Stock Code：9934

Website:
http://mops.twse.com.tw/mops/web/t57sb01_q5
https://tw.globeunion.com/investors/shareholders/

成霖企業股份有限公司
Globe Union Industrial Corp.

2020 Annual Shareholders’ Meeting
Meeting Agenda

Meeting Time：

May 29th，2020

PLACE:

No. 328, Junfu 18th Rd., Beitun Dist., Taichung City 406, Taiwan (R.O.C.)
(Wagor International Banquet Hall)

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Globe Union Industrial Corp.

Year 2020

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Globe Union Industrial Corp.

Year 2020

Agenda of Annual Shareholders' Meeting

I. Time：9:00 a.m., Friday, May 29th, 2020

II. Place：No. 328, Junfu 18th Rd., Beitun Dist., Taichung City 406, Taiwan (R.O.C.) (Wagor International Banquet Hall)

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2. Amendment to the Company's "Rule and procedure of shareholders' meeting".
3. Propose to distribute cash dividend using Additional paid-in capital.
4. Issuance of Restrict Stock to employees.

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Report Items:

Report No. 1：

Management Report on the FY 2019 Company's Business Performance.

Explanatory Notes：Please refer to p10, Attachment 1.

Report No. 2：

Audit Committee's Review Report on the FY 2019 audited Financial Statements.

Explanatory Notes：Please refer to p.13, Attachment 2.

Report No. 3：

FY2019 Directors' and employees' profit sharing.

Explanatory Notes：

(1) According to Article 25-1, Section 1, of the Company's Articles of Incorporation "If the Company was profitable during the year, at least 2% of the profit shall be allocated as employee remuneration first, and no more than 2% can be allocated as remuneration for directors and supervisors. However, an amount shall be set aside in advance to compensate for cumulative losses, if any."
(2) The Company has proposed to allocate NT$2,530,000 as Directors' and Supervisors' FY2019 remuneration; and NT$13,459,000 as Employees' FY2019 remuneration.
(3) The remunerations shall be distributed in form of cash.
(4) The proposals have been approved by the Remuneration Committee and the Board of Directors on March 5th, 2020.

Report No. 4：

Amendment to the Company's "Ethical Corporate Management Best practice principles".

Explanatory Notes：

Revision is based on Letter of order from Taiwan Stock exchange (TWSE) May 23rd, 2019 Tai Cheng Xi Li No 10800083781, per attached letter of order. (refer to Attachment 3)

I. Matters for Ratification：

Matter No. 1:

Recognition of FY 2019 Business Report and Financial Statement. (Proposed by the Board of Directors)

Explanatory Notes:

(1) The Company's FY 2019 Business Report (please refer to p.10, Attachment 1) and Financial Statements (as for the Consolidated and Parent Company Only Financial Statements, please refer to p.14, Attachment 4) have been approved by the Board of Directors and reviewed by the Audit Committee.

(2) Submit for approval.

Resolution:

Matter No. 2：

Recognition of FY 2019 Profit Distribution. (Proposed by the Board of Directors)

Explanatory Notes:

(1) The distributable profit of Year 2019 shall be NT$ 151,412,878, in consideration of the Company's need for operational development, the Company proposes to distribute cash dividends of NT$0.42 per share, the total dividend distributed is NTD$149,876,564(calculated based on the total of 356,848,962 common shares entitled to participated in dividend distribution as of March 11th, 2020); the calculation should round to dollar. The proposal should be proposed at shareholders meeting for approval, and Chairman shall be authorized by shareholders to set the Cash Dividend distribution date. The fractional shares from cash dividend distribution shall transfer to employee welfare committee. (Please refer to p.36, attachment 5)

(2) The Chairman of the Board shall also be authorized to amend the rate of cash dividend distributed to shareholders, if any following events that affect the number of outstanding shares of the company : if the company buys back the shares, converts or cancel treasury stock, convertible bond is converted, or employee option is exercised.

(3) Submit for approval.

Resolution:

II. Matters for Discussion

Matter No. 1：

Amendment to the Company's "Article of Incorporation" (Proposed by the Board of Directors)

Explanatory Notes:

(1) In pursuance of Letter of order from Taiwan Stock exchange (TWSE) Jan 2nd, 2020 Tai Cheng Xi Li No 1080024221, propose to amend Company's Article of Incorporation
(2) Comparisons for Amendment to the Articles of Incorporation. (Please refer to Attachment 6)
(3) Submit for approval.

Resolution:

Matter No. 2：

Amendment to the Company's "Rule and procedure of shareholders' meeting" (Proposed by the Board of Directors)

Explanatory Notes:

(1) In pursuance of Letter of order from Taiwan Stock exchange (TWSE) Jan 2nd, 2020 Tai Cheng Xi Li No 1080024221.
(2) Comparisons for Amendment to the Rule and procedure of shareholders' meeting. (Please refer to Attachment 7)
(3) Submit for approval.

Resolution:

Matter No. 3：

Propose to distribute cash dividend using Additional paid-in capital. (Proposed by the Board of Directors)

Explanatory Notes:

(1) The Company propose to use the additional paid-in capital in excess of par value as cash dividend to shareholder, total of NT 64,232,813, at NT$0.18 per share (calculated based on the outstanding shares listed on dividend distribution date).
(2) The distribution of cash dividend using additional paid- in capital will calculated and round to the nearest dollar. The fractional shares from cash dividend distribution shall transfer to employee

welfare committee.

(3) The shareholders shall grant the Chairman of the Board with full authority to amend the rate of cash dividend distributed to shareholders, if any following events that affect the number of outstanding shares of the company : if the company buys back the shares, converts or cancel treasury stock, convertible bond is converted, or employee option is exercised.

(4) Once the proposal of cash dividend is approved at shareholder meeting, shareholder shall grant Chairman with authorization to set dividend distribution date.

(5) Submit for approval.

Resolution:

Matter No. 4：

Issuance of Restrict Stock to employees. (Proposed by the Board of Directors)

Explanatory Notes:

1. Proposes the issuance of FY 2020 of Restrict Stock to employees according Article 267 (VIII) of the Company Act and Regulations Governing the Offering and Issuance of Securities by Securities Issuers by the *Financial Supervisory Commission (FSC)*.

2. Major factors regarding Issuance of Restrict Stock to employees.

   A. The total Restrict stock to be issued is 1 million common shares with each par value of NTD $10, total value amount of NTD 10 millions, the stock will be issued in one time within one year upon approval at the shareholders' meeting.

   B. Terms and Condition:

      (1)Price: Zero NTD, issued to employees at no cost.

      (2)Vesting requirements:

         1. After Grantees are granted with RSA in accordance with the Policy, they shall remain employees of the Company three years after the capital increase record date (Issuance date), shall not violate of the Company's labor contract, work rules or personnel regulations, and the Grantees who meet the requirement of achieving the average annual return on shareholders' equity (ROE) from 2020 to 2022 is greater than 12%, the ratio of shares that can be vested is: 50%.

2. After Grantees are granted with RSA in accordance with the Policy, they shall remain employees of the Company three years after the capital increase record date (Issuance date), shall not violate the Company's labor contract, work rules or personnel regulations, and the Grantees who meet the requirement of achieving the average annual return on shareholders' equity (ROE) from 2020 to 2022 is greater than 14%, the ratio of shares that can be vested is: 100%.

C. Type of issued shares: common shares.

D. Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance.

(I) If the vesting conditions are not met, the Company will redeem the shares free of charge and cancel them in accordance with the law.

