

Stock Code : 9934

Website:

<https://emops.twse.com.tw/server-java/t58query>

<https://en.globeunion.com/investors/shareholders/>



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

2021 Annual Shareholders' Meeting Meeting Agenda

Meeting Time :

May 28th , 2021

PLACE:

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

Table of Contents

	<u>Page</u>
I. Meeting Procedure.....	1
II. Meeting Agenda.....	2
1.Report Items.....	3
2.Matters for Ratification.....	4
3.Matters for Discussion.....	5
4.Elections.....	6
5.Other Proposals.....	8
6.Extemporany Motions.....	9
7.Adjournment.....	9
III. Attachments	
1. FY 2020 Management Report.....	10
2. Audit Committee’s Review Report on the FY 2020 audited Financial Statements.....	13
3. FY 2020 CPA Audit Report & Financial Statements.....	14
4. FY 2020 Profit Distribution Table.....	36
5. Comparisons for Amendments to the “Article of Incorporation”	37
6. Comparisons for Amendments to the “Rule and Procedure of Shareholders’ Meeting”	40
7. Comparisons for Amendments to the "Procedures for Election of Directors"	42
IV. Appendices	
1. Rule and Procedure of Shareholders’ Meeting	45
2. Article of Incorporation.....	50
3. Procedures for Election of Directors.....	57
4. Shareholdings of All Directors and Supervisors.....	59

Globe Union Industrial Corp.

Year 2021

Meeting Procedure of Annual Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
- IV. Matters for Ratification
- V. Matters for Discussion
- VI. Elections
- VII. Other Proposals
- VIII. Extemporaneous Motions
- IX. Adjournment

Globe Union Industrial Corp.

Year 2021

Agenda of Annual Shareholders' Meeting

- I. Time : 9:00 a.m., Friday, May 28th, 2021
- II. Place : No. 328, Junfu 18th Rd., Beitun Dist., Taichung City 406, Taiwan (R.O.C.) (Wagor International Banquet Hall)
- III. Shares of the Attending Shareholders Represent
- IV. Call the Meeting to Order
- V. Chairperson Remarks
- VI. Report Items :
 1. Management Report on the Company's FY2020 Business Performance.
 2. Audit Committee's Review Report on the FY 2020 audited Financial Statements.
 3. FY2020 Directors' and employees' profit sharing.
- VII. Matters for Ratification :
 1. Recognition of FY 2020 Business Report and Financial Statement.
 2. Recognition of FY 2020 Dividend Distribution.
- VIII. Matters for Discussion :
 1. Amendment to the Company's "Article of Incorporation".
 2. Amendment to the Company's "Rule and Procedure of Shareholders' Meeting".
 3. Amendments to the "Procedures for Election of Directors"
 4. Propose to distribute cash dividend using Additional paid-in capital.
- IX. Elections :

Election of the 18th Session of Directors & Independent Directors.
- X. Other Proposals
Releasing Directors from Non-competition Restrictions.
- XI. Extemporary Motions
- XII. Adjournment

I. Report Items:

Report No. 1 :

Management Report on the FY 2020 Company's Business Performance.

Explanatory Notes : Please refer to p.10 , Attachment 1.

Report No. 2 :

Audit Committee's Review Report on the FY 2020 audited Financial Statements.

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

Report No. 3 :

FY2020 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) According to the Company's "Remuneration policy for Directors" , if the Net Income Before Tax (NIBT) did not meet NTD 1 dollar per share on the Parent Company only financial statement, the Directors will not receive remuneration from profit of such fiscal year. In 2020, although the Company was profitable, but NIBT did not meet NTD 1 per share, therefore, no remuneration is proposed to distribute to the Directors. Propose to distribute NT\$13,214,850 as Employees' FY2020 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 11th, 2021.

II. Matters for Ratification :

Matter No. 1:

Recognition of FY 2020 Business Report and Financial Statement.

