to all directors by writing, e-mail or fax.

Except for the first meeting of the board of directors of each term, which is convened by the director with the most voting rights, the rest are convened by the president and serve as the chairman. When the president is unable to implement his duties, the vice president shall act on his behalf; if there is no vice president or the vice president is unable to implement his duties, the president shall designate a director to act as his deputy. If there is no appointment, the directors shall recommend one person to convene and serve as the chairman.

22. In addition to the company law and other related regulations, the meeting of the board of directors must be attended by more than half of the directors, and the resolutions approval by more than half of the attended directors. Minutes of the resolutions shall be made and distributed to all directors, and the above minutes shall be kept together with the signature book of the attending directors. When a director is unable to attend the board meeting, who shall submit a power of attorney according to the law, listing the scope of authorization for the convening reason, and entrusting other directors to attend the meeting.
23. According to Article 14-4 of the Securities and Exchange Act, the company shall set up an audit committee to replace the supervisor. The audit committee shall consist of all independent directors, the audit committee or the members of the audit committee are responsible for implementation of the Company Law, the Securities Exchange Law, and other regulations of the supervisor's duty and rights. The composition, powers, rules of procedure, and other matters to be complied with of the audit committee shall be in accordance with the relevant regulations of the competent securities authority.

## Chapter V Managers

24. The Company may have one or more managerial personnel. The appointment, discharge and the remuneration of the managerial personnel shall be decided in accordance with Article 29 of the Company Law.

## Chapter VI Final accounts and Earning distribution

25. The company uses the national calendar year as the final accounting period. Board of Directors makes the following list and submits it to the audit committee for verification 30 days before the shareholders' meeting, and then submitted to the shareholders' meeting for ratification.
1. Business report.
  2. Financial statements.
  3. Proposal on profit distribution or loss compensation.
26. If the Company incurs positive earnings for the relevant year (i.e., the profit before tax at that year before deducting the remuneration of employee and directors), it should allocate 0.5% to 5% for employee remuneration, which shall be distributed in stock or cash by the resolution of board of directors, the distribution objects include the employees of the controlling or subordinate companies who meet certain

conditions, and authorized the certain conditions by the board of directors; the company can distribute some bonus of profits, no higher than 2.5% for directors remuneration.

If the Company has cumulative deficits, then the Company must first retain the necessary earnings to offset the deficits, and then allocate remuneration of employee and director in above proportion.

Proposals on the distribution of employee remuneration and director remuneration shall approval by a majority vote at a meeting of the board of directors attended by two-third of total number of directors and shall be submitted to the shareholders' meeting.

26-1 If the Company incurs positive earnings for the relevant year must pay all outstanding taxes, offset deficits in prior years first, then sum up the balance of net profit and the number which included in the unappropriated earnings for the year but that not include in the profit for the year, and the company appropriate 10% of the above sum as legal reserve. When necessary, withdraw or reverse the special surplus reserve for the amount of shareholders' equity deduction that occurred in the current year in accordance with the law. Except annual dividends of 3%, if there is still surplus, the distribution proposal prescribed for shareholder's bonus, dividend, bonus by the Board of Directors should submit at the shareholders' meeting.

According to the provisions of paragraph 5 of Article 240 of the Company Act, authorized a majority vote at a meeting of the board of directors attended by two-third of total number of directors, shall distribute dividends and bonuses or according to paragraph 1 of Article 241 of the Company Act, all or part of the legal reserve and capital surplus shall be distributed in cash and submit to the shareholders' meeting.

27. In principle, the company's dividend policy first considers relevant factors such as the company's operating conditions and financial conditions. The amount of dividends to be distributed will be determined after retaining an appropriate amount of surplus. The above dividends shall be given priority in cash dividends, and shall be distributed in stock dividends, The upper limit of the proportion of stock dividend distribution shall not exceed 90% of the total dividend distribution for the current year.

28. When the statutory legal reserve has reached the total amount of capital, the withdrawal shall be terminated by the resolution of the shareholders' meeting.

## Chapter VII Supplemental Provisions

29. For matters not specified in the Articles, all must comply with the Company Act and related regulation.

30. The company's organizational regulations and working rules are separately determined by the resolution of the board of directors.

31. This Articles of Incorporation is established by the promoters on Aug. 23, 1962, Amendment 1 on Apr. 10, 1965, Amendment 2 on Oct. 12, 1966, Amendment 3 on May 7, 1970, Amendment 4 on July 1, 1972,

Amendment 5 on June 22,1976, Amendment 6 on June 10,1977,  
Amendment 7 on June 16,1979, Amendment 8 on Feb. 25,1981,  
Amendment 9 on Oct. 6,1982, Amendment 10 on Dec. 5,1983,  
Amendment 11 on Dec. 17,1984, Amendment 12 on April 16,1987,  
Amendment 13 on Jan. 12,1989, Amendment 14 on April 11,1989,  
Amendment 15 on June 5,1990, Amendment 16 on Feb. 5,1991,  
Amendment 17 on Nov. 29,1991, Amendment 18 on June 25,1993,  
Amendment 19 on May 6,1994, Amendment 20 on April 25,1995,  
Amendment 21 on June 25,1996, Amendment 22 on June 25,1997,  
Amendment 23 on May 14, 1998, Amendment 24 on June 24,1999,  
Amendment 25 on June 12,2000, Amendment 26 on June 12,2000,  
Amendment 27 on June 28,2001, Amendment 28 on June 25, 2002,  
Amendment 29 on June 24, 2005, Amendment 30 on June 27, 2006,  
Amendment 31 on June 21, 2007, Amendment 32 on June 19, 2008,  
Amendment 33 on June 19, 2009, Amendment 34 on June 14,2010,  
Amendment 35 on June 15,2011, Amendment 36 on June 20,2012,  
Amendment 37 on June 28,2013, Amendment 38 on June 27,2016,  
Amendment 39 on June 27,2017, Amendment 40 on June 27,2019,  
Amendment 41 on June 15,2020, Amendment 42 on June 29,2022.

