

UNIVERSAL TEXTILE CO., LTD.

**2025 ANNUAL
SHAREHOLDERS'
MEETING**

H a n d b o o k

Meeting Time: 29 May 2025
Place: 6F., No. 70-1, Xining N. Rd., Taipei City
(C.H.S.C Alumni Association)
Type of Meeting: Physical Meeting

The reader is advised that these handbook have been prepared originally in Chinese. In the event of a conflict between these handbook and the original Chinese version or difference in interpretation between the two versions, the Chinese language handbook shall prevail

Table of Contents

Meeting Agenda	1
Management Presentation (Company Reports)	2
Proposals	3
Discussion	3
Election Matters	4
Other Matters.....	5
Questions and Motions.....	5
Attachments:	
I. 2024 Business Report	6
II. 2024 Audit Committee’s Review Report	12
III. Remuneration to Directors for 2024	13
IV. 2024 Financial Statements with Report of Independent Auditors....	15
V. Proposal for Distribution of 2024 Profits	35
VI. Comparison Table of “Articles of Association”	36
VII. List of Director Nominees and Related Information Provided by the Board of Directors.....	37
Appendices:	
I. Articles of Association (Before Amendment)	38
II. Rules of Procedure for Shareholder Meetings.....	45
III. Procedures for Election of Directors	62
IV. Shareholding Status of All Directors	66

UNIVERSAL TEXTILE CO., LTD.
2025 Annual Shareholders' Meeting
Meeting Agenda

Time: 9:00 a.m., 29 May 2025 (Thursday)

Place: 6F., No. 70-1, Xining N. Rd., Taipei City (C.H.S.C Alumni Association)

Type of Meeting: Physical Meeting

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation (Company Reports):

(I) Reproted the business of 2024

(II) 2024 Audit Committee's review report

(III) Report on Distribution of Cash Dividends from Earnings for 2024

(IV) Other Report Items: Report on Remuneration to Directors for 2024

IV. Proposals:

(I) Adoption of the 2024 Business Report and Financial Statements.

(II) Adoption of the Proposal for Distribution of 2024 Profits.

V. Discussion:

(I) Amendment to the section of the Company's Corporate Charter (Articles of Association).

VI. Election Matters

(I) By-election of an Independent Director

VII. Other Matters:

(I) Proposal to Release the Director from the Non-Competition Restriction

VIII. Questions and Motions

IX. Adjournment.

I. Management Presentations (Company Reports)

Report No. 1

Description: 2024 Business Reports

Explanation: The 2024 Business Report is attached as pp. 6-11, Attachment 1.

Report No. 2

Description: Audit Committee's Review Report on the 2024 Financial Statements

Explanation: The 2024 Audit Committee's Review Report is attached as p.12, Attachment 2.

Report No.3

Description: Report on Distribution of Cash Dividends from Earnings for 2024

Explanation:(1) Pursuant to Article 25-1 of the Articles of Association, the proposal for earnings distribution shall be made by the Board of Directors with the attendance of the Audit Committee, and shall be submitted to the Shareholders' Meeting for reporting after resolution by the Board.

- (2) The Board of Directors has approved the distribution of NT\$65,333,017 from the distributable earnings as cash dividends for common shares, with a cash dividend of NT\$0.5 per share.
- (3) Cash dividends shall be calculated and paid in whole New Taiwan Dollars. Any amount less than one dollar shall be rounded down and aggregated into other income.
- (4) If the total number of outstanding shares is affected due to changes such as share repurchase, transfer, conversion of employee stock options, or other capital changes prior to the ex-dividend date, the Chairman shall be authorized to adjust the cash dividend distribution accordingly.
- (5) The ex-dividend date is scheduled for 4 April 2025, and the cash dividend payment date is scheduled for 30 April 2025.

Report No.4

Other Report Item: Report on Remuneration to Directors for 2024

Explanation: The Company distributes directors' remuneration in accordance with the Articles of Association. The remuneration is determined based on relevant policies, including the content and amount of individual remuneration and its correlation with performance evaluation results. Please refer to pp.13-14 and Attachment 3 of the Handbook.

II. Proposals

1. (Proposed by the Board)

Proposal: Adoption of the 2024 Business Report and Financial Statements

Explanation: The Company's Financial Statements, including the balance sheet, statement of comprehensive income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, Ching-Ya Huang and Jung-Chin Liu of Ernst & Young, Taiwan. Business Report, Audit Committee's review report, and independent auditors' audit report is attached as pp.15-34, Attachment 4.

Resolution:

2. (Proposed by the Board)

Proposal: Adoption of the Proposal for Distribution of 2024 Profits.

Explanation: The 2024 accumulated unappropriated retained earnings are NT\$ 710,249,812 and the proposed cash dividend to shareholders is NT\$ 65,333,017 at NT0.50 per share. (Attached as p.35, Attachment 5)

Resolution:

III. Discussion

1. (Proposed by the Board)

Proposal: Amendment to the section of the "Articles of Association". Please proceed to discuss.

Explanation:

1. In accordance with Financial-Supervisory-Commission Letter No. 1130385442 dated 8 November 2024.
2. Please refer to p.36 (Attachment 6) for the comparison table of the Company's current and amended Articles of Association.

Resolution:

IV. Election Matters

1. (Proposed by the Board)

Proposal: By-election of an Independent Director

Explanation:

1. Independent Director, NAKANISHI RYOICHI, resigned from his position on 30 May 2024. In accordance with the Company's Articles of Association, a by-election for one Independent Director is proposed. The candidate nomination system will be adopted, and the Independent Director will be elected by the shareholders from the list of nominees.
2. The term of the newly elected Independent Director shall run from 29 May 2025 to 29 May 2026, completing the original term of the predecessor.
3. The list of Independent Director nominees was approved by the Board of Directors on 12 March 2025. For details, please refer to Attachment 7 on p.37 of the Meeting Handbook.

Voting Results:

V. Other Matters

1. (Proposed by the Board)

Proposal: Proposal to Release the Director from Non-Competition Restriction

Explanation:

1. Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. Where a director engages in investment or business that is within the same business scope as that of the Company, or acts as a director or manager of a company with a similar line of business, the director shall obtain approval from the shareholders' meeting in advance without impairing the Company's interests. In accordance with Article 209 of the Company Act, the Company hereby proposes that, under the aforementioned circumstances, the shareholders' meeting approve to release the director and their representatives from the non-competition restriction.
3. The Director, YANG, JEN-KAI, currently holds a concurrent position in another company. The Company proposes that the shareholders' meeting approve the release of the Director from the non-competition restriction. Details are as follows:

Title	Name	Description of Business Conducted Within the Scope of the Company's Operations
Director	YANG, JEN-KAI	Director, HONMYUE ENTERPRISE CO., LTD.
		Director, CHING FENG HOME FASHIONS CO., LTD.

Resolution:

VI. Questions and Motions

VII. Adjournment

UNIVERSAL TEXTILE CO., LTD.

2024 Business Report

I. The 2024 Business Results

(I) Result of Implementation of Business Plan

The Company's total revenue for 2024 was NT\$989,122 thousand, representing a 28% decrease compared to NT\$1,381,718 thousand in 2023. The net loss after taxes for 2024 was NT\$198,601 thousand, with a net loss per share of NT\$1.52, compared to a net profit after taxes of NT\$1,008,381 thousand and earnings per share of NT\$7.72 in 2023, representing a decrease of 120%. The decline was primarily attributable to prolonged geopolitical tensions such as the Russia-Ukraine war, volatility in the Middle East, and the spillover effects from China's energy policy, all of which negatively impacted global demand and led to weaker sales and gross profit. Nevertheless, with the Company's ongoing transformation of its operations and business model, the Company is well-positioned in the coming years to respond with greater competitiveness and operational resilience, which is expected to lead to improved financial performance.