(Proposed by the Board of Directors)

Explanatory Notes:

(1)The Company's FY 2020 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 3) 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 2020 Profit Distribution. (Proposed by the Board of Directors)

Explanatory Notes:

(1) The distributable profit of Year 2020 shall be NT\$110,049,255, in consideration of the Company's need for operational development, the Company proposes to distribute cash dividends of NT\$0.307 per share, the total dividend distributed is NTD\$109,956,336(calculated based on the total of 358,163,962 common shares entitled to participated in dividend distribution as of April 1st, 2021); 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 4)

(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:

III. Matters for Discussion

Matter No. 1 :

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

Explanatory Notes:

- (1) Propose to amend certain articles of the Company's "Article of Incorporation" in accordance of the Company Act, and Company's common practice.
- (2) Comparisons for Amendment to the Article of Incorporation. (Please refer to p.37, Attachment 5)
- (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) June 3rd, 2020 Tai Cheng Xi Li No 1090009468, propose to amend Company's Rule and Procedure of Shareholders' Meeting.
- (2) Comparisons for Amendment to the Rule and Procedure of Shareholders' Meeting. (Please refer to p.40, Attachment 6)
- (3) Submit for approval.

Resolution:

Matter No. 3 :

Amendment to the Company's "Procedures for the Election of Directors" (Proposed by the Board of Directors)

Explanatory Notes:

- (1) In pursuance of Letter of order from Taiwan Stock exchange (TWSE) June 3rd, 2020 Tai Cheng Xi Li No 1090009468, propose to amend Company's Procedures for the Election of Directors.
- (2) Comparisons for Amendment to the Procedures for the Election of Directors. (Please refer to p.42, Attachment 7)
- (3) Submit for approval.

Resolution:

Matter No. 4 :

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 69,125,645, at NT\$0.193 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:

IV. Elections : (Proposed by the Board of Directors)

To conduct election of the Company's 18th session of Board of Directors

Explanatory Notes:

1. The term of 17th session of Directors will be expired on May 24th, 2021, the Company shall conduct election for the 7 Directors (including 3 Independent Directors) on the Y2021 shareholders meeting in accordance with the Company's Article of Incorporation, the length of the term shall be 3 years.
2. The term of the 18th Directors elected will be from May 28th, 2021 to May 27th, 2024, for 3 years term, the directors may be eligible for re-election. The incumbent 17th session directors will be dismissed on the date when the newly elected directors take office .
3. The nominated candidate list has been examined and approved by The 17th Session of Board of Directors in the 23th meeting held

April 13th, 2021. List as below,

Director Candidates:

Name	Education	Experience	Held shares
Ming-Ling Co., Ltd. Representative: Shane Ouyang	M.S. in Marketing, Northwestern University, USA	Chairman of GUIC Board of Directors Founder and CEO of Venture- G Inc.	23,366,692
Ming-Ling Co., Ltd. Representative: Scott Ouyoung	Pacific Western University EMBA	Director of GUIC Board of Directors Chairman of GUIC Board of Directors	23,366,692
Ming-Ling Co., Ltd. Representative: Wen-Hsin Chen	Master degree in Business Administration and Public Relations, Boston University	1 ∙ Director of GM China Marketing, General Motors (China) Investment Co. 2 ∙ Director of Buick Brand, Buick Division, General Motors (China) Investment Co. 3 ∙ Director of Opel Operations, VSSM, General Motors (China) Investment Co. 4 ∙ Cadillac Deputy Brand Director, Marketing and Distribution, Shanghai General Motors Co. Ltd. 5 ∙ Brand Strategy Manager, Marketing and Distribution, Shanghai General Motors Co. Ltd. 6 ∙ Marketing Advertising Manager, Marketing and Sales Division, Ford Lio Ho Motor Co. 7 ∙ Sales Planning and Programming Manager, Ford Lio Ho Motor Co. 8 ∙ Service Zone Manager, Ford Lio Ho Motor Co.	23,366,692
Ming-Ling Co., Ltd. Representative: Andrew Yates	Tameside College, Ashton - u - Lyne. UK	1 ∙ President of Globe Union Industrial Corp. 2 ∙ CEO Globe Union Europe ∙ CEO PJH (UK) ∙ Commercial Director PJH Ltd (UK)	23,366,692