(II) In the event of inheritance.

(a) General death: In the event of the death, the RSA which vesting conditions are yet to be met, the RSA shall be deemed to have expired on the date of death of Grantees, and the Company will redeem the shares free of charge and cancel them in accordance with the law

(b) Occupational disaster resulting in disability or death:

- In the event of Grantees suffer from occupational disaster resulting in physical disability and inability to continue working, the RSA which vesting condition are yet to be met, the RSA shall be deemed to have expired on the date that Grantee's inability to perform his /her duty, and the Company will redeem the shares free of charge and cancel them in accordance with the law.
- In the event of occupational disaster resulting in death, the RSA which vesting conditions are yet to be met, the RSA shall be deemed to have expired, and the Company will redeem the shares free of charge and cancel them in accordance with the law.

(Please refer the attachment 8, Policy for 2020 First Issuance of New Restricted employee Shares (RSA), on page 37)

3. Granting requirement and number of shares

A. Granting requirement of the employee:

Applicable for formal full-time employees of the Company

("Grantees"). Grantees and number of shares distributable shall take into consideration factors such as seniority, grade, position, work performance, overall contribution, specific achievement or other conditions necessary for administration. The qualified Grantee list shall first be approved by the Chairman, then submit and obtain approval by the majority votes(more than fifty percent) in a meeting of the board of directors in which two-thirds or more directors are present. However, for directors who are managers or employees of the Company, approval shall be obtained from the Remuneration Committee..

B. Number of shares issuance

Where an issuer issues employee stock warrants under Article 56-1, paragraph 1, the cumulative number of shares subscribable by a single warrant holder of the employee stock warrants, in combination with the cumulative number of new restricted employee shares obtained by the single warrant holder, may not exceed 0.3 percent of the issuer's total issued shares. And the above in combination with the cumulative number of shares subscribable by the single warrant holder of employee stock warrants issued by an issuer under Article 56, paragraph 1, may not exceed 1 percent of the issuer's total issued shares.

4. The propose for issuance

In order to attract and retain professional talents needed by the Company, stimulate employee motivation and strengthen team cohesion.

5. Possible related costs, dilution to shareholders and any other effect to shareholder's rights

(1)Related cost amount:

The total Cost related to issuance of 1 million restricted shares is estimated to be NT 14.7 million (based on Mar 11, 2020 closing share price). If 1 millions shares are vested, calculation base taking Aug 1st, 2020 as the issuance date, the Company's shall accrue cost per annual for 2020-2023 will be 2.042 million (5mtn), 4.9 million(year), 4.9 million(year) and 2.858 million (7 mnth).

(2)Dilution to current share, and any effect to current share holder.

The Company has issued 356,848,962 outstanding shares as on Mar 11, 2020, the dilution per annual to each share during Year 2020-2023 will be NT$0.005722, NT$0.013731, NT$0.013731 and NT$0.008009. No material impact to shareholder's rights

6. Any amendment to the proposal due to changes of the regulation, legal requirement, shall authorized Chairman with full authority to make related decision at shareholder's meeting
7. Submit for approval.

III. Extemporary Motions

IV. Adjournment

Globe Union Industrial Corp.
Management Report

The headwinds came early in 2019 with a “hiccup” in the global economy catching us off guard, especially in North America where GDP had fallen off sharply to 1.1% in Q4 2018 causing ripples in our customers supply chain during the first half of the year. Coupled with this economic hit, in January of 2019 the United States Government announced tariffs on a majority of the faucets we produce in China, placing a 25% burden on our customers purchases on a primary product category that accounts for 43 % of Globe Unions revenue.

With this “double punch”, by the end of Q2 we had fallen into a deficit on revenue of 4.6%. The second half of the year however did provide a more positive economic outlook with revenue returning to near normal ranges and operating income averaging 4 % of net sales(excluding the cost and related one -time charge of the asset purchase deal of Mexico plant in Q4).

Other items impacting our bottom line included volatile currency exchange rates around the world, stock provisions to accommodate our changing brand/product mix strategies in the US and UK respectively - and the ramp-up costs for a newly acquired manufacturing facility . Additionally, significant fluctuations in generally declining commodity prices (Zinc, Copper, etc.) reduced revenues and challenged profits with the timing of these swings. For the full year 2019, Revenue declined 4.8 % to NT$ 17.02 billion, and operating income ended at NT$ 336 million, net income margin is 1.9% .

On the bright side, the Globe Union team in Europe outpaced their peers in the market, seeing revenue growing at 10.2% with operating profit rising 24% compare to last year. This was a result of investments in new product and packaging programs that have proven to be leading the trends in the European DIY market.

In the UK, our PJH team has recovered remarkably from the fire that destroyed a critical warehouse late in 2018 and has received accolades from our customers for continued excellence in service. In 2019 PJH’s business continued to grow beyond market norms, finishing the year with revenue up 7% to NT$ 5.5 billion and recording positive earnings for the full year.

2019 will be remembered as a year of transition for Globe Union in ways that will change the dynamic of the business for years to come.

During the summer of 2019, we also announced the retirement of Scott Ouyoung, our Founder and Chairman of the Board. His vision and passion, while missed on a daily basis, has left a mark throughout our organization that will be carried on by our team for years to come. Filling Scotts role, we are delighted to have his son Shane serving as Chairman, providing both a legacy to our past and a fresh eye toward our future. In parallel with this change, Andrew Yates stepped down as CEO, however he has remained on our Board of Directors, continuing his 12 years of experience within our team and providing continuity of leadership in our Board room.

As announced last year, our team has also been diligent in their efforts to review our manufacturing footprint in China, and to seek additional capacity to produce both faucets and sanitaryware outside of China in order to balance our production base around the world. The first step on this path was our asset acquisition of Sanitaryware producer in Saltillo Mexico; a purchase which we closed on in late 2019. This modern facility along with our plant in, Shandong, China effectively doubles our in-house production capabilities in sanitaryware, and also moves us much closer to our core markets in North America.

We are working today to finalize a similar solution for faucets which will complement our existing faucet manufacturing capacity. These two steps will make Globe Union one of the most proficient manufacturers of both faucets ***and*** sanitaryware in the world.

These important steps within our core manufacturing competencies now gives us the focus and the strength to take the next move toward the full consolidation of our remaining business units. Specifically, we have combined of our Sales and Marketing organizations in North American and have consolidated our Operational and Product Development/Product Management teams, globally. As one team we are beginning to leverage our unique prime positions in faucets ***and*** sanitaryware, concurrently with both our Private Label customers and within our own Gerber Branded business. In the original words of Scott Ouyoung, “One Family, One Vision”; this is truly a reality in the way we are conducting our business today around the world.

While it has been a challenging year for me to start as your new CEO, with 2019 behind us and the energy of these changes before us, our team is aligned behind the rally cry, “It’s a Time to Grow”. Supported by the strength of our dedicated people, we are building a new organization to serve the changing global market in a way to make this mantra a reality.

I thank all of our Stakeholders for your support of our initiatives.

Chairman:	Manager:	Accounting upervisor:
Hsien Ou Yang	Todd Alex Talbot	Min-Ling Wang

Globe Union Industrial Corp.

Audit Committee Audit Report

The Board of Directors has prepared and submitted the 2019 business report, financial statements, and earnings distribution proposal. Ernst & Young audited the financial statements and submitted an audit report. The Audit Committee has reviewed the business report, financial statements, and the earnings distribution proposal and did not find any instances of noncompliance. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, it is hereby submitted for your review and perusal.