(II) Budget Implementation

In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to provide financial forecast information for 2024. Therefore, no budget implementation analysis data is available for 2024.

(III) Analysis of Receipts, Expenditures and Profitability

1. Analysis of financial structure:

Equity Ratio: 86.66%	Debt Ratio: 13.34%
----------------------	--------------------

2. Analysis of solvency:

Current Ratio: 320.89%	Quick Ratio: 219.89%
------------------------	----------------------

3. Analysis of profitability:

Return on Assets: -6.73%	Return on Equity: -7.80%
--------------------------	--------------------------

Net Profit Margin: -20.08%	Earnings per Share: NT\$-1.52
----------------------------	-------------------------------

(IV) Research and Development Work

In 2024, the Company invested approximately NT\$23,402 thousand in research and development. The Company remains committed to enhancing the added value of its polyester fiber products by leveraging the strengths of the domestic upstream, midstream, and downstream sectors. Through continuous efforts in false twist processing, fabric design and weaving, dyeing, finishing, and finished product testing and certification, the Company has established a comprehensive development process. Based on product development needs, various types of fibers and special functional fabrics are developed to be applied in different textile products, such as windproof jackets and functional apparel. These eco-friendly textile materials are suitable for use in fashion items and uniforms, offering functionalities such as wind proofing and warmth retention. Moreover, by focusing on single-material design, these textile products can be recycled and reused to support circular economy initiatives to support circular economy initiatives while fulfilling customer demands and ensuring long-term profitability.

II. Summary of the Business Plan for 2024

(I) Operation Policies:

1. By integrating the product planning, false twisting, and textile departments' R&D design capabilities, the company aims to accelerate the development of high-value-added products. Also, the Company has actively participated in emerging countries and Europe and America exhibitions to explore new business opportunities, expand into new areas, and strategically position itself to attract new customers.
2. By restructuring the benefits of existing products, the Company aims to generate new value for the current customers and deepen the relationships with valuable and key brand clients to pursue long-term and stable orders. The Company will enter new customer supply chains through the development of epidemic prevention products, environmental protection products, and industrial fabrics. The Company will also use digital marketing through online platforms to directly connect with brand buyers and actively develop new customer sources through e-commerce operations.

3. By introducing AI and intelligent sensing devices, the company aims to enhance production efficiency and shorten R&D lead times, closely aligning with market demands and the development of advanced technologies in Europe, America, and Japan. The Company will adopt a customer-centric approach to capacity planning, develop a comprehensive product R&D roadmap, and improve product performance and yields.
4. The Company will continue to implement energy-saving and carbon-reduction measures, prioritize occupational safety and environmental protection, meet environmental standards, and embrace the ESG spirit of the “circular economy” model in the factory production processes.

(II) Sales Volume Forecast and the Basis Thereof

Based on factors such as production capacity, sales regions, and economic cycles, the Company forecasts its 2025 sales volume to reach 20 million yards of staple fiber and 3,600 metric tons of filament yarn.

(III) Important Production and Sales Policies:

1. Increase the utilization rate of production equipment and fully utilizing the functionality and production capacity.
2. By combining the manpower and resources of the business, factory, and R&D teams, and closely collaborating with downstream processing partners, the Company aims to identify the optimal product combinations and future niche product lines, in order to enhance product value and increase revenue and profitability.
3. Using the “deepening or integration of the supply chain and value chain” to upgrade and transform the industry, in order to achieve early market segmentation, adapt to changes in competitive strategies, support industry upgrading, and to penetrate the supply chains of overseas physical and online shopping markets.

III. The Company's Future Development Strategy, and the Effect of External Competition, the Legal Environment, and the Overall Business Environment

(I) Future Development Strategy:

1. Under the international net-zero carbon emission requirements, the Company is striving toward the goal of achieving near-zero emissions in production capacity by lowering carbon emission costs through methods such as enhancing manufacturing efficiency and predictability. This is being achieved through the implementation of new technologies to facilitate emission reduction and improvement, thereby advancing toward the Company's target of near-zero emissions in production capacity.
2. Promoting product quality and diversity of fabrics, as well as functionality, continuously improving the proportion of brand customer orders to the overall revenue, deeply cultivating the ready-to-wear market, attracting new customers, and increasing profit margins.
3. Strengthening the collaboration between the sales, business, and R&D departments to develop innovative products. The sales strategy is adjusted from primarily quantity-oriented to a customer-oriented approach. Meanwhile, niche markets and product lines with market-creation potential are explored to increase profit margins.
4. Strengthening the implementation of ISO 9001, ISO 14064, and ISO 50001 mechanisms, requiring all employees to effectively implement product and work quality, while meeting energy-saving and carbon-reduction requirements in production processes. Air and water pollution, as well as waste, must be reduced and recycled to support sustainable development and fulfill the responsibility of protecting the environment and the earth.

(II) The Effect of External Competition, the Legal Environment, and the Overall Business Environment:

Taiwan's textile industry continues to face challenges from rising geopolitical tensions, protectionist trade policies, and expanding trade barriers. These factors, particularly the strained U.S.-China economic relationship, heightened regional conflicts, and unfavorable shifts in international trade rules, have collectively suppressed market demand and global economic growth, affecting export momentum.

Due to rising energy prices and prolonged inflation in Europe and the United States, textile brands have accelerated the relocation of their supply chains from China to other regions. This, combined with cost and tax pressures, presents both challenges and opportunities for Taiwan's textiles industry to reposition itself in the global market. Recently, there has also been a noticeable rebound in domestic and international inquiries regarding fabrics and yarns, signaling gradual recovery in foreign demand.

On the regulatory front, trade-related legislation such as the U.S. UFLPA, the European Union's Carbon Border Adjustment Mechanism (CBAM), the U.S. Clean Competition Act (CCA), and Taiwan's "2050 Net-Zero Emissions Pathway" and ESG reporting guidelines are being actively implemented. These policies have led major global brands such as Nike and Adidas to raise their environmental requirements, thereby driving Taiwan's textile industry to advance its green transformation and strengthen its competitiveness.

The overall macroeconomic environment remains clouded by geopolitical instability and sluggish job markets. Although consumer spending intentions are relatively conservative, global consumption demand has shown signs of a slight rebound. In addition, cross-strait relations have grown increasingly complex. Should China suspend preferential tariff treatment for Taiwan, the textile industry may face disruptions to export orders and an erosion of export momentum. Meanwhile, the continued relocation of textile supply chains out of China has intensified, with brands seeking regional alternatives. Taiwanese enterprises are expected to maintain overseas production bases while also exploring options to strengthen local sourcing. These efforts aim to mitigate domestic supply shortages and sustain the momentum of Taiwan's textile exports. As a result, the overall outlook for Taiwan's textile industry in 2025 is expected to remain cautiously stable.

To address external competition and challenges in the evolving business environment, the Company will continue to develop new product lines, diversify offerings and market segmentation, enhance product value, strengthen collaborations with international brands, and expand online marketing channels to sustain competitiveness in global markets.

In appreciation of shareholders' continued support, the management team remains committed to developing trend-driven products and advancing a high-value-added strategy to deliver greater returns to all shareholders.

Sincerely wishing

Wish all shareholders good health and all the best

Chairman:
CHEN, YAO-
MING



Manager:
YANG, JEN-
KAI



Accounting Supervisor:
LU, CHUNG-
NING



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



The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, and proposal for the distribution of profit. The CPA firm of Ernst & Young, represented by CPA Ching-Ya Huang and Jung-Chin Liu, was retained to audit the Financial Statements and has issued an independent audit report relating to the Financial Statements. The Business Report, Financial Statements, and proposal for the distribution of profit have been reviewed and determined to be correct and accurate by the Audit Committee members. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely

UNIVERSAL TEXTILE CO., LTD.