Independent Director Candidates:

Name	Education	Experience	Held shares
Chin-Shan Huang	Master, Cambridge College	1. President, Thunder Tiger Co., Ltd.; 2. Consultant, Tai Cheng Consulting Co., Ltd; 3. Vice President, Fu Ying Metal Co., Ltd.; 4. Assistant Manager, General 5. Administration Department, Kunnan Enterprise Co., Ltd.	541
Young-Sheng Hsu	PhD. Accounting, NTU	1. Professor of Accounting, NCHU; 2. Associate Professor of Accounting, NUTC	0
Wen-Yi Fan	Master degree, Telecommunication, Michigan State University; Bachelor degree, English Literature, Tamkang University	1. Chief Advisor, Bremen Digital 2. Managing Director & Partner, AnalogFolk China 3. Chief Strategic Integrator, Isobar China Group 4. Regional Business Director, wwwins Isobar Greater China 5. VP Client Service, J. Walter Thompson Taipei	0

4. Please vote.

Election Result :

V. Other Proposals

Propose to release Noncompetition restriction for the 18th Session Directors elected

Explanatory Notes:

1. In pursuance of Article 209 of the Company's 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. Propose to release 18th session Directors elected from such restriction for who might be taking positions as managers or directors in the same Scope of the Company's business, so the Directors can contribute his or her knowledge and experience to the Company. The Company propose to submit this motion in accordance of law and regulation to the Shareholder Meeting for approval.
3. Release of restriction from non-compete for Newly-elected Directors listed

Position	Name	Company *	remark
Director	Shane Ouyang	Globe Union Industrial (B.V.I)	Act of Director

Position	Name	Company *	remark
		Corp. Globe Union Cayman Corp. Globe Union (Bermuda) Ltd Globe Union Germany GmbH & Co. KG Globe Union Verwaltungs GmbH. Globe Union Group Inc. Globe Union Canada Inc. Danze Inc. Gerber Plumbing Fixtures, LLC GU PLUMBING de MEXICO S.A. de C.V. Shenzhen Globe Union Enterprise Co., Ltd. Milim G& Ceramics Co., Ltd	(*1)
Director	Scott Ouyoung	Arte En Bronce, S.A, DE C.V	Act of Director
Director	Andrew Yates	PJH (HK) LIMITED	Act of Director (*1)

*Company mentioned is Globe Union's Subsidiary.

*1 : Percentage of ownership 100%.

4. Submit for approval.

Resolution:

VI. Extemporary Motions

VII. Adjournment

Attachment 1

Globe Union Industrial Corp. Management Report

We are all now too aware of the challenges we have faced in our communities and around the world in 2020; COVID-19 has been indiscriminate in its impact on each of us. What has been unique, however, is how we as businesses have adapted to the opportunities presented during the year, and how we at Globe Union have been able to find a way to grow from within, even in these times.

Allow me to first compliment our teams around the world for keeping our associates safe as they returned to their work following the various lockdowns we experienced during the pandemic. This effort, which had us sharing best practices developed on the “fly”, allowed us to safely and effectively re-open and operate our businesses for our customers, associates and shareholders unlike many within our industry.

As the world began to recognize the depth of the pandemic, we immediately began to work in teams to manage the various functions of our business through this crisis. This included a focus on cash management to insure we could remain flexible to address any unanticipated needs. The initial impact of the pandemic on the major US and European economies creates significant drop in demand and household consumption, which had driven our revenue for first half of year down 16% compared to prior year.