Globe Union Industrial Corp.

Chairperson of the Audit Committee:Young-Sheng Hsu

March 25, 2020

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REPORT OF INDEPENDENT ACCOUNTANTS

English Translation of a Report Originally Issued in Chinese

To Globe Union Industrial Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Globe Union Industrial Corp. (the "Company") and its subsidiaries as at 31 December 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2019 and 2018, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries (the "Group") as at 31 December 2019 and 2018, and their consolidated financial performance and cash flows for the years ended 31 December 2019 and 2018, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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. 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 2019 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.

Goodwill assessment

As at 31 December 2019, the goodwill was carried at NT$719,664 thousand which accounted for 5% of the total assets. The Company performed impairment testing on the cash-generating units according to the International Financial Reporting Standards. The recoverable amount of the cash-generating units has been determined based on the value in use because their fair value cannot be reliably measured. The impairment testing indicated that the value in use of certain cash-generating units was higher than their carrying amount. We determined goodwill assessment to be a key audit matter because the carrying amounts of goodwill were material to the Group, the determination of value in use was complex, and high level of management judgment was involved when making assumptions about cash flow forecasts. Our audit procedures included, but were not limited to, evaluating whether the components of the cash-generating units have significantly changed, including analyzing the sales model and regions involved; evaluating the management's assessment approaches and assumptions of value in use; involving internal expert to assist us in evaluating the reasonableness of key assumptions used by management such as growth rates, discount rates, and gross margin; involving internal expert to assist us in evaluating the reasonableness of key components of discount rates such as cost of equity, company-specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing management and assessing the reasonableness of assumptions used in their model such as cash flows, gross margin, growth rates, and the expected future market and economic conditions; comparing the actual financials to date with previously forecast financials and analyzing the Company's historical data and performance to assess the reasonableness of the cash flow forecast. We also assessed the adequacy of the disclosures related to result of impairment test and assumption's sensitivity in Notes 4,5 and 6.

Inventory valuation

As at 31 December 2019, the net inventories amounted to NT$3,049,800 thousand, which accounted for 19% of the total consolidated assets. The determination of the provisions for obsolete inventories involved a high level of management judgment, and were subject to uncertainty due to product diversity. Furthermore, the cost of inventory included direct labor, raw material, and overhead, and the calculation and allocation were complex. Also, the allocation basis could have a material impact on the financial statements. As such, we determined this to be a key audit matter. Our audit procedures included, but were not limited to: understanding and testing the design and operating effectiveness of internal control over inventory cost and allowance for inventory; performing inventory price testing to verify the allocation of cost, direct labor, and overhead is reasonable; assessing the appropriateness of the policy of provision for excess and obsolete inventory by testing the accuracy of inventory ageing and analyzing movement of the ageing, analyzing the difference between the policy of the current year and the prior year, and analyzing the difference between the historical provisions and the actual write-off amount; verifying that inventories were valued at the lower of cost or net realizable value by comparing the book value of inventories at the balance sheet date with recent sales price on selected samples; verifying the existence and completeness of inventories by tracing items on the final inventory listing to the physical inventory compilation; attending inventory counts to understand the status of the inventories and evaluate the appropriateness of the excess and obsolescence provision. We also assessed the adequacy of the disclosures related to inventories in Notes 4,5 and 6.

Emphasis of Matter – Application of New Accounting Standards

As described in Note 3 of the consolidated financial statements, the Company and its subsidiaries applied the International Financial Reporting Standard 16, "Lease" starting 1 January 2019, and elected not to restate the consolidated financial statements for prior periods. Our conclusion is not modified in respect of this matter.

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 Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries 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 Company and its subsidiaries.

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 2019 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as at and for the years ended 31 December 2019 and 2018.

Huang Yu Ting
Huang Tzu Ping
Ernst & Young, Taiwan
5 March 2020

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

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2019 and 31 December 2018
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at 31 Dec 2019	As at 31 Dec 2018
Current assets			
Cash and cash equivalents	4, 6(1)	$3,239,399	$3,101,792
Financial assets at fair value through profit or loss, current	4, 6(2)	113,507	10,492
Financial assets measured at amortized cost, current	4, 6(3), 8	226,065	263,344
Notes receivable, net	4, 6(4)	-	29,560
Accounts receivable, net	4, 6(5), 8	2,287,784	2,591,745
Inventories, net	4, 5, 6(6)	3,049,800	3,322,556
Prepayment	6(7)	140,128	136,902
Other current assets	7	532,839	519,353
Total current assets		9,589,522	9,975,744
Non-current assets			
Investments accounted for under the equity method	4, 6(8)	22,030	22,698
Property, plant and equipment	4, 6(9), 8	2,516,758	1,541,094
Investment property, net	4, 6(10)	-	-
Right-of-use assets	4, 6(24)	2,056,539	-
Intangible assets	4, 6(11)	45,676	43,035
Goodwill	4, 5, 6(11),6(12)	719,664	780,187
Deferred tax assets	4, 6(28)	215,181	232,286
Deposits-out		36,888	33,986
Other non-current assets	6(13)	647,586	120,067
Long-term prepaid rent expenses	6(13)	-	64,084
Total non-current assets		6,260,322	2,837,437
Total assets		$15,849,844	$12,813,181

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

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2019 and 31 December 2018
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at 31 Dec 2019	As at 31 Dec 2018
Current liabilities			
Short-term loans	4, 6(14)	$1,560,566	$1,280,137
Financial liabilities at fair value through profit or loss, current	4, 6(15)	793	375
Contract liabilities, current	6(22)	20,272	276,008
Notes payable		65,426	86,376
Accounts payable		2,008,520	2,077,711
Other payables	6(16)	125,816	135,997
Accrued expenses	6(17)	1,008,047	1,156,626
Current tax liabilities	4, 6(28)	82,598	98,013
Lease liabilities, current	4, 6(24)	231,910	-
Current portion of long-term loans	4, 6(18)	131,632	61,100
Other current liabilities	6(19)	75,977	53,188
Total current liabilities		5,311,557	5,225,531
Non-current liabilities			
Long-term loans	4, 6(18)	2,469,540	1,425,533
Deferred tax liabilities	4, 6(28)	29,634	37,228
Lease liabilities, non-current	4, 6(24)	1,824,681	-
Other non-current liabilities		575,350	12,545
Net defined benefit obligation, noncurrent	4, 6(19)	65,472	137,529
Total non-current liabilities		4,964,677	1,612,835
Total liabilities		10,276,234	6,838,366
Equity attributable to the parent company	4, 6(20)		
Capital			
Common stock		3,562,130	3,681,600
Advance receipts for common stock		3,847	635
Total capital		3,565,977	3,682,235
Additional paid-in capital		995,214	1,032,019
Retained earnings			
Legal reserve		830,341	768,519
Special reserve		522,707	470,533
Retained earnings		387,585	656,738
Total retained earnings		1,740,633	1,895,790
Other components of equity			
Exchange differences on translation of foreign operations		(728,214)	(522,707)
Unearned employee salary		-	(3,500)
Total other components of equity		(728,214)	(526,207)
Treasury stock		-	(186,207)
Non-controlling interests	6(20)	-	77,185
Total equity		5,573,610	5,974,815
Total liabilities and equity		$15,849,844	$12,813,181