2025 ANNUAL SHAREHOLDERS' MEETING

Chairperson of the Audit Committee: YI-CHANG YEH



12 March 2025

Attachment 3

1. Remuneration of Directors (Including Independent Directors (*Extracted from the Annual Report*))

As of 31 December 2024

Unit: NT\$ thousand / thousand shares

Title	Name	Remuneration to Directors								The sum of A, B, C and D in proportion to net income (Note 10)		Related payment in performing the duties as employees								The sum of A, B, C, D, E, F and G in proportion to net income (Note 10)		Any payment from direct investee companies other than the subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Pension and severance payment (B)		Remuneration to Directors(C) (Note 3)		Professional allowances (D) (Note 4)				Salaries, bonus and special expense account (E) (Note 5)		Pension and severance payment(F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 7)		The Company	All companies included in the financial statements (Note 7)	
																Amount of Cash	Amount of Shares	Amount of Cash	Amount of Shares			
Chairman	CHEN, YAO-MING	3,472	3,472	0	0	0	0	312	312	3,784 (1.91)	3,784 (1.91)	0	0	0	0	0	0	0	0	3,784 (1.91)	3,784 (1.91)	None
Director	YANG, JEN-KAI	240	240	0	0	0	0	72	72	312 (0.16)	312 (0.16)	3,412	3,412	0	0	0	0	0	0	3,724 (1.88)	3,724 (1.88)	None
Director	YEH, CHIA-HONG	240	240	0	0	0	0	64	64	304 (0.15)	304 (0.15)	0	0	0	0	0	0	0	0	304 (0.15)	304 (0.15)	None
Director	YAO, PIN-NAN (Resigned on 17 May 2024)	100	100	0	0	0	0	16	16	116 (0.06)	116 (0.06)	0	0	0	0	0	0	0	0	116 (0.06)	116 (0.06)	None
Director	LEE, LI-HSEN	240	240	0	0	0	0	64	64	304 (0.15)	304 (0.15)	0	0	0	0	0	0	0	0	304 (0.15)	304 (0.15)	None
Director	Representative, LIANG HAW TECHNOLOGY CO., LTD.: YU, CHUN-PING	240	240	0	0	0	0	64	64	304 (0.15)	304 (0.15)	0	0	0	0	0	0	0	0	304 (0.15)	304 (0.15)	None
Director	Representative, EVERWIN CAPITAL LIMITED: TSENG, CHING-HUA	240	240	0	0	0	0	64	64	304 (0.15)	304 (0.15)	0	0	0	0	0	0	0	0	304 (0.15)	304 (0.15)	None



安永聯合會計師事務所

40756 台中市市政北七路186號26樓
26F, No. 186, Shizheng N. 7th Rd., Xitun Dist.,
Taichung City, Taiwan, R.O.C.

Attachment 4

Tel: 886 4 2259 8999
Fax: 886 4 2259 7999
www.ey.com/tw

Independent Auditors' Report Translated from Chinese

To UNIVERSAL TEXTILE CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of UNIVERSAL TEXTILE CO., LTD. (the “Company”) as of 31 December 2024 and 2023, and the related parent company only statements of comprehensive income, changes in stockholders’ equity and cash flows for the years ended 31 December 2024 and 2023, and notes to the parent company only financial statements, including the summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2024 and 2023, and its parent company only financial performance and cash flows for the years ended 31 December 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 Parent company only financial statements. These matters were addressed in the context of our audit of the Parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

The Group's operating revenues amounted to NT\$989,122 thousand for the year ended 31 December 2024, and the Group mainly sales textured yarns and synthetic fabrics. Due to the different sales conditions with different customers, it is necessary to determine and decide the performance obligations and the timing of their satisfaction based on customer orders or contract documents. Therefore, the auditor has listed it as a key audit matter.

The audit procedures of the accountants included (but not limited to), understanding and evaluating the appropriateness of the accounting policies for revenue recognition; understanding and testing the effectiveness of relevant internal control design and implementation; selecting samples for details, and performing transaction detail tests, Review the major clauses in the contract and examining relevant transaction certificates to evaluate and judge the correctness of the performance obligation and the timing of its satisfaction and verify the authenticity of the transaction; for before and after the balance sheet date for transactions over a period of time and select samples to perform the cut-off point test.

Please refer to the parent company only financial statements Notes 4 and 6 indicate the appropriateness of the disclosure of operating income.

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

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 parent company only financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements 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.

Ernst & Young, Taiwan

Huang, Ching Ya

Liu, Jung Chin

12 March 2025

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations 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.

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
 UNIVERSAL TEXTILE CO., LTD
 PARENT COMPANY ONLY BALANCE SHEETS
 As of 31 December 2024 and 2023
 (Expressed in Thousands of New Taiwan Dollars)

Assets		As of 31 December	
		2024	2023
Current assets			
Cash and cash equivalents	4, 6(1) and 12	\$304,627	\$1,209,539
Financial assets at fair value through profit or loss, current	4, 6(2) and 12	138,506	-
Financial assets at amortised cost, current	4, 6(4) and 12	-	211,410
Note receivable, net	4, 5, 6(5) and 12	10,996	15,603
Accounts receivable, net	4, 5, 6(5) and 12	113,683	164,053
Accounts receivable-related parties, net	4, 5, 6(5), 7 and 12	1,049	5,010
Other receivables		2,799	3,842
Current income tax assets		1,906	542
Inventories	4, 5 and 6(6)	286,336	344,909
Other current assets		30,647	10,818
Total current assets		890,549	1,965,726
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(3) and 12	538,345	294,920
Investments accounted for using equity method	4 and 6(7)	618,930	70,204
Property, plant and equipment, net	4 and 6(8)	649,155	669,768
Right-of-use assets	4 and 6(15)	3,559	465
Intangible assets		13,423	1,112
Deferred tax assets	4 and 6(17)	38,986	85,083
Other non-current assets		16,880	17,130
Total non-current assets		1,879,278	1,138,682
Total assets		\$2,769,827	\$3,104,408

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
UNIVERSAL TEXTILE CO., LTD
PARENT COMPANY ONLY BALANCE SHEETS
As of 31 December 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Liability and Equity		As of 31 December	
		2024	2023
Current liabilities			
Short-term loans	4, 6(10) and 12	\$120,000	\$ -
Contract liabilities, current	4 and 6(13)	38,824	48,301
Notes payable	12	6,149	20,740
Accounts payable	12	43,470	64,605
Accounts payable-related parties, net	7	-	1,295
Other payables	6(9) and 12	75,257	177,355
Lease liabilities, current	4, 6(15) and 12	1,533	398
Other current liabilities		2,507	4,462
Total current liabilities		287,740	317,156
Non-current liabilities			
Deferred tax liabilities	4 and 6(17)	63,987	62,882
Lease liabilities, non-current	4, 6(15) and 12	2,049	71
Deferred revenue		4,505	6,359
Net defined benefit obligation, non-current	4 and 6(10)	10,407	23,560
Guarantee deposits received	12	620	620
Non-current liabilities		81,568	93,492
Total liabilities		369,308	410,648
Equity	4 and 6(12)		
Capital			
Common stock		1,306,660	1,306,660
Additional paid-in capital		1,538	1,450
Retained earnings			
Legal reserve		115,343	1,520
Special reserve		69,236	69,236
Unappropriated retained earnings		711,571	1,138,843
Subtotal		896,150	1,209,599
Other Components of equity			
Unrealized Gains on Equity Instruments Measured at Fair Value Through Other Comprehensive Income		196,171	176,051
Total equity		2,400,519	2,693,760
Total liabilities and equity		\$2,769,827	\$3,104,408