For the second year of 2020, benefit from the low interest rates, popularize of remote working, the unprecedented surge in consumer spending on their homes, where suddenly they were spending more time. With keen management of our working capital, we were prepared by mid-year to capitalize on the next impact of the pandemic. Second half revenue exceeded prior year by 14% and second half net profit (\$335,806 thousands NT) exceeded 2019 profits in its entirety. Even with the shock of the pandemic, for the full year 2020 net sales declined just 1.5% to \$16.8 billion NT over prior year and operating income actually increased 19% to \$495,479 thousands NT. Net Income After Tax (NIAT) finished at \$287,487 thousands NT, down 14% to prior year after the early effect of the pandemic and extraordinary charges.

1. 2020 business report

- (a) Operation result: Year 2020 consolidated Revenue is NT 16,775,209 thousand, 1.5% decline when compare to NT 17,023,426 thousands form Year

2019; Net Income After Tax (NIAT) is NT 287m487 thousands, 14% drop from Year 2019. Earning per share for 2020 is NT 0.81.

- (b) Analysis on the Financial income statement and profitability : please refer to attached financial statements.
- (c) Financial forecast execution: Globe Union did not published financial forecast.

2. 2021 Business Plan:

In North America, which today represents 63% of our revenue, we have completed the integration of our Brand and Private Branded business, including the alignment of our Faucet and Vitreous China categories; globalizing our product management teams to present a compelling range of unique options to our customers. On Dec ,2020, We have also introduced our legacy Gerber brand into the retail market with a successful launch of a toilet offering into Costco, the second largest retailer in the world.

In 2021, we will extend the Gerber brand into other Big Box markets capitalizing on the strong preference of our Gerber products within the professional trade market, which still remains the core customer base in this region. This step has us moving closer to our vision of driving our North American business behind the strength of our own Gerber Brand, where in 2021 we are investing significantly in consumer focused marketing through a variety of media.

In Europe, our business fully recovered from the lockdowns of the spring, seeing net revenue increase 3.6% over the prior year. More impressive however, through new programs implemented prior to the pandemic, Operating Income moved into the positive range ending at 5.7% of net sales, the groups best performance since its inception. Also, in line with our corporate strategy we are also focused on securing our future behind our own Lenz brand in Europe.

What truly made our year is a credit to our operations team, who have performed so well under the threat of the pandemic and with the unexpected surge in demand we have and continue to experience. On the Faucet side of our business, the re-start of our plant in Shenzhen China following the 2020 Lunar New Year was hampered dramatically by the slow return of our associates from their homes in various regions of the country in order to adhere to the governments strict (and successful) control of travel to curb the pandemic. This put extra pressure on this segment of our business throughout the balance of the year. Today, our backlog on Faucets are improving in spite of the continued high demand for Globe Union products from our customers.

We were also effective in being one of the few manufactures of Vitreous China whose production was uninterrupted by the pandemic at either of our

plants (Qingdao China and Saltillo Mexico). This gave Globe Union a competitive edge in providing customers with a consistent supply of products while our competitors were otherwise letting them down. In Mexico, while we have been disappointed in the initial output of this recently (late 2019) acquired business, with travel reopening in August, we now have personnel from our proven China facility on-site as we had planned to support the integration of this acquisition, which is growing in revenue and projecting to turn to profit later in 2021.

At PJH, COVID-19 effectively closed our business for nearly 2 months, when we were forced to furlough 74% of our staff throughout the United Kingdom at the peak of the lockdowns. However, PJH's unique position to provide home delivery as lockdowns prevented in-store shopping created a 16% surge in revenue in the second half of the year compared to the same period 2019, with Operating Income for the second half of the year increasing to more than double over prior year.

We continue to be optimistic in the growth of this diversified segment of our business where in 2020 we signed an extended five year contract with our single largest customer. The PJH team is well positioned to reach "the last mile" in these unprecedented times, and will continue to accelerate our business in the year to come.

Even with the challenges 2020 handed us, the team at Globe Union found that in fact this was "A Time to Grow". Strategically, we continue to focus on the plans laid out in 2019, leveraging our unique position as a prime manufacturer of both Vitreous China and Faucets, to customers who seek both Branded and Private Label solutions. To this, our entire organization is aligned and in the words of our founder, Scott Ouyang we have "One Family, (with) One Vision" to build your company on.