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

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended 31 December 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended 31 December	
	Notes	2019	2018
Net sales	6(22)	$17,023,426	$17,879,120
Cost of sales	6(6)(25)	(12,225,546)	(12,984,762)
Gross profit		4,797,880	4,894,358
Operating expenses	6(24)(25)		
Selling and marketing		(1,391,283)	(1,425,563)
General and administrative		(2,736,741)	(2,597,575)
Research and development		(278,530)	(234,619)
Expected credit losses	6(23)	(270)	(10,486)
Total operating expenses		(4,406,824)	(4,268,243)
Operating income		391,056	626,115
Non-operating income and expenses	6(26)		
Other revenue		216,048	149,351
Other gains and losses		18,459	77,036
Financial costs		(142,065)	(48,560)
Share of profit or loss of associates and joint ventures	4, 6(8)	33	(550)
Subtotal		92,475	177,277
Income from continuing operations before income tax		483,531	803,392
Income tax expense	6(28)	(147,476)	(184,476)
Income from continuing operations, net of tax		336,055	618,916
Other comprehensive income (loss)	6(27)		
Items that may not to be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		4,784	43,434
Income tax related to items that may not to be reclassified subsequently to profit or loss		797	(6,979)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(204,806)	(59,535)
Share of other comprehensive of associates and joint ventures	6(8)	(701)	(551)
Total other comprehensive income (loss), net of tax		(199,926)	(23,631)
Total comprehensive income (loss)		$136,129	$595,285
Net income attributable to:			
Stockholders of the parent		$335,173	$618,220
Non-controlling interests		882	696
		$336,055	$618,916
Comprehensive income attributable to:			
Stockholder of the parent		$135,247	$593,687
Non-controlling interests		882	1,598
		$136,129	$595,285
Earnings per share (NTD)	6(29)		
Earnings per share-basic		$0.94	$1.69
Earnings per share-diluted		$0.94	$1.68

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

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended 31 December 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

		Capital			Retained Earnings			Other components of equity					
	Notes	Common Stock	Advance Receipts for Common Stock	Additional Paid-in Capital	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unearned employee salary	Treasury stock	Total	Non-controlling interests	Total equity
Balance as at 1 Jan 2018	6(20)	$3,668,560	$7,329	$1,026,759	$698,685	$285,914	$806,937	$(462,366)	$(8,167)	$ -	$6,023,651	$75,587	$6,099,238
Appropriations of earnings, 2017:													
Legal reserve					69,834		(69,834)				-		-
Special reserve						184,619	(184,619)				-		-
Cash dividends							(549,774)				(549,774)		(549,774)
Other changes in additional paid-in capital:													
Share of changes in net assets of associates and joint ventures accounted for using the equity method				192							192		192
Net income in 2018							618,220				618,220	696	618,916
Other comprehensive income, net of tax in 2018							35,808	(60,341)			(24,533)	902	(23,631)
Total comprehensive income		-	-	-	-	-	654,028	(60,341)	-	-	593,687	1,598	595,285
Acquisition of treasury stock										(186,207)	(186,207)		(186,207)
Share-based payment transactions-Exercise of employee stock option	Note 2		10,606								10,606		10,606
Share-based payment transactions-Conversion of advance receipts for common stock	Note 3	13,040	(17,300)	4,260							-		-
Share-based payment transactions-Share-based payment expense				808					4,667		5,475		5,475
Balance as at 31 Dec 2018	6(20)	$3,681,600	$635	$1,032,019	$768,519	$470,533	$656,738	$(522,707)	$(3,500)	$(186,207)	$5,897,630	$77,185	$5,974,815
Balance as at 1 Jan 2019	6(20)	$3,681,600	$635	$1,032,019	$768,519	$470,533	$656,738	$(522,707)	$(3,500)	$(186,207)	$5,897,630	$77,185	$5,974,815
Appropriations of earnings, 2018:													
Legal reserve					61,822		(61,822)				-		-
Special reserve						52,174	(52,174)				-		-
Cash dividends							(461,808)				(461,808)		(461,808)
Net income in 2019							335,173				335,173	882	336,055
Other comprehensive income, net of tax in 2019							5,581	(205,507)			(199,926)	-	(199,926)
Total comprehensive income		-	-	-	-	-	340,754	(205,507)	-	-	135,247	882	136,129
Retirement of treasury stock		(120,000)		(32,104)			(34,103)			186,207	-		-
Decrease in non-controlling interests	Note 1											(20,521)	(20,521)
Change in ownership of subsidiaries	Note 4			(3,122)							(3,122)	(57,546)	(60,668)
Share-based payment transactions-Exercise of employee stock option	Note 2		16,163								16,163		16,163
Share-based payment transactions-Conversion of advance receipts for common stock	Note 3	10,530	(12,951)	2,421							-		-
Share-based payment transactions-Share-based payment expense									3,500		3,500		3,500
Retirement of Share options plan		(10,000)		(4,000)							(14,000)		(14,000)
Balance as at 31 Dec 2019	6(20)	$3,572,130	$3,847	$995,214	$830,341	$522,707	$387,585	$(728,214)	$ -	$ -	$5,573,610	$ -	$5,573,610

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

Note 1: The consolidated subsidiaries of the Company carried out capital reduction and returned capital contributions to non-controlling interests according to the shareholding percentage. Therefore, non-controlling interests decreased by $20,521 thousand.

Note 2: The Company issued employee share option in 2015. During the year of 2018, employees converted their options into 205,000 shares at NT$13.7 per share, and 614,000 shares at NT$12.7 per share, respectively. Total consideration received was $10,606 thousand. During the year of 2019, employees converted their options into 533,000 shares at NT$12.7 per share, and 796,000 shares at NT$11.8 per share, respectively. Total consideration received was $16,163 thousand.

Note 3: As at 31 December 2018, 1,304,000 shares under capital collected in advance in the amount of $17,300 thousand have completed the registration process, and thus increased the common stock and the additional paid-in capital by $13,040 thousand and $4,260 thousand respectively.As at 31 December 2019, 1,053,000 shares under capital collected in advance in the amount of $12,951 thousand have completed the registration process, and thus increased the common stock and the additional paid-in capital by $10,530 thousand and $2,421 thousand respectively.

Note 4: The board of directors approved the sale of 35,162,689 shares of Home Boutique International Co., Ltd. to Singular Point Ltd. on 2 August 2019, and the transaction of 27,422,937 shares was completed on 23 September 2019.
Therefore, the percentage of ownership that the Company held in Home Boutique International Co., Ltd. decreased from 86.319% to 19%. Since the Company lost control over it, the additional paid-in capital and non-controlling interest decreased by $3,122 thousand and $57,546 thousand respectively.