UNIVERSAL TEXTILE CO., LTD

PARENT COMPANY ONLY STATEMENTS OF COMPERHENSIVE INCOME

For the Years Ended 31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Note	For the years ended 31 December	
		2024	2023
Operating revenues	4, 6(13) and 7	\$989,122	\$1,381,718
Operating costs	6(6)	(1,002,688)	(1,196,069)
Gross profit		(13,566)	185,649
Operating expenses	6(16)		
Sales and marketing expenses		(99,782)	(122,021)
General and administrative expenses		(53,261)	(118,728)
Research and development expenses		(23,402)	(18,360)
Expected credit loss	6(14)	(5,204)	(2,182)
Total operating expenses		(181,649)	(261,291)
Operating loss		(195,215)	(75,642)
Non-operating income and expenses	4 and 6(17)		
Interest income		13,164	5,631
Other income		15,704	19,740
Other gains and losses		17,116	1,112,754
Finance costs		(1,131)	(1,425)
Share of (loss) or profit of subsidiaries, associates and joint ventures accounted for using equity method		(2,232)	650
Total non-operating income and expenses		42,621	1,131,719
(Loss) profit before income tax		(152,594)	1,056,077
Income tax expense	4 and 6(18)	(46,007)	(47,696)
Net (loss) income		(198,601)	1,008,381
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		5,977	(3,291)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		227,156	67,886
Income tax related to items that will not be reclassified subsequently		(1,196)	658
Total other comprehensive income, net of tax		231,937	65,253
Total comprehensive income		\$33,336	\$1,073,634
Earnings per share (NTD)	6(19)		
Earnings per share-basic		\$(1.52)	\$7.72
Earnings per share-diluted		\$(1.52)	\$7.65

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
 UNIVERSAL TEXTILE CO., LTD
 PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
 For the Years Ended 31 December 2024 and 2023
 (Expressed in Thousands of New Taiwan Dollars)

	Notes	Total equity attributable to owners of parent					Other Components of Equity		Total equity
		Capital	Additional paid-in capital	Retained earnings			Unrealized Gains (Losses) on Equity Instruments Measured at Fair Value Through Other Comprehensive Income		
				Legal reserve	Special reserve	(Accumulated deficit) Unappropriated retained earnings			
Balance as of 1 January 2023	6(12)	\$1,306,660	\$1,294	\$ -	\$201,716	\$15,202	\$108,165	\$1,633,037	
Appropriation of earnings									
Legal reserve				1,520		(1,520)		-	
Special reserve					(132,480)	132,480		-	
Cash dividend						(13,067)		(13,067)	
Other changes in additional paid-in capital:									
Capital surplus transferred from unclaimed dividends			156					156	
Net income in 2023						1,008,381		1,008,381	
Other comprehensive income in 2023						(2,633)	67,886	65,253	
Total comprehensive income		-	-	-	-	1,005,748	67,886	1,073,634	
Balance as of 31 December 2023	6(12)	\$1,306,660	\$1,450	\$1,520	\$69,236	\$1,138,843	\$176,051	\$2,693,760	
Balance as of 1 January 2024		\$1,306,660	\$1,450	\$1,520	\$69,236	\$1,138,843	\$176,051	\$2,693,760	
Appropriation of earnings									
Legal reserve				113,823		(113,823)		-	
Cash dividend						(326,665)		(326,665)	
Other changes in additional paid-in capital:									
Capital surplus transferred from unclaimed dividends			88					88	
Net loss in 2024						(198,601)		(198,601)	
Other comprehensive income in 2024						4,781	227,156	231,937	
Total comprehensive income		-	-	-	-	(193,820)	227,156	33,336	
Disposal of equity instrument measured at fair value through other comprehensive income						207,036	(207,036)	-	
Balance as of 31 December 2024	6(12)	\$1,306,660	\$1,538	\$115,343	\$69,236	\$711,571	\$196,171	\$2,400,519	

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
UNIVERSAL TEXTILE CO., LTD
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the years ended 31 December	
		2024	2023
Cash flows from operating activities:			
Net (loss) profit before tax (loss)		\$(152,594)	\$1,056,077
Balance as of 1 January 2023			
Depreciation		41,030	32,110
Amortization		1,084	730
Expected credit loss		5,204	2,182
Loss on financial assets or liabilities at fair value through profit or loss, net		2,857	-
Interest expense		1,131	1,425
Interest income		(13,164)	(5,632)
Other income		(3,814)	-
Dividend income		(4,616)	(4,461)
Share of loss (profit) of associates and joint ventures accounted for using equity method		2,232	(650)
Gains on disposal of property, plant and equipment		(2,215)	(1,124,977)
Inventory valuation losses (gain)		82,964	(15,809)
Changes in operating assets and liabilities:			
Decrease in notes receivable		4,607	3,804
Decrease accounts receivable (including related parties)		49,127	4,742
Decrease in other receivables		587	3,144
(Increase)/Decrease in inventories		(24,391)	73,494
Decrease in other current assets		(19,829)	11,256
Decrease in contract liabilities		(9,477)	(11,712)
Decrease in notes receivable		(14,591)	(29,802)
Decrease in accounts payables (including related parties)		(22,430)	(5,514)
(Decrease)/Increase in other payables		(88,171)	82,071
Increase in other current liabilities		5	4,175
Decrease in net defined benefit obligation, non-current		(7,176)	(9,515)
Increase in deferred revenue		-	6,359
Cash generated from operations		<u>(171,640)</u>	<u>73,497</u>
Interest received		13,620	5,373
Interest paid		(1,068)	(1,467)
Income taxes paid		<u>(1,365)</u>	<u>(101,621)</u>
Net cash used in operating activities		<u>(160,453)</u>	<u>(24,218)</u>
Cash flows from investing activities:			
Acquisition of financial assets measured at fair value through profit or loss		(143,400)	-
Acquisition of financial assets measured at fair value through other comprehensive income		(332,558)	-
Acquisition of current financial assets at amortised cost		-	(165,345)
Proceeds from disposal of financial assets measured at amortized cost - current		211,410	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	98
Acquisition of investments accounted for using equity method		(240,632)	-
Acquisition of property, plant and equipment		(33,104)	(86,317)
Proceeds from disposal of property, plant and equipment		2,239	1,325,091
Acquisition of intangible assets		(12,722)	-
Increase in other non-current assets		(424)	(15,651)
Cash dividends received		<u>12,617</u>	<u>5,533</u>
Net cash (used in) flows from investing activities		<u>(536,574)</u>	<u>1,063,409</u>
Cash flows from financing activities:			
Increase/(Decrease) in short-term loans		120,000	(80,000)
Cash payments for the principal portion of the lease liability		(1,308)	(580)
Cash dividends paid		(326,665)	(13,067)
Capital surplus transferred from unclaimed dividends		<u>88</u>	<u>156</u>
Net cash (used in) provided by financing activities		<u>(207,885)</u>	<u>(93,491)</u>
(Decrease)/Increase in cash and cash equivalents		<u>(904,912)</u>	<u>945,700</u>
Cash and cash equivalents, at beginning of period		<u>1,209,539</u>	<u>263,839</u>
Cash and cash equivalents, at end of period	6(1)	<u>\$304,627</u>	<u>\$1,209,539</u>

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

UNIVERSAL TEXTILE CO., LTD
REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of the Company as of and for the year ended 31 December 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, The Company and its subsidiaries do not prepare a separate set of combined financial statements.

Hereby certified,

UNIVERSAL TEXTILE CO., LTD.