We thank you for your support of our team and their initiatives.

Chairman:
Shane Ouyang

Manager:
Todd Alex Talbot

Accounting upervisor:
Ying-Fan Chen

Attachment 2

Globe Union Industrial Corp.

Audit Committee Audit Report

The Board of Directors has prepared and submitted the 2020 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

April 13, 2021



安永聯合會計師事務所

40341 台中市民權路239號7樓
7F, No. 239, Minquan Road
Taichung City, Taiwan, R.O.C.Tel: 886 4 2305 5500
Fax: 886 4 2305 5577
www.ey.com/taiwan

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 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2020 and 2019, 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 2020 and 2019, and their consolidated financial performance and cash flows for the years ended 31 December 2020 and 2019, 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 2020 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 2020, the goodwill was carried at NT\$718,003 thousand which accounted for 4% 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 2020, the net inventories amounted to NT\$3,417,722 thousand, which accounted for 21% 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.

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 2020 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 2020 and 2019.

Huang Yu Ting
Huang Tzu Ping
Ernst & Young, Taiwan
11 March 2021

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 2020 and 31 December 2019
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at	
		31 Dec 2020	31 Dec 2019
Current assets			
Cash and cash equivalents	4, 6(1)	\$3,572,319	\$3,239,399
Financial assets at fair value through profit or loss, current	4, 6(2)	31,235	113,507
Financial assets measured at amortized cost, current	4, 6(3), 8	146,289	226,065
Accounts receivable, net	4, 6(4), 8	3,003,885	2,287,784
Inventories, net	4, 5, 6(5)	3,417,722	3,049,800
Prepayment	6(6)	216,291	140,128
Other current assets	7	706,657	532,839
Total current assets		11,094,398	9,589,522
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(7)	39,000	-
Investments accounted for under the equity method	4, 6(8)	20,391	22,030
Property, plant and equipment	4, 6(9), 8	2,616,466	2,516,758
Right-of-use assets	4, 6(23)	1,956,842	2,056,539
Intangible assets	4, 6(10)	39,406	45,676
Goodwill	4, 5, 6(10),6(11)	718,003	719,664
Deferred tax assets	4, 6(27)	236,148	215,181
Deposits-out		34,581	36,888
Other non-current assets	6(12)	75,508	647,586
Total non-current assets		5,736,345	6,260,322
Total assets		\$16,830,743	\$15,849,844

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

(continued)

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2020 and 31 December 2019
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 Dec 2020	31 Dec 2019
Current liabilities			
Short-term loans	4, 6(13)	\$1,492,720	\$1,560,566
Financial liabilities at fair value through profit or loss, current	4, 6(14)	3,109	793
Contract liabilities, current	6(21)	5,158	20,272
Notes payable		60,269	65,426
Accounts payable		2,705,251	2,008,520
Other payables	6(15)	308,978	125,816
Accrued expenses	6(16)	1,160,813	1,008,047
Current tax liabilities	4, 6(27)	101,218	82,598
Lease liabilities, current	4, 6(23)	235,330	231,910
Current portion of long-term loans	4, 6(17)	442,059	131,632
Other current liabilities	6(18)	84,928	75,977
Total current liabilities		<u>6,599,833</u>	<u>5,311,557</u>
Non-current liabilities			
Long-term loans	4, 6(17)	2,260,515	2,469,540
Deferred tax liabilities	4, 6(27)	7,056	29,634
Lease liabilities, non-current	4, 6(23)	1,801,468	1,824,681
Other non-current liabilities		543,148	575,350
Net defined benefit obligation, non-current	4, 6(18)	101,446	65,472
Total non-current liabilities		<u>4,713,633</u>	<u>4,964,677</u>
Total liabilities		<u>11,313,466</u>	<u>10,276,234</u>
Equity attributable to the parent company	4, 6(19)		
Capital			
Common stock		3,581,640	3,562,130
Advance receipts for common stock		-	3,847
Total capital		<u>3,581,640</u>	<u>3,565,977</u>
Additional paid-in capital		<u>938,667</u>	<u>995,214</u>
Retained earnings			
Legal reserve		861,006	830,341
Special reserve		728,214	522,707
Retained earnings		260,690	387,585
Total retained earnings		<u>1,849,910</u>	<u>1,740,633</u>
Other components of equity			
Exchange differences on translation of foreign operations		(860,740)	(728,214)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		7,800	-
Total other components of equity		<u>(852,940)</u>	<u>(728,214)</u>
Non-controlling interests	6(19)	-	-
Total equity		<u>5,517,277</u>	<u>5,573,610</u>
Total liabilities and equity		<u>\$16,830,743</u>	<u>\$15,849,844</u>