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December 2019	2018
Cash flows from operating activities:			
Net income before tax		$483,531	$803,392
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation		588,271	256,986
Amortization		17,655	22,145
Expected credit losses		270	10,486
Net gain of financial assets/liabilities at fair value through profit or loss		(39,336)	(12,104)
Interest expense		142,065	48,560
Interest revenue		(58,933)	(71,447)
Share-based payment expense		3,500	5,475
Share of loss of subsidiaries, associates and joint ventures		(33)	550
Loss on disposal of property, plant and equipment		2,584	2,012
Gain on disposal of subsidiary and financial assets measured at fair value through profit or loss		(8,903)	(48,516)
Retirement of Share options plan		(14,000)	-
Changes in operating assets and liabilities:			
Financial assets/liabilities at fair value through profit or loss, current		1,260	3,447
Notes receivable		426	11,366
Accounts receivable		217,167	397,521
Inventories, net		(119,714)	(257,499)
Prepayments		(39,916)	(15,053)
Other current assets		(15,656)	2,276
Other assets-others		(2,728)	34,125
Notes payable		(17,138)	4,596
Accounts payable		7,856	(204,936)
Other payables		(66,023)	(7,977)
Contract liabilities, current		8,381	9,416
Other current liabilities		12,284	2,665
Defined benefit obligation		(25,260)	(47,021)
Other liabilities-others		1,084	10,706
Cash generated from operations		1,078,694	961,171
Interest received		58,933	71,447
Interest paid		(142,042)	(48,507)
Income tax paid		(162,034)	(91,968)
Net cash generated from operating activities		833,551	892,143

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

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended 31 December 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December 2019	2018
(Continued)			
Cash flows from investing activities:			
Acquisition of financial assets measured at fair value through profit or loss		(363,000)	(50,000)
Disposal of financial assets measured at fair value through profit or loss		393,451	50,038
Disposal of subsidiary		217,322	(2,981)
Acquisition of property, plant and equipment		(1,515,071)	(389,831)
Disposal of property, plant and equipment		7,416	9,024
Increase in deposits-out		(10,098)	(890)
(Increase) Decrease in financial assets measured at amortized cost, current		(28,103)	463,667
Acquisition of intangible assets		(21,114)	(13,335)
Net cash (used in) generated from investing activities		(1,319,197)	65,692
Cash flows from financing activities:			
Increase in short-term loans		798,428	998,000
Decrease in short-term loans		(517,999)	(1,076,333)
Increase in long-term loans		1,501,172	1,000,000
Decrease in long-term loans		(299,759)	(1,081,020)
Cash dividends		(461,808)	(549,774)
Decrease in lease liabilities		(270,239)	-
Exercise of employee stock option		16,163	10,606
Increase in treasury stock		-	(186,207)
Subsidary cash repayment of capital reduction		(20,521)	-
Net cash used in financing activities		745,437	(884,728)
Effect of changes in exchange rate on cash and cash equivalents		(122,184)	(59,940)
Net increase in cash and cash equivalents		137,607	13,167
Cash and cash equivalents at beginning of period	6(1)	3,101,792	3,088,625
Cash and cash equivalents at end of period		$3,239,399	$3,101,792

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

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REPORT OF INDEPENDENT ACCOUNTANTS

English Translation of a Report Originally Issued in Chinese

To Globe Union Industrial Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Globe Union Industrial Corp. (the "Company") as at 31 December 2019 and 2018, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2019 and 2018, and notes to the parent company only financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at 31 December 2019 and 2018, and its parent company only financial performance and cash flows for the years ended 31 December 2019 and 2018, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2019 the 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.

Impairment evaluation accounted for under equity method (Goodwill impairment test by subsidiary)

The long-term equity investment of Globe Union Industrial Corp. amounted to NT$9,442,327 thousand, accounting for 80% of the total assets. The Company conducts impairment tests on the relevant cash generating units in accordance with the International Financial Reporting Standards (IFRS). The Company was unable to reliably measure the fair value. According to the results of the impairment test, the value in use of the cash generating unit was higher than its book value, so there is no investment loss estimated in this year. As the calculation of the discounted future cash flow of each cash-generating unit to support the value of the investees required significant management judgment with respect to the assumptions for cash flow forecast, we therefore considered this a key audit matter. The auditor's audit procedures included, but are not limited to, analyzing whether component of cash-generating unit has significant changed, including analyzing its sales pattern and region; analyzing the management's method and assumptions to assess the value in use; inviting internal experts to assist in assessing the reasonableness of management’s key assumptions of the growth rate, discount rate and gross margin, including referring to a company of similar size of the cash generation unit to assess the reasonableness of the key assumptions, such as the equity cost of the components of the discount rate, the Company’s specific risk premium and market risk premium; interviewing management and analyzing the cash flow, gross margin rate and revenue growth rate of financial forecast, and the reasonableness of the overall market and economic forecasts; comparing the current financial predictions and the results that have achieved so far; analyzing the Company’s historical data and performance to assess the rationality of its cash flow forecasts. In addition, we also considered the adequacy of the impairment test results and hypothetical sensitivity disclosures stated in Notes 4 and 6 to the financial statements.

Inventory valuation

The net inventory of the Company (including inventories of the investees accounted for under the equity method) amounted to $3,049,800 thousand, accounting for 26% of the total assets. Due to the uncertainty arising out of product diversification, the allowance for inventory valuation loss and slowing-moving or obsolete inventory requiring significant management judgement; calculation of inventory cost, including direct labor, direct raw material and allocation of manufacturing cost being complex whose allocation basis had material impact on the financial statements; we therefore considered this key audit matter. The audit procedures included, but are not limited to: understanding and testing the design and operating effectiveness of internal control over inventory cost and allowance for inventory; performing inventory price testing to verify the allocation of cost, direct labor, and overhead is reasonable; assessing the appropriateness of the policy of provision for excess and obsolete inventory by testing the accuracy of inventory ageing and analyzing movement of the ageing, analyzing the difference between the policy of the current year and the prior year, and analyzing the difference between the historical provisions and the actual write-off amount; verifying that inventories were valued at the lower of cost or net realizable value by comparing the book value of inventories at the balance sheet date with recent sales price on selected samples; verifying the existence and completeness of inventories by tracing items on the final inventory listing to the physical inventory compilation; attending inventory counts to understand the status of the inventories and evaluate the appropriateness of the allowance for damaged or obsolete inventory valuation loss. We also assessed the adequacy of the disclosures related to inventories in Notes 4, 5 and 6.

Emphasis of Matter – Application of New Accounting Standards

As described in Note 3 of the consolidated financial statements, the Company applied the International Financial Reporting Standard 16, "Lease" starting 1 January 2019, and elected not to restate the financial statements for prior periods. Our conclusion is not modified in respect of this matter.

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 the 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 audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the parent company only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2019 the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Huang Yu Ting
Huang Tzu Ping
Ernst & Young, Taiwan
5 March 2020

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

GLOBE UNION INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2019 and 31 December 2018
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at 31 Dec 2019	As at 31 Dec 2018
Current assets			
Cash and cash equivalents	4, 6(1)	$666,101	$478,236
Financial assets at fair value through profit or loss, current	4, 6(2)	113,097	9,798
Accounts receivable, net	4, 6(3)	910,693	1,222,957
Accounts receivable, net - Related parties	4, 6(3),7	53,757	129,992
Other receivables	7	138,155	19,343
Inventories, net	4, 5, 6(4)	255,192	292,018
Prepayment		54,006	61,673
Other current assets		21,405	28,053
Total current assets		2,212,406	2,242,070
Non-current assets			
Investments accounted for under the equity method	4, 5, 6(5)	9,442,327	9,135,686
Property, plant and equipment	4, 6(6)	76,923	84,413
Right-of-use assets	6(18)	3,123	-
Intangible assets	4, 6(7)	19,667	31,244
Deferred tax assets	4, 6(22)	38,086	36,625
Other non-current assets	6(8)	3,095	3,795
Total non-current assets		9,583,221	9,291,763
Total assets		$11,795,627	$11,533,833