CHEN, YAO-MING
CHAIRMAN

12 March 2025

Independent Auditors' Report Translated from Chinese

To UNIVERSAL TEXTILE CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of UNIVERSAL TEXTILE CO., LTD. (the “Company”) and its subsidiaries (the “Group”) as of 31 December 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2024 and 2023, and its consolidated financial performance and cash flows for the years ended 31 December 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, 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 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

The Company's operating revenues amounted to NT\$989,122 thousand for the year ended 31 December 2024, and the Company mainly sales textured yarns and synthetic fabrics. Due to the different sales conditions with different customers, it is necessary to determine and decide the performance obligations and the timing of their satisfaction based on customer orders or contract documents. Therefore, the auditor has listed it as a key audit matter.

The audit procedures of the accountants included (but not limited to), understanding and evaluating the appropriateness of the accounting policies for revenue recognition; understanding and testing the effectiveness of relevant internal control design and implementation; selecting samples for details, and performing transaction detail tests, Review the major clauses in the contract and examining relevant transaction certificates to evaluate and judge the correctness of the performance obligation and the timing of its satisfaction and verify the authenticity of the transaction; for before and after the balance sheet date for transactions over a period of time and select samples to perform the cut-off point test.

Please refer to the consolidated financial statements Notes 4 and 6 indicate the appropriateness of the disclosure of operating income.

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

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

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. Misrepresentation 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 professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. 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 Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2024 consolidated financial statements 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.

And others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended 31 December 2024 and 2023.

Ernst & Young, Taiwan

Huang, Ching Ya

Liu, Jung Chin

12 March 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

UNIVERSAL TEXTILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of 31 December 2024 and 31 December 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2024	2023
Current assets			
Cash and cash equivalents	4, 6(1) and 12	\$330,497	\$1,242,589
Financial assets at fair value through profit or loss, current	4, 6(2) and 12	145,753	-
Financial assets at amortised cost, current	4, 6(4) and 12	-	211,410
Notes receivable, net	4, 5, 6(5) and 12	10,996	15,603
Accounts receivable, net	4, 5, 6(5) and 12	113,683	164,053
Accounts receivable-related parties, net	4, 5, 6(5) and 12	1,049	5,010
Other receivables		2,799	3,842
Current income tax assets		1,919	557
Inventories	4, 5 and 6(6)	286,336	344,909
Other current assets		30,648	10,817
Total current assets		923,680	1,998,790
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(3) and 12	538,345	332,150
Investments accounted for using equity method	4, 6(7)	585,909	-
Property, plant and equipment, net	4 and 6(8)	649,155	669,768
Right-of-use assets	4 and 6(15)	3,559	465
Intangible assets		13,423	1,112
Deferred tax assets	4 and 6(19)	38,986	85,083
Other non-current assets		16,880	17,130
Total non-current assets		1,846,257	1,105,708
Total assets		\$2,769,937	\$3,104,498

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
UNIVERSAL TEXTILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of 31 December 2024 and 31 December 2023
(Expressed in Thousands of New Taiwan Dollars)

Liability and Equity	Note	As of 31 December	
		2024	2023
Current liabilities			
Short-term loans	4, 6(10) and 12	\$120,000	\$ -
Contract liabilities, current	4 and 6(13)	38,824	48,301
Notes payable	12	6,149	20,740
Accounts payable	12	43,470	64,605
Accounts payable-related parties, net	12	-	1,295
Other payables	6(9) and 12	75,366	177,445
Current tax liabilities		1	-
Lease liabilities, current	4, 6(14) and 12	1,533	398
Other current liabilities		2,507	4,462
Total current liabilities		287,850	317,246
Non-current liabilities			
Deferred tax liabilities	4 and 6(17)	63,987	62,882
Lease liabilities, non-current	4, 6(15) and 12	2,049	71
Deferred revenue		4,505	6,359
Net defined benefit obligation, non-current		10,407	23,560
Guarantee deposits received	12	620	620
Non-current liabilities		81,568	93,492
Total liabilities		369,418	410,738
Equity	4 and 6(12)		
Capital			
Common stock		1,306,660	1,306,660
Additional paid-in capital		1,538	1,450
Retained earnings			
Legal reserve		115,343	1,520
Special reserve		69,236	69,236
Unappropriated retained earnings		711,571	1,138,843
Subtotal		896,150	1,209,599
Other Components of equity			
Unrealized Gains on Equity Instruments Measured at Fair Value Through Other Comprehensive Income		196,171	176,051
Total equity		2,400,519	2,693,760
Total liabilities and equity		\$2,769,937	\$3,104,498

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

UNIVERSAL TEXTILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended 31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Note	For the years ended 31 December	
		2024	2023
Operating revenues	4, 6(13) and 7	\$989,122	\$1,381,718
Operating costs	6(6)	(1,002,688)	(1,196,069)
Gross profit		(13,566)	185,649
Operating expenses	6(16)		
Sales and marketing expenses		(99,782)	(122,021)
General and administrative expenses		(53,342)	(118,798)
Research and development expenses		(23,402)	(18,360)
Expected credit loss	6(14)	(5,204)	(2,182)
Total operating expenses		(181,730)	(261,361)
Operating loss		(195,296)	(75,712)
Non-operating income and expenses	4 and 6(17)		
Interest income		13,364	5,799
Other income		15,704	14,667
Other gains and losses		17,081	1,112,754
Finance costs		(1,131)	(1,425)
Share of loss of associates and joint ventures accounted for using equity method	4 and 6(7)	(2,292)	-
Total non-operating income and expenses		42,726	1,131,795
(Loss) profit before income tax		(152,570)	1,056,083
Income tax expense	4 and 6(19)	(46,031)	(47,702)
Net (loss) income		(198,601)	1,008,381
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		5,977	(3,291)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		227,156	67,886
Income tax related to items that will not be reclassified subsequently		(1,196)	658
Total other comprehensive income, net of tax		231,937	65,253
Total comprehensive income		\$33,336	\$1,073,634
Earnings per share (NTD)	6(20)		
Earnings per share-basic		\$(1.52)	\$7.72
Earnings per share-diluted		\$(1.52)	\$7.65

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 UNIVERSAL TEXTILE CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGE IN STOCKHOLDERS' EQUITY
 For the Years Ended 31 December 2024 and 2023
 (Expressed in Thousands of New Taiwan Dollars)

	Notes	Total equity attributable to owners of parent						Total equity
		Capital	Additional paid-in capital	Retained earnings			Other Components of Equity	
				Legal reserve	Special reserve	(Accumulated deficit) Unappropriated retained earnings	Unrealized Gains (Losses) on Equity Instruments Measured at Fair Value Through Other Comprehensive Income	
Balance as of 1 January 2023	6(12)	\$1,306,660	\$1,294	\$ -	\$201,716	\$15,202	\$108,165	\$1,633,037
Appropriation of earnings								
Legal reserve				1,520		(1,520)		-
Special reserve					(132,480)	132,480		-
Cash dividend						(13,067)		(13,067)
Other changes in additional paid-in capital								
Capital surplus transferred from unclaimed dividends			156					156
Net income in 2023						1,008,381		1,008,381
Other comprehensive income in 2023						(2,633)	67,886	65,253
Total comprehensive income		-	-	-	-	1,005,748	67,886	1,073,634
Balance as of 31 December 2023	6(12)	\$1,306,660	\$1,450	\$1,520	\$69,236	\$1,138,843	\$176,051	\$2,693,760
Balance as of 1 January 2024		\$1,306,660	\$1,450	\$1,520	\$69,236	\$1,138,843	\$176,051	\$2,693,760
Appropriation of earnings								
Legal reserve				113,823		(113,823)		-
Cash dividend						(326,665)		(326,665)
Other changes in additional paid-in capital								
Capital surplus transferred from unclaimed dividends			88					88
Net loss in 2024						(198,601)		(198,601)
Other comprehensive income in 2024						4,781	227,156	231,937
Total comprehensive income		-	-	-	-	(193,820)	227,156	33,336
Disposal of equity instrument measured at fair value through other comprehensive income						207,036	(207,036)	-
Balance as of 31 December 2024	6(12)	\$1,306,660	\$1,538	\$115,343	\$69,236	\$711,571	\$196,171	\$2,400,519