(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 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the Years Ended 31 December	
		2020	2019
Net sales	6(21)	\$16,775,209	\$17,023,426
Cost of sales	6(5), 6(24)	(12,158,458)	(12,225,546)
Gross profit		4,616,751	4,797,880
Operating expenses	6(23), 6(24)		
Selling and marketing		(1,577,998)	(1,391,283)
General and administrative		(2,279,716)	(2,736,741)
Research and development		(281,422)	(278,530)
Expected credit losses	6(22)	(12,136)	(270)
Total operating expenses		(4,151,272)	(4,406,824)
Operating income		465,479	391,056
Non-operating income and expenses	6(25)		
Other revenue		162,883	216,048
Other gains and losses		21,805	18,459
Financial costs		(183,590)	(142,065)
Share of profit or loss of associates and joint ventures	4, 6(8)	(1,917)	33
Subtotal		(819)	92,475
Income from continuing operations before income tax		464,660	483,531
Income tax expense	6(27)	(177,173)	(147,476)
Income from continuing operations, net of tax		287,487	336,055
Other comprehensive income (loss)	6(18), 6(26)		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(35,427)	4,784
Unrealized gains or losses on financial assets at fair value through other comprehensive income		7,800	-
Income tax related to items that may not be reclassified subsequently to profit or loss		7,094	797
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(132,804)	(204,806)
Share of other comprehensive of associates and joint ventures	6(8)	278	(701)
Total other comprehensive income (loss), net of tax		(153,059)	(199,926)
Total comprehensive income		\$134,428	\$136,129
Net income attributable to:			
Stockholders of the parent		\$287,487	\$335,173
Non-controlling interests		-	882
		\$287,487	\$336,055
Comprehensive income attributable to:			
Stockholder of the parent		\$134,428	\$135,247
Non-controlling interests		-	882
		\$134,428	\$136,129
Earnings per share (NTD)	6(28)		
Earnings per share-basic		\$0.81	\$0.94
Earnings per share-diluted		\$0.81	\$0.94