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

GLOBE UNION INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2019 and 31 December 2018
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at 31 Dec 2019	As at 31 Dec 2018
Current liabilities			
Short-term loans	4, 6(9)	$1,235,000	$998,000
Contract liabilities, current	6(16)	124,270	15,191
Accounts payable		80,469	169,759
Accounts payable - Related parties	7	1,790,370	2,387,056
Other payables	6(10),7	100,424	318,473
Accrued expenses	6(11),7	258,341	274,525
Current tax liabilities	4, 6(22)	63,448	41,870
Lease liabilities, current	6(18)	822	-
Current portion of long-term loans	4, 6(12)	100,000	55,769
Other current liabilities		7,173	10,017
Total current liabilities		3,760,317	4,270,660
Non-current liabilities			
Long-term loans	4, 6(12)	2,430,000	1,340,000
Deferred tax liabilities	4, 6(22)	12,854	21,888
Lease liabilities, non-current	6(18)	2,325	-
Other non-current liabilities		128	128
Net defined benefit obligation, noncurrent	4, 6(13)	16,393	3,527
Total non-current liabilities		2,461,700	1,365,543
Total liabilities		6,222,017	5,636,203
Equity attributable to the parent company	4, 6(14)		
Capital			
Common stock		3,562,130	3,681,600
Advance receipts for common stock		3,847	635
Total capital		3,565,977	3,682,235
Additional paid-in capital		995,214	1,032,019
Retained earnings			
Legal reserve		830,341	768,519
Special reserve		522,707	470,533
Retained earnings		387,585	656,738
Total retained earnings		1,740,633	1,895,790
Other components of equity			
Exchange differences on translation of foreign operations		(728,214)	(522,707)
Unearned employee salary		-	(3,500)
Total other components of equity		(728,214)	(526,207)
Treasury stock		-	(186,207)
Total equity		5,573,610	5,897,630
Total liabilities and equity		$11,795,627	$11,533,833

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

GLOBE UNION INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended 31 December 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended 31 December	
	Notes	2019	2018
Net sales	4,6(16),7	$8,045,768	$9,330,271
Cost of sales	6(4),7	(7,102,626)	(8,411,860)
Gross profit		943,142	918,411
Unrealized intercompany profit		(19,583)	(38,144)
Gross profit		923,559	880,267
Operating expenses			
Selling and marketing	6(19),7	(431,214)	(468,211)
General and administrative	6(19),7	(305,342)	(267,564)
Research and development	6(19)	(52,463)	(51,340)
Total operating expenses		(789,019)	(787,115)
Operating income		134,540	93,152
Non-operating income and expenses	6(20)		
Other revenue		16,306	18,974
Other gains and losses		71,282	82,567
Financial costs		(37,712)	(31,916)
Share of profit of subsidiaries, associates and joint ventures	6(5)	201,335	525,769
Subtotal		251,211	595,394
Income from continuing operations before income tax		385,751	688,546
Income tax expense	6(22)	(50,578)	(70,326)
Income from continuing operations, net of Tax		335,173	618,220
Other comprehensive income (loss)	6(21)		
Items that may not to be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(12,390)	19,248
Share of other comprehensive income/(loss) accounted for using the equity method-remeasurements of defined benefit plans		15,493	19,079
Income tax related to items that may not to be reclassified subsequently to profit or loss		2,478	(2,519)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(205,507)	(60,341)
Total other comprehensive income (loss), net of tax		(199,926)	(24,533)
Total comprehensive income (loss)		$135,247	$593,687
Earnings per share (NTD)	6(23)		
Earnings per share-basic		$0.94	$1.69
Earnings per share-diluted		$0.94	$1.68

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

GLOBE UNION INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended 31 December 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Capital			Retained Earnings			Other components of equity			
		Common Stock	Advance Receipts for Common Stock	Additional Paid-in Capital	Legal Reserve	Special reserve	Unappropriated Earnings	Unearned employee salary	Exchange Differences on Translation of Foreign Operations	Treasury stock	Total
Balance as at 1 Jan 2018	6(14)	$3,668,560	$7,329	$1,026,759	$698,685	$285,914	$806,937	$(462,366)	$(8,167)	$ -	$6,023,651
Appropriations of earnings, 2017:											
Legal reserve					69,834		(69,834)				-
Special reserve						184,619	(184,619)				-
Cash dividends							(549,774)				(549,774)
Other changes in additional paid-in capital											
Share of changes in net assets of associates and joint ventures accounted for using the equity method				192							192
Net income in 2018							618,220				618,220
Other comprehensive income, net of tax in 2018							35,808	(60,341)			(24,533)
Total comprehensive income		-	-	-	-	-	654,028	(60,341)	-	-	593,687
Acquisition of treasury stock										(186,207)	(186,207)
Share-based payment transactions-Exercise of employee stock option	Note 1		10,606								10,606
Share-based payment transactions-Conversion of advance receipts for common stock	Note 2	$13,040	(17,300)	4,260							-
Share-based payment transactions-Share-based payment expense				808					4,667		5,475
Balance as at 31 Dec 2018	6(14)	$3,681,600	$635	$1,032,019	$768,519	$470,533	$656,738	$(522,707)	$(3,500)	$(186,207)	$5,897,630
Balance as at 1 Jan 2019	6(14)	$3,681,600	$635	$1,032,019	$768,519	$470,533	$656,738	$(522,707)	$(3,500)	$(186,207)	$5,897,630
Appropriations of earnings, 2018:											
Legal reserve					61,822		(61,822)				-
Special reserve						52,174	(52,174)				-
Cash dividends							(461,808)				(461,808)
Net income in 2019							335,173				335,173
Other comprehensive income, net of tax in 2019							5,581	(205,507)			(199,926)
Total comprehensive income		-	-	-	-	-	340,754	(205,507)	-	-	135,247
Retirement of treasury stock		(120,000)		(32,104)			(34,103)			186,207	-
Decrease in non-controlling interests	Note 3			(3,122)							(3,122)
Share-based payment transactions-Exercise of employee stock option	Note 1		16,163								16,163
Share-based payment transactions-Conversion of advance receipts for common stock	Note 2	10,530	(12,951)	2,421							-
Share-based payment transactions-Share-based payment expense									3,500		3,500
Retirement of Share options plan		(10,000)		(4,000)							(14,000)
Balance as at 31 Dec 2019	6(14)	$3,562,130	$3,847	$995,214	$830,341	$522,707	$387,585	$(728,214)	$ -	$ -	$5,573,610

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

Note 1:The Company issued employee share option in 2015. During the year of 2018, employees converted their options into 205,000 shares at NT$13.7 per share, and 614,000 shares at NT$12.7 per share, respectively. Total consideration received was $10,606 thousand. During the year of 2019, employees converted their options into 533,000 shares at NT$12.7 per share, and 796,000 shares at NT$11.8 per share, respectively. Total consideration received was $16,163 thousand.

Note 2:As at 31 December 2018, 1,304,000 shares under capital collected in advance in the amount of $17,300 thousand have completed the registration process, and thus increased the common stock and the additional paid-in capital by $13,040 thousand and $4,260 thousand respectively.
As at 31 December 2019, 1,053,000 shares under capital collected in advance in the amount of $12,951 thousand have completed the registration process, and thus increased the common stock and the additional paid-in capital by $10,530 thousand and $2,421 thousand respectively.

Note 3: The board of directors approved the sale of 35,162,689 shares of Home Boutique International Co., Ltd. to Singular Point Ltd. on 2 August 2019, and the transaction of 27,422,937 shares was completed on 23 September 2019. Therefore, the percentage of ownership that the Company held in Home Boutique International Co., Ltd. decreased from 86.319% to 19%. Since the Company lost control over it, the additional paid-in capital and non-controlling interest decreased by $3,122 thousand and $57,546 thousand respectively.