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 UNIVERSAL TEXTILE CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the Years Ended 31 December 2024 and 2023
 (Expressed in Thousands of New Taiwan Dollars)

	Notes	For the years ended 31 December	
		2024	2023
Cash flows from operating activities:			
Net (loss) profit before tax		\$(152,570)	\$1,056,083
Income and expense adjustments:			
Depreciation		41,030	32,110
Amortization		1,084	730
Expected credit loss		5,204	2,182
Loss on financial assets or liabilities at fair value through profit or loss, net		2,891	-
Share of (profit) loss of associates and joint ventures accounted for using equity method		(2,292)	-
Interest expense		1,131	1,425
Interest income		(13,364)	(5,799)
Dividend income		(4,616)	(5,021)
Other income		(3,814)	-
Gains on disposal of property, plant and equipment		(2,215)	(1,124,977)
Inventory valuation losses (gain)		82,964	(15,809)
Changes in operating assets and liabilities:			
Decrease in notes receivable		4,607	3,804
Decrease in accounts receivable (including related parties)		49,127	4,742
(Increase)/Decrease in other receivables		(774)	3,229
(Increase)/Decrease in inventories		(24,391)	73,494
(Increase)/Decrease in other current assets		(19,831)	11,257
Decrease in contract liabilities		(9,477)	(11,712)
Decrease in notes payable		(14,591)	(29,802)
Decrease in accounts payable-related parties		(22,430)	(5,514)
(Decrease) Increase in other payables		(88,152)	80,878
Increase in other current liabilities		5	4,175
Decrease in net defined benefit obligation, non-current		(8,372)	(9,515)
Increase in deferred revenue		-	6,359
Cash generated from operations		<u>(178,846)</u>	<u>72,319</u>
Interest received		13,820	5,455
Interest paid		(1,068)	(1,467)
Income taxes paid		<u>1,172</u>	<u>(101,638)</u>
Net cash used in operating activities		<u>(164,922)</u>	<u>(25,331)</u>
Cash flows from investing activities:			
Acquisition of financial assets at fair value through profit or loss		(150,681)	-
Acquisition of financial asset at fair value through other comprehensive income		(319,987)	(3,524)
Acquisition of current financial assets at amortised cost		-	(165,345)
Acquisition of investments accounted for using equity method		(240,632)	-
Proceeds from disposal of financial assets at amortised cost, current		211,410	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	98
Acquisition of property, plant and equipment		(33,104)	(86,317)
Proceeds from disposal of property, plant and equipment		2,239	1,325,091
Acquisition of intangible assets		(12,722)	-
Increase in other noncurrent assets		(424)	(15,651)
Cash dividends received		<u>4,616</u>	<u>5,021</u>
Net cash (used in) flows from investing activities		<u>(539,285)</u>	<u>1,059,373</u>
Cash flows from financing activities:			
Increase/(Decrease) in short-term loans		120,000	(80,000)
Cash payments for the principal portion of the lease liability		(1,308)	(580)
Cash dividends paid		(326,665)	(13,067)
Capital surplus transferred from unclaimed dividends		88	156
Net cash used in provided by financing activities		<u>(207,885)</u>	<u>(93,491)</u>
(Decrease)/Increase in cash and cash equivalents		(912,092)	940,551
Cash and cash equivalents, at beginning of period		<u>1,242,589</u>	<u>302,038</u>
Cash and cash equivalents, at end of period	6(1)	<u>\$330,497</u>	<u>\$1,242,589</u>

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

UNIVERSAL TEXTILE CO., LTD.
Proposal for Distribution of 2024 Profits

Unit: in NT\$

Items	Amount	Remark
Unappropriated retained earnings, beginning of year	698,355,100	
Remeasurement on defined benefit plan	4,782,059	
Reclassified due to change to equity method for equity instruments at fair value through other comprehensive income	207,035,320	
Net loss	(198,601,032)	
Appropriation of 10% legal reserve	(1,321,635)	

Distributable net profit	710,249,812	
Distributable items:		
Cash dividends of shareholders (NT\$ 0.5 per share)	65,333,017	

Unappropriated retained earnings, ending balance	644,916,795	
	=====	

Note:

1. Distribution is based on the earnings for 2024. if there is insufficient surplus, will be supplemented by the surplus for 2023.
2. In the event that the number of outstanding shares is affected by a buyback of shares or conversion in connection with convertible corporate bonds or other factors that may lead to a change in the dividend payout ratio, the Chairman of the Board of Directors is authorized to handle the matter at his discretion.

Chairman:



CHEN, YAO-MING

Manager:



YANG, JEN-KAI

Accounting Supervisor:



LU, CHUNG-NING

UNIVERSAL TEXTILE CO., LTD.
Articles of Association
Comparison Table

After the Amendment	Before the Amendment	Explanation
<p>Article 25</p> <p>In the event of the Company making a profit in a year (profit shall refer to profit before taxation before the distribution of employees' compensation and remuneration to directors), no less than 2% of employees' compensation and no more than 3% of remuneration to directors shall be distributed. However, where the Company has accumulated losses (including the adjustment to the amount of retained earnings), the amount of the indemnity should be retained in advance.</p> <p>Among the employees' compensation mentioned in the preceding paragraph, no less than 30% shall be distributed to basic-level employees. Employees' compensation may be distributed in the form of shares or cash. In case of share-based distribution, it may include the shares of the Company or its affiliated companies meeting certain conditions. Directors' remuneration shall be paid in cash only.</p> <p>The preceding two paragraphs shall be resolved by the Board of Directors and reported to the shareholders' meeting.</p>	<p>Article 25</p> <p>In the event of the Company making a profit in a year (profit shall refer to profit before taxation before the distribution of employees' compensation and remuneration to directors), no less than 2% of employees' compensation and no more than 3% of remuneration to directors shall be distributed. However, where the Company has accumulated losses (including the adjustment to the amount of retained earnings), the amount of the indemnity should be retained in advance.</p> <p>The preceding employees' compensation may be in the form of shares or cash and may be paid to employees of parents or subsidiaries of the company meeting certain specific requirements. The preceding remuneration to directors may only be in the form of cash.</p> <p>The preceding two paragraphs shall be resolved by the Board of Directors and reported to the shareholders' meeting.</p>	<p>In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act, the Articles of Incorporation are amended to stipulate that a certain percentage of annual earnings shall be allocated for adjusting compensation or distributing remuneration to employees at the basic level.</p>
<p>Article 27</p> <p>...</p> <p>The thirty-seventh amendment was made on 15 June 2020. The thirty-eighth amendment was made on 30 May 2023. The thirty-ninth amendment was made on 30 May 2024. The fortieth amendment was made on 29 May 2025.</p>	<p>Article 27</p> <p>...</p> <p>The thirty-seventh amendment was made on 15 June 2020. The thirty-eighth amendment was made on 30 May 2023. The thirty-ninth amendment was made on 30 May 2024.</p>	<p>Amendment date added.</p>

List of Director Nominees and Related Information Provided by the Board of Directors			
Title	Name	Major Education and Experience	Reason for the nomination of an independent director who has served for three consecutive terms
Independent Director	TSAI, SHENG-YU	Master's Degree, Graduate Institute of Finance, Fu Jen Catholic University Finance Manager, National Performing Arts Center – National Theater & Concert Hall CPA of Jia-Qian CPA Firm Independent Director, ARGOSY RESEARCH INC.	N/A

The qualification of the above independent director nominee has been approved at the 15th meeting of the 19th Board of Directors of the Company held on 12 March 2025.