(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 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Capital		Retained Earnings				Other components of equity				Treasury stock	Total	Non-controlling interests	Total equity
		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	Unrealized gains or losses on financial assets at fair value through other comprehensive income					
Balance as at 1 Jan 2019	6(19)	\$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:					61,822		(61,822)								
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	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											186,207				
Decrease in non-controlling interests (Note 1)													(20,521)	(20,521)	
Change in ownership of subsidiaries (Note 4)													(57,546)	(60,668)	
Share-based payment transactions-Exercise of employee stock option (Note 2)							(32,104)								
Share-based payment transactions-Conversion of advance receipts for common stock (Note 3)							(3,122)								
Share-based payment transactions-Share-based payment expense							2,421								
Retirement of Share options plan							(4,000)								
Balance as at 31 Dec 2019	6(19)	\$3,562,130	\$3,847	\$995,214	\$830,341	\$522,707	\$387,585	\$(728,214)	\$ -	\$ -	\$ -	\$5,573,610	\$ -	\$5,573,610	
Balance as at 1 Jan 2020	6(19)	\$3,562,130	\$3,847	\$995,214	\$830,341	\$522,707	\$387,585	\$(728,214)	\$ -	\$ -	\$ -	\$5,573,610	\$ -	\$5,573,610	
Appropriations of earnings, 2019:															
Legal reserve					30,665		(30,665)								
Special reserve						205,507	(205,507)								
Cash dividends							(149,877)							(149,877)	
Cash Dividends distributed from Additional Paid-in Capital														(64,232)	
Net income in 2020							287,487					287,487		287,487	
Other comprehensive income, net of tax in 2020							(28,333)	(132,520)				(153,059)		(153,059)	
Total comprehensive income							259,154	(132,520)				126,634		126,634	
Share-based payment transactions-Exercise of employee stock option (Note 2)															
Share-based payment transactions-Conversion of advance receipts for common stock (Note 3)							2,854								
Share-based payment transactions-Share-based payment expense							4,831								
Balance as at 31 Dec 2020	6(19)	\$3,581,640	\$ -	\$938,667	\$861,006	\$728,214	\$260,690	\$(860,740)	\$ -	\$7,800	\$ -	\$5,517,277	\$ -	\$5,517,277	

(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 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. During the year of 2020, employees converted their options into 310,000 shares at NT\$11.8 per share, and 1,315,000 shares at NT\$11.5 per share, respectively. Total consideration received was \$18,517 thousand.
Note 3: 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. As at 31 December 2020, 1,951,000 shares under capital collected in advance in the amount of \$22,364 thousand have completed the registration process, and thus increased the common stock and the additional paid-in capital by \$19,510 thousand and \$2,854 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 \$87,546 thousand respectively.

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December	
		2020	2019
Cash flows from operating activities:			
Net income before tax		\$464,660	\$483,531
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation		693,974	588,271
Amortization		18,919	17,655
Expected credit losses		12,136	270
Net gain of financial assets/liabilities at fair value through profit or loss		(138,307)	(39,336)
Interest expense		183,590	142,065
Interest revenue		(38,626)	(58,933)
Share-based payment expense		4,831	3,500
Share of loss of subsidiaries, associates and joint ventures		1,917	(33)
Loss on disposal of property, plant and equipment		9,090	2,584
Gain on disposal of subsidiary and financial assets measured at fair value through profit or loss		(20)	(8,903)
Retirement of Share options plan		-	(14,000)
Gain on lease modification		(271)	-
Changes in operating assets and liabilities:			
Financial assets/liabilities at fair value through profit or loss, current		118,180	1,260
Notes receivable		-	426
Accounts receivable		(779,426)	217,167
Inventories, net		(218,708)	(119,714)
Prepayments		(82,104)	(39,916)
Other current assets		(173,327)	(15,656)
Other assets-others		25,205	(2,728)
Notes payable		(5,157)	(17,138)
Accounts payable		720,202	7,856
Other payables		335,275	(66,023)
Contract liabilities, current		(15,114)	8,381
Other current liabilities		20,993	12,284
Defined benefit obligation		(11,495)	(25,260)
Other liabilities-others		(32,202)	1,084
Cash generated from operations		<u>1,114,215</u>	<u>1,078,694</u>
Interest received		38,626	58,933
Interest paid		(182,937)	(142,042)
Income tax paid		<u>(195,004)</u>	<u>(162,034)</u>
Net cash generated from operating activities		<u>774,900</u>	<u>833,551</u>