GLOBE UNION INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December 2019	2018
Cash flows from operating activities:			
Net income before tax		$385,751	$688,546
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation		13,181	14,235
Amortization		12,680	16,988
Net gain of financial assets/liabilities at fair value through profit or loss		(38,922)	(7,976)
Interest expense		37,712	31,916
Interest revenue		(8,470)	(10,078)
Share-based payment expense		3,500	5,475
Gain on disposal of financial assets measured at fair value through profit or loss		(8,903)	(38)
Retirement of Share options plan		(14,000)	-
Share of profit of subsidiaries, associates and joint ventures		(201,335)	(525,769)
Loss of unrealized intercompany profit		19,583	38,144
Changes in operating assets and liabilities:			
Financial assets and liabilities at fair value through profit or loss		-	944
Accounts receivable		388,499	(111,005)
Other receivables		(118,812)	(4,925)
Inventories, net		43,243	(4,590)
Prepayments		7,667	(14,218)
Other current assets		6,648	(7,648)
Other assets-others		901	581
Accounts payable		(685,976)	641,829
Accrued expenses		(16,206)	(7,419)
Other payables		(218,049)	(14,257)
Contract liabilities, current		109,079	13,010
Other current liabilities		(2,756)	2,602
Defined benefit obligation		388	(42,101)
Other liabilities-others		-	128
Cash generated from operations		(284,597)	704,374
Interest received		8,470	10,078
Dividend received		641,600	44,980
Interest paid		(37,689)	(31,768)
Income tax paid		(37,017)	(35,449)
Net cash generated from operating activities		290,767	692,215

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

GLOBE UNION INDUSTRIAL CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the Years Ended 31 December 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December 2019	2018
(Continued)			
Cash flows from investing activities:			
Acquisition of financial assets measured at fair value through profit or loss		(363,000)	(50,000)
Disposal of financial assets measured at fair value through profit or loss		393,451	50,038
Acquisition of property, plant and equipment		(4,858)	(12,234)
Acquisition of intangible assets		(1,104)	(2,194)
Acquisition of investments accounted for under the equity method		(1,516,798)	-
Disposal of investments accounted for under the equity method		335,352	-
Proceeds from return of capital by investees		129,478	-
Increase in deposits-out		(200)	-
Net cash used in investing activities		(1,027,679)	(14,390)
Cash flows from financing activities:			
Increase in short-term loans		1,351,583	998,000
Decrease in short-term loans		(1,114,583)	(851,000)
Increase in long-term loans		1,390,000	1,000,000
Decrease in long-term loans		(255,769)	(1,075,769)
Cash dividends		(461,808)	(549,774)
Decrease in lease liabilities		(809)	-
Exercise of employee stock option		16,163	10,606
Increase in treasury stock		-	(186,207)
Net cash used in financing activities		924,777	(654,144)
Net increase in cash and cash equivalents		187,865	23,681
Cash and cash equivalents at beginning of period	6(1)	478,236	454,555
Cash and cash equivalents at end of period		$666,101	$478,236

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

Attachment 5

Globe Union Industrial Corp.

FY 2019 Profit Distribution Table

Unit: NTD

Items	Total
Beginning retained earnings	80,934,322
Retirement of treasury stock	(34,104,268)
Add: Actuarial gain	5,581,240
Add: Net profit after tax	335,173,885
Subtotal：	387,585,179
Less: 10% legal reserve	(30,665,086)
Less: Special reserve	(205,507,215)
Distributable net profit as of December 31st, 2019	151,412,878
Items for distribution:	
Cash Dividends (NTD0.42 per share) (Note 1)	(149,876,564)
Unappropriated retained earnings	1,536,314

Note 1. Cash dividends distributed to the shareholders are based on issued and outstanding 356,848,962 shares.

Note 2. The earnings of 2019 shall be distributed prior to distribution of earnings of prior years.

Globe Union Industrial Corp.
Policy for 2020 First Issuance of New Restricted employee Shares (RSA).

I. Purposes of issuance

To attract and retain professionals for the Company, and strengthen employees cohesion and sense of belonging towards the Company, so as to jointly generate interest for the Company and shareholders, the Company hereby established the Policy for 2020 First Issuance of New Restricted employee Shares (hereinafter referred to as the "Policy") in accordance with Article 267, Paragraph 8 of the Company Act and "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" published by the Financial Supervisory Commission (FSC).

II. Issue period

One registration of issuance is allowed in a period of one(1) year from the date of the shareholders resolution, and one issuance is allowed within one (1) year after receipt of notice by the competent authority indicating the policy has become effective. The actual issuance date shall be determined by the Chairman as authorized by the board of directors.

III. Qualifications and conditions for employees and numbers of shares distributable

(I) Qualifications and conditions for employees:

Applicable for formal full-time employees of the Company ("Grantees"). Grantees and number of shares distributable shall take into consideration factors such as seniority, grade, position, work performance, overall contribution, specific achievement or other conditions necessary for administration. The qualified Grantee list shall first be approved by the Chairman, then submit and obtain approval by the majority votes(more than fifty percent) in a meeting of the board of directors in which two-thirds or more directors are present. However, for directors who are managers or employees of the Company, approval shall be obtained from the Remuneration Committee.

(II)Numbers of shares distributable:

Number of RSA issued to a single Grantee shall be in accordance with Article 56-1, Paragraph 1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, which stipulates that where "an issuer issues employee stock warrants, the cumulative number of shares subscribable by a single warrant holder of the employee stock warrants, in combination with the cumulative number of new restricted employee shares obtained by the single warrant holder, may not exceed 0.3% of the issuer's total issued shares".

IV. Total number issued

RSA issued in accordance with the Policy are 1,000,000 common shares at par value of NT$10 per share, with a total value of NT$10,000,000.

V. Terms and conditions of issuance

(I) Issue price: NT$0 per share, distributed gratuitously to Grantees without cash consideration.

(II) Vesting conditions:

1. After Grantees are granted with RSA in accordance with the Policy, they shall remain employees of the Company three years after the capital increase record date (Issuance date), shall not violate of the Company's labor contract, work rules or personnel regulations, and the Grantees who meet the requirement of achieving the average annual return on shareholders' equity (ROE) from 2020 to 2022 is greater than 12%, the ratio of shares that can be vested is: 50%.
2. After Grantees are granted with RSA in accordance with the Policy, they shall remain employees of the Company three years after the capital increase record date (Issuance date), shall not violate the Company's labor contract, work rules or personnel regulations, and the Grantees who meet the requirement of achieving the average annual return on shareholders' equity (ROE) from 2020 to 2022 is greater than 14%, the ratio of shares that can be vested is: 100%.

(III) Class of issued shares: Common shares of the Company.

(IV) Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance:

1. After being granted with the Company's RSA, if the Grantee violates the Company's labor contract, work rule, or agreements with the Company, the RSA which vesting conditions are yet to be met, shall be deemed to have expired, from the date of occurrence of the event, and the Company shall redeem the shares without consideration and cancel them in accordance with the law.
2. Voluntary resignation: In the event of voluntary resignation, the RSA which vesting conditions are yet to be met, shall be deemed to be have expired on the date of the Grantee's last employment date, and the Company shall

redeem the shares without consideration and cancel them in accordance with the law.