Articles of Association of UNIVERSAL TEXTILE CO., LTD.

(Before the amendment)

Chapter I General Provisions

- Article 1: The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be UNIVERSAL TEXTILE CO., LTD.
- Article 2: The business of the Company is as follows:
1. C301010 Yarn Spinning Mills.
 2. C302010 Knit Fabric Mills.
 3. C303010 Non-woven Fabrics Mills.
 4. C305010 Printing, Dyeing, and Finishing Mills.
 5. C306010 Outerwear Knitting Mills.
 6. C399990 Other Textile Products Manufacturing.
 7. C801120 Manufacture of Man-made Fibers.
 8. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
 9. F401010 International Trade.
 - 10.H701010 Housing and Building Development and Rental.
 - 11.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company shall have its head office in Taipei City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4: Public announcements of the Company shall be made according to Article 28 of the Company Act.
- Article 5: The total amount of the Company's investment shall not be restricted by the provisions of the Company Act. The company shall act as a guarantor in respect of outside of the business.

Chapter II Capital Stock

- Article 6: The total capital of the Company is NT\$2.2 billion, made up of 220 million shares at NT\$10 per share, with the unissued portion to be issued by resolution of the Board of Directors as necessary.

- Article 7: The share certificates of the company shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified pursuant to the law before issuance. For the shares to be issued by a company, the issuing company may be exempted from printing any share certificate for the shares issued. A company not printing its share certificate in accordance with the provision of the preceding paragraph shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.
- Article 8: The entries in its shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting , or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.
- Article 9: The shareholders of the company shall comply with the “Regulations Governing the Administration of Shareholder Services of Public Companies” issued by the securities regulatory authority and the relevant laws and regulations in handling stock-related business.

Chapter III Shareholders' Meeting

- Article 10: Shareholders meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations. The Company's shareholder meetings may be conducted via video conferencing or other methods as announced by the Ministry of Economic Affairs.
- Article 11: In case a shareholder is on leave or absent or can not exercise his power and authority for any cause, may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a written proxy, which shall specify the scope of authorization and be signed or sealed by the shareholder.
- Article 12: Each shareholder is entitled to one vote for each share held, unless otherwise provided by law.
- Article 13: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

- Article 14: A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. In case a company intends to convene a special meeting of shareholders, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.
- Article 15: A shareholders meeting shall be convened by the Board of Directors and shall be chaired by the Chairman. In case the Chairman of the Board of Directors is on leave or absent and has a vice chairman, the vice chairman shall act on his behalf. In case the vice chairman is on leave or absent or in case a company has no vice chairman and the chairman has not designated a proxy, the board of directors shall elect a chairman of the board directors from among the 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 two or more persons are having the convening right, the chairman of the meeting shall be elected from among themselves.
- Article 16: Resolutions adopted at a shareholders' meeting shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within 20 days after the close of the meeting. The preparation and distribution of the minutes of the shareholders' meeting as required in the preceding Paragraph may be effected by means of public notice. The minutes of shareholders' meetings shall be kept persistently throughout the life of the company. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year.

Chapter IV Directors and Audit Committee

- Article 17: The Company shall have 9 to 11 directors to be elected with a term of three years. The election is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted and shareholders shall elect directors from among those listed in the slate of director candidates. All directors shall be eligible for re-election.
- The appointed independent directors of the company shall be not less than three in number and not less than one-fifth of the total number of directors. Independent and non-independent directors are elected at the same time, but in separately calculated numbers. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority.

- Article 18: The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The chairman of the board of directors shall externally represent the company and regularly exercise the power and authority of the board of directors in accordance with the provisions of the Articles of Association and resolutions of the Board of Directors and the Shareholders' Meeting.
- Article 19: A proposal for all matters of importance to the Company and its operating policies shall be submitted by the Board of Directors by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by half of the attending directors. The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.
- Article 20: In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his 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 directors, one of the directors to act on his behalf. In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only. With respect to the matters which must be approved by resolutions at a board meeting as provided in Article 14-3 of the Securities and Exchange Act, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as a proxy. If an independent director intends to express an objection or reservation but is unable to attend the meeting in person, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes. In calling a meeting of the board of directors, a notice shall be set forth therein the subject(s) to be discussed at the meeting and be given to each director no later than 7 days prior to the scheduled meeting date. In the case of an emergency, a meeting of the board of directors may be convened at any time. The notice may be effected by means of written notice, email (e-mail) or fax to each director. In case a meeting of the board of directors is proceeded via the visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

- Article 21: Remuneration of Directors of the Company shall be determined by the Board of Directors and may be paid at such level as generally adopted by the enterprises of the same industry, no matter whether the Company is in a loss or not. A company may obtain directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship. A company shall report the insured amount, coverage, premium rate, and other important contents of the directors' liability insurance it has obtained or renewed for directors, at the most recent board meeting.
- Article 22: The Company established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee and its members shall exercise their powers and duties and shall act in accordance with the relevant provisions of the Securities and Exchange Act.

Chapter V Managerial Officers

- Article 23: A company may have one or more managerial personnel in accordance with its Articles of Incorporation. Appointment and discharge and the remuneration of the managerial personnel shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the company. The managerial personnel of the Company shall act in accordance with the resolutions of the shareholders' meeting or the Board of Directors in the conduct of the daily business of the Company.

Chapter VI Accounting

- Article 24: At the close of each fiscal year, the board of directors shall prepare the following statements and records: (1) the business report; (2) the financial statements; and (3) the surplus earning distribution or loss offsetting proposals for submission to the shareholders' meeting for approval in accordance with the statutory procedures.
- Article 25: In the event of the Company making a profit in a year (profit shall refer to profit before taxation before the distribution of employees' compensation and remuneration to directors), no less than 2% of employees' compensation and no more than 3% of remuneration to directors shall be distributed. However, where the Company has accumulated losses (including the adjustment to the amount of retained earnings), the amount of the indemnity should be retained in advance. The preceding employees' compensation may be in the form of shares or cash and may be paid to employees of parents or subsidiaries of the company meeting certain specific requirements. The preceding remuneration to directors may only be in the form of cash.

The preceding two paragraphs shall be resolved by the Board of Directors and reported to the shareholders' meeting.

Article 25-1: The dividend policy is in line with the Company's current and future development plans, taking into account the investment climate, working capital requirements and domestic and international competition, as well as the interests of shareholders, etc. The distribution of earnings is in line with the principle of sustainable and stable operation of the Company.

The company, when allocating its surplus profits after having paid all dues and offsetting accumulated losses (including adjustments to unappropriated retained earnings), shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the company may, in accordance with laws or regulations or as required by the competent authority, set aside or reverse a special reserve. The Board of Directors shall prepare a proposal for the distribution of the remaining amount together with the accumulated undistributed earnings at the beginning of the period and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. Where the distribution of earnings, legal reserve, or capital reserve referred to in the preceding paragraph is made in whole or in part in cash, the Board of Directors is authorized to resolve such distribution by a resolution adopted by a majority of the directors present at a meeting attended by at least two-thirds of the directors, and report the same to the shareholders' meeting.

Unless otherwise required for improving the financial structure, supporting reinvestment, capacity expansion, or other major capital expenditures, the Company shall, in principle, distribute no less than 20% of the net profit for the current year, after deducting losses and setting aside the legal reserve and special reserve, as dividends. However, if the dividend to be distributed per share is less than NT\$0.1, the Board of Directors may propose not to distribute dividends. Among the dividends distributed, the portion paid in cash shall not be less than 10% of the total dividends for the current year.