## Appendix 3

# Universal Incorporation Election Regulations of Directors

(Third Revision: Implementation after passing by shareholders' Meeting on June 15, 2020.)

1. The election of directors of the company shall be handled according to the provisions of these Regulations.
2. Election of Directors of the Company, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.  
The director election of our company uses the candidate nomination rule according to the company law's candidate nomination system procedures and relevant laws and regulations.
3. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting.
4. Before the start of the election, the Chairperson shall appoint several scrutiny and counting personnel to perform related duties.
5. Election of Directors, the ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote scrutiny personnel before voting commences.
6. If the candidate of an election is a shareholder, the elector must fill in the account name of the candidate of an election in the " candidate of an election " sheet of the ballot paper and shareholder number; If the person is not a shareholder, the name and ID number of the candidate should be filled in.

However, when the government or legal person shareholders are the candidate, the name of the candidate should be filled in the name of the government or legal person in the column of the account name, and the name of the government or legal person and the name of the representative; When there are several representatives, the names of the representatives should be added separately.

7. A ballot is invalid under any of the following circumstances:
  - (1) Ballot papers not specified in these rules.
  - (2) A blank vote is placed in the ballot box.
  - (3) The writing is unclear and indecipherable or has been altered.
  - (4) The person to be elected is a shareholder, the account name, shareholder account number and shareholder register do not match  
The person to be elected is not a shareholder, and the name and ID number do not match after verification
  - (5) In addition to filling in the account name (name) of the candidate or shareholder account number (ID number) and the number of voting rights allocated, other words are inserted.

- (6) The account name (name) or shareholder account number (ID number) of the candidate is not filled in.
- (7) Two or more candidates are listed on the same vote.
8. The directors of the company shall calculate the voting rights of independent directors and non-independent directors separately according to the number of directors determined by the company's regulations. Electoral votes represent those who have more voting rights were elected in turn. If two or more people have the same number of rights and exceed the quota, those who have the same number of rights will be determined by drawing lots, and those who are not present will be drawn by the chairman.  
If the elected directors are checked and confirmed that their personal information does not match or that they are incompetent in accordance with relevant regulations, the election will be invalid.
9. After the voting is completed, the votes will be counted on the spot, and the results will be announced by the chairman on the spot and recorded.
10. The Board of Directors of the Company shall issue notifications to the persons elected as directors.
11. Matters not specified in these procedure shall be handled in accordance with the Company Law, the company's articles of incorporation, and relevant laws and regulations.
12. These Procedures, and any amendments thereto, shall be implemented after approval at shareholders' meetings.

## Appendix 4

### Shareholding of Directors

1. The company's current issued common stock is 85,281,198 shares.
2. The statutory number of shares held by all directors shall not be less than 6,822,495 shares. (Note: Shares held by independent directors are not included in the number of shares held by directors)
3. The company has an audit committee, so there is no applicable number of shares that the supervisor should hold.
4. As of the book closure date of the shareholders meeting, Shareholding details of individual and all directors in the shareholders list as below

Base date: April 29, 2023

Title	Name	Election date	Term	Shares held during Election	Shareholding percentage	Current Shares held	Shareholding percentage	Remarks
President	Huang, Mei-Hui	June 15, 2020	3 Years	24,408,800	28.62%	24,679,800	28.94%	UNIVERSAL INVESTMENT CO., LIMITED Representative
Director	Lam, Minh							
Director	Huang, Ming Hsiung							
Director	Kao, Ching Hai							
Total of director				24,408,800	28.62%	24,679,800	28.94%	
Independent director	Wu, Cheng-Ming	June 15, 2020	3 Years	4	-	4	-	
Independent director	Chang, Jin-Lian	June 15, 2020	3 Years	0	-	0	-	
Independent director	Chang, Ming-Lun	June 15, 2020	3 Years	0	-	0	-	
Total of independent director				4	-	4	-	
Total amount				24,408,804		24,679,804		

All directors of the company hold 24,679,800 shares, accounting for 28.94% of the total shares. (Note: Shares held by independent directors are not included in the number of shares held by directors)

Note:

1. The type of shareholding is common stock.
2. The issued percentage at that time: the total of 85,281,198 shares issued at the time of director election (June 15, 2020)

A total of 85,281,198 shares were issued on April 29, 2023, the par value of each share is NT\$10.

## **Appendix 5**

The effect of issuance of bonus shares for the current fiscal year on the Company's operating performance, earnings per share, and return on equity:

The Company did not issue the issuance of bonus shares this year, so it is not applicable.