3. Retirement: In the event of retirement, the RSA which vesting conditions are yet to be met, shall be deemed to have expired on the date of retirement , and the Company shall redeem the shares without consideration and cancel them in accordance with the law.
4. General death: In the event of the death, the RSA which vesting conditions are yet to be met, the RSA shall be deemed to have expired on the date of death of Grantees, and the Company will redeem the shares free of charge and cancel them in accordance with the law.
5. Occupational disaster resulting in disability or death:
   (1) In the event of Grantees suffer from occupational disaster resulting in physical disability and inability to continue working, the RSA which vesting condition are yet to be met, the RSA shall be deemed to have expired on the date that Grantee's inability to perform his /her duty, and the Company will redeem the shares free of charge and cancel them in accordance with the law.
   (2) In the event of occupational disaster resulting in death, the RSA which vesting conditions are yet to be met, the RSA shall be deemed to have expired, and the Company will redeem the shares free of charge and cancel them in accordance with the law.
6. Leave without pay: In the event when for the Grantee who has obtained approval from the Company to apply for leave without pay, the rights of the RSA which have not met the vesting conditions may be reinstated after the Grantee resume work. However, the number of shares that can be vested is calculated based on the ratio of actual working period and service period as specified in Paragraph (2) of this Article, and subject to the relevant policy of Paragraph (2) of this Article.
7. Lay-off or other reasons attributable to the Company resulting in termination of labor contract: If Grantees are laid off by the Company before satisfying the vesting conditions, the RSA shall be deemed to have expired on the date the labor contract is terminated, and the Company shall redeem the shares without consideration and cancel them in accordance with the law.
8. Transfer: If the Grantees requests to be transferred to an affiliate or other company, the RSA that are yet to meet the vesting conditions shall be handled in the same manner as for voluntary resignation. However, for Grantees transferred or assigned by the Company to the Company's

affiliate or other company due to the Company's operational requirements, the rights of their new restricted employee shares that are yet to meet the vesting conditions may be retained, and are subject to the vesting conditions period and ratio as specified in Paragraph (2) of this Article. The Grantees are required to continue to serve in the Company's affiliate or another company that they are being transferred or assigned to. The Chairman shall refer to the performance evaluation provided by the company where the individual is transferred to, and approve whether the vesting conditions have been met.

9. Termination of employment due to other causes (including dismissal): Apart from the above mentioned reasons, for termination or change in the labor contract between the Company and Grantees due to other reasons that have not been agreed upon, the board of directors may approve whether the vesting conditions of the RSA are deemed to have met, or a ratio of the vesting conditions are deemed to have met, etc.

10. Grantees or their inheritors shall in accordance with the trust agreement, receive the transferred shares that have met the vesting conditions.

(V) If the vesting conditions are not met, the Company will redeem the shares free of charge and cancel them in accordance with the law.

VI. Restricted rights of RSA prior to meeting the vesting conditions

(I) For RSA issued in accordance with this Policy, the restricted rights of prior to meeting the vesting conditions are as follows:

1. For RSA which have not met the vesting conditions, Grantee may not sell, mortgage, transfer, gift, or pledge the new restricted employee shares, or dispose them in any other ways.

2. Attendance, proposal, speech, and voting rights in shareholders' meeting are to be conducted in accordance with the trust agreement. RSA that have not met the vesting conditions may not participate in shares allotment, dividend distribution, capital surplus in cash (shares) and subscription of shares upon capital increase in cash. Grantee whose RSA has met the vesting conditions during the period from 15 business days before the book closure date for issuance of bonus shares, book closure date for cash dividends, or book closure date for capital increase by cash, to the base date of distribution of rights, their attendance, proposal, speech, and voting rights in shareholders' meeting to lift the restriction over the shares they hold shall still be based on the trust agreement and they may still not be entitled to distribution of earnings.

(II) Apart from the regulations of the trust agreement as specified in the preceding paragraph, for RSA granted in accordance with this Policy that has not met the vesting conditions, other rights are the same as that of the common shares issued by the Company.

(III) RSA issued in accordance with the Policy shall be in trust custody before the vesting conditions are fulfilled.

VII. Procedures for allotment of new shares and number of shares that can be vested

(I) For RSA issued, the Company shall register the number of shares into the Company's shareholder registry, issue the new common shares by book-entry, and in accordance with the trust agreement, place it in custody during the restricted period of the vesting conditions.

(II) For RSA issued by the Company in accordance with the Policy, the Company shall make changes to the registry in accordance with the law.

(III) When the vesting conditions as stipulated in the Policy are met by the Grantees, the number of shares that can be vested shall be reviewed and approved by the Company's board of directors, and upon audit by the accountant on the previous year's financial reports, the shares shall be transferred to the employees in accordance with the trust agreement.

VIII. Tax

Grantees' tax matters as a result of shares granted in accordance with the Policy, shall be handled in accordance with the relevant taxation laws and regulations of the Republic of China at that time.

IX. Entering into contract and confidentiality

(I) After completing the regulatory issuance procedures, the Company shall notify the Grantees through the department in charge, and the Grantees shall be deemed to have obtained the allotment rights.

(II) After notification, Grantees shall abide by the confidentiality regulations and shall not inquire or disclose the stock option content and number of shares allotted to others or themselves. Any violation shall be handled in accordance with Subparagraph 1, Paragraph (4), Article 5 of these Regulations.

X. Other material matters

(I) This Policy shall come into effect upon approval from a majority of the directors present at a directors meeting attended by two-thirds or more of directors, and approval granted by the competent authority upon submission, the same shall apply for any amendments before issuance of RSA. If during the review process, the competent authority requires the Policy to be amended, the Chairman is authorized to amend the Regulations, and resubmit to the board of directors for ratification before issuance.

(II)Fulfillment of vesting conditions such as number of shares that can be vested and date of issuance to the employees shall be based on the announcement of the Company.

(III) Any other matters not set forth in this Policy shall be dealt with in accordance with the related laws and regulations.

Appendix 4

Globe Union Industrial Corp.

Shareholdings of All Directors

1.The Minimum Shareholding of All Directors

(一) All Directors(Does not include Independent Directors)

Record Date：March 31th, 2020

Director(s)	The Actual Number of Shares	The Minimum Shareholding
4 persons of Ming-Ling Co., Ltd.	23,366,692	14,273,958

2.The Current Shareholding of All Directors

Record Date：March 31th, 2020

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Name</th><th colspan="2">Current Shareholding (Shares)</th><th>Remark</th></tr>
<tr><th>Shares</th><th>Shareholding ratio(%)</th><th></th></tr>
<tr><td>Chairman</td><td>Ming-Ling Co., Ltd. Representative：Hsien Ou Yang</td><td rowspan="4">23,366,692</td><td rowspan="4">6.55</td><td rowspan="4"></td></tr>
<tr><td>Director</td><td>Ming-Ling Co., Ltd. Representative：Scott Ouyoung</td></tr>
<tr><td>Director</td><td>Ming-Ling Co., Ltd. Representative：Wen-Mei Yiu</td></tr>
<tr><td>Director</td><td>Ming-Ling Co., Ltd. Representative：Andrew Yates</td></tr>
<tr><td>Independent Director</td><td>Chin-Shan Huang</td><td>541</td><td>0.00</td><td></td></tr>
<tr><td>Independent Director</td><td>Young-Sheng Hsu</td><td>0</td><td>0.00</td><td></td></tr>
<tr><td>Independent Director</td><td>Yi-Chia Chiu</td><td>0</td><td>0.00</td><td></td></tr>
</table>

Note：The number of issued shares was 356,848,962 shares.