Chapter VII Supplementary Provisions

Article 26: All matters not covered by this Articles of Association shall be in accordance with the provisions of the Company Act and other relevant regulations.

Article 27: The Articles of Association were established on 22 August 1969, and were first amended on 1 June 1971, second amended on 3 March 1972, third amended on 7 December 1972, fourth amended on 5 April 1973, fifth amended on 20 October 1973, sixth amended on 10 November 1975, seventh amended on 9 April 1976, eighth amended on 2 November 1978, ninth amended on 15 June 1979, tenth amended on 7 August 1981, eleventh amended on 4 April 1983, twelfth amended on 30 June 1984. The thirteenth amendment was made on 16 March 1985, the fourteenth amendment was made on 6 June 1986, the fifteenth amendment was made on 7 August 1987, the sixteenth amendment was made on 29 June 1989, the seventeenth amendment was made on 29 April 1991, the eighteenth amendment was made on 15 April 1992, the nineteenth amendment was made on 22 May 1993, the twentieth amendment was made on 24 May 1994, the twenty-first amendment was made on 13 May 1995, the twenty-second amendment was made on 25 May 1996 and the twenty-third amendment was made on 27 May 1998. The twenty-fourth amendment was made on 31 May 2000. The twenty-fifth amendment was made on 30 May 2001. Twenty-sixth amendment on 6 June 2002. The twenty-seventh amendment was made on 18 June 2003. The twenty-eighth amendment was made on 15 June 2006. The twenty-ninth amendment was made on 19 June 2009. The thirtieth amendment was made on 18 June 2010. The thirty-first amendment was made on 22 June 2011. The thirty-second amendment was made on 21 June 2012. The thirty-third amendment was made on 20 June 2013. The thirty-fourth amendment was made on 7 June 2016. The thirty-fifth amendment was made on June 17, 2019. The thirty-sixth amendment was made on January 15, 2020. The thirty-seventh amendment was made on 15 June 2020. The thirty-eighth amendment was made on 30 May 2023. The thirty-ninth amendment was made on 30 May 2024.

UNIVERSAL TEXTILE CO., LTD.

Rules of Procedure for Shareholder Meetings

The amendment was approved by the shareholders' meeting on 30 May 2024

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 (Convening shareholders meetings and shareholders meeting notices)
Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.
Any change in the method of convening the company's shareholder meetings must be decided by the board of directors and implemented no later than before the dispatch of the notice for the shareholder meeting.
The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders' meeting

agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders meeting. However, if the company's paid-in capital exceeds NT\$10 billion as of the end of the most recent fiscal year, or if the combined foreign and Mainland China shareholders' holding ratio listed in the shareholder registry for the most recent fiscal year's regular shareholder meeting exceeds 30%, the electronic files mentioned above must be transmitted no later than 30 days before the regular shareholder meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby and to be distributed on-site at the meeting. The shareholders' meeting agenda handbook and supplemental materials under the preceding paragraph shall be provided for review by the shareholders by the following means on the date the shareholder's meeting is convened:

1. If the company convenes a physical shareholder's meeting, it shall distribute them on-site at the shareholder's meeting.
2. If the company convenes a hybrid shareholder's meeting, it shall distribute them on-site at the shareholder's meeting and upload the electronic files to the video conferencing platform.
3. If the company convenes a virtual-only shareholder's meeting, it shall upload the electronic files to the video conferencing platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in the electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the

Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where the re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.

- Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- Article 5 (Principles determining the time and place of a shareholders meeting)
- The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- When the shareholders' meeting is convened via video conferencing, the restriction on the venue prescribed in the preceding paragraph shall not apply.
- Article 6 (Preparation of documents such as the attendance book)
- The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.
- The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual

meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders, solicitors and proxies (collectively "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot

be removed, and the date to which the meeting is postponed or on which the meeting will resume.

B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except for the circumstances specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the company must provide shareholders with connection equipment and necessary assistance, and specify the period during which shareholders may apply to the company and other relevant considerations.

Article 7 (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the

directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with the power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of

its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9 Attendance at shareholders' meetings shall be calculated based on the numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one 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 chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting

pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent

approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is, therefore, advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means

and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which it will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before

the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 (Election of directors)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and the number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

- Article 15 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 chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
- The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

Article 16 (Public disclosure)

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 (Location of the chair and secretary of virtual-only shareholders meeting)

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall

declare the address of their location when the meeting is called to order.

Article 21 (Handling of disconnection)

In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder

meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22 (Handling of digital divide)

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

Article 23 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

UNIVERSAL TEXTILE CO., LTD.

Procedures for Election of Directors

The amendment was approved by the shareholders' meeting on 15 June 2020

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."

Article 2 Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.

7. Leadership ability.

8. Decision-making ability.

Article 4 More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 5 The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance with Article 24 of the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.”

Article 6 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Before a TSEC/GTSM listed company convenes a shareholders' meeting to re-elect the directors, it would be advisable that the qualifications, education, working experience, background and the existence of any other matters set forth in Article 30 of the Company Law with respect to the candidates recommended by shareholders or directors be reviewed in advance and the result thereof be provided to shareholders for their reference, so that qualified directors will be elected.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the provision of Article 14-2, paragraph 1 of the Securities and Exchange Act and the Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 7 The cumulative voting method shall be used for election of the directors at 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.
- Article 8 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors 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. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 9 The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 10 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 11 Where the candidate being voted for is a shareholder, the voter shall enter the candidate's shareholder account name and shareholder account number in the candidate column of the ballot; where the candidate is not a shareholder, the voter shall enter the candidate's full name and the number of the candidate's identity document; where the candidate is a government or juristic person shareholder, the name of the government or juristic person shall be entered in the candidate column of the ballot; the name of the government or juristic person may also be accompanied by the name of its representative; where there is more than one representative, the names of all representatives shall be entered separately.

Article 12 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name and shareholder account number (for shareholders), or full name and identity document number (for non-shareholders) do not conform to the register or supporting documents.
5. Other words or marks are entered in addition to the candidate's name (or shareholder account number or ID number) and the number of voting rights allotted.
6. The candidate whose name is identical to another shareholder's name, and no shareholder account number or identity document number is provided for identification.

Article 13 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14 The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 15 Matters not provided for in these Rules shall be handled in accordance with the applicable laws and regulations of the competent authority.

Article 16 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

UNIVERSAL TEXTILE CO., LTD.

The Shareholding Status of All Directors

1. The paid-in capital of the Company is NT\$1,306,660,340 with 130,666,034 shares issued.
2. Under Article 26 of the Securities and Exchange Act and the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the minimum number of shares required to be held by all directors is 8,000,000 shares.
3. The numbers of shares held by the directors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of the book closure date for that shareholders' meeting are as follows:

Title	Name	Number of shares recorded in the shareholders' register	Remark
Chairman	CHEN, YAO-MING	100,000 shares	
Director and President	YANG, JEN-KAI	65,000 shares	
Director	YEH, CHIA-HONG	2,477,493 shares	
Director	LEE, LI-HSEN	239,000 shares	
Director	Representative, Everwin Capital Limited: TSENG, CHING-HUA	10,000,000 shares	
Director	Representative, LIANG HAW TECHNOLOGY CO., LTD.: YU, CHUN-PING	15,000,000 shares	
Director	Representative, Shine Lee Investment Co., Ltd: LI, HSIN-LIN	7,500,000 shares	
Independent Director	YEH, YI-CHANG	0 share	
Independent Director	CHIU, CHIH-WEI	0 share	
Total		35,381,493 shares	

Note: If a public company has set up an Audit Committee, the provisions on the minimum percentage requirements for the shareholding of supervisors in the preceding shall not apply.