(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 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December	
		2020	2019
(Continued)			
Cash flows from investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		(31,200)	-
Acquisition of financial assets at fair value through profit or loss		-	(363,000)
Disposal of financial assets at fair value through profit or loss		104,735	393,451
Disposal of subsidiary		-	217,322
Acquisition of property, plant and equipment		(220,471)	(1,515,071)
Disposal of property, plant and equipment		12,939	7,416
Increase in deposits-out		-	(10,098)
Decrease in deposits-out		2,307	-
Decrease (Increase) in financial assets measured at amortized cost, current		79,776	(28,103)
Acquisition of intangible assets		(13,758)	(21,114)
Net cash used in investing activities		<u>(65,672)</u>	<u>(1,319,197)</u>
Cash flows from financing activities:			
Increase in short-term loans		717,720	798,428
Decrease in short-term loans		(785,566)	(517,999)
Increase in long-term loans		720,000	1,501,172
Decrease in long-term loans		(618,598)	(299,759)
Cash dividends		(214,109)	(461,808)
Decrease in lease liabilities		(337,692)	(270,239)
Exercise of employee stock option		18,517	16,163
Subsidiary cash repayment of capital reduction		-	(20,521)
Net cash (used in) generated from financing activities		<u>(499,728)</u>	<u>745,437</u>
Effect of changes in exchange rate on cash and cash equivalents		<u>123,420</u>	<u>(122,184)</u>
Net increase in cash and cash equivalents		332,920	137,607
Cash and cash equivalents at beginning of period	6(1)	<u>3,239,399</u>	<u>3,101,792</u>
Cash and cash equivalents at end of period		<u><u>\$3,572,319</u></u>	<u><u>\$3,239,399</u></u>

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

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 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2020 and 2019, 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 2020 and 2019, and its parent company only financial performance and cash flows for the years ended 31 December 2020 and 2019, 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 2020 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\$9,647,868 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 \$3,417,722 thousand, accounting for 28% 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 required significant management judgement and calculation of inventory cost, including direct labor, direct raw material and allocation of manufacturing cost was 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.

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 2020 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
11 March 2021

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 2020 and 31 December 2019
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at	
		31 Dec 2020	31 Dec 2019
Current assets			
Cash and cash equivalents	4, 6(1)	\$270,874	\$666,101
Financial assets at fair value through profit or loss, current	4, 6(2)	31,235	113,097
Accounts receivable, net	4, 6(3)	632,948	910,693
Accounts receivable, net - Related parties	4, 6(3), 7	842,541	53,757
Other receivables	7	224,456	138,155
Inventories, net	4, 5, 6(4)	294,685	255,192
Prepayment	6(5)	62,141	54,006
Other current assets		21,316	21,405
Total current assets		2,380,196	2,212,406
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(6)	39,000	-
Investments accounted for under the equity method	4, 5, 6(7)	9,647,868	9,442,327
Property, plant and equipment	4, 6(8)	73,182	76,923
Right-of-use assets	4, 6(20)	2,849	3,123
Intangible assets	4, 6(9)	10,939	19,667
Deferred tax assets	4, 6(24)	51,509	38,086
Other non-current assets		2,216	3,095
Total non-current assets		9,827,563	9,583,221
Total assets		\$12,207,759	\$11,795,627

(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 2020 and 31 December 2019
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 Dec 2020	31 Dec 2019
Current liabilities			
Short-term loans	4, 6(10)	\$1,335,000	\$1,235,000
Financial liabilities at fair value through profit or loss, current	4, 6(11)	145	-
Contract liabilities, current	6(18)	2,117	124,270
Accounts payable		106,068	80,469
Accounts payable - Related parties	7	2,256,952	1,790,370
Other payables	6(12), 7	20,250	100,424
Accrued expenses	6(13), 7	223,020	258,341
Current tax liabilities	4, 6(24)	47,721	63,448
Lease liabilities, current	4, 6(20)	1,130	822
Current portion of long-term loans	4, 6(14)	400,000	100,000
Other current liabilities		12,184	7,173
Total current liabilities		<u>4,404,587</u>	<u>3,760,317</u>
Non-current liabilities			
Long-term loans	4, 6(14)	2,250,000	2,430,000
Deferred tax liabilities	4, 6(24)	15,548	12,854
Lease liabilities, non-current	4, 6(20)	1,682	2,325
Other non-current liabilities		163	128
Net defined benefit obligation, non-current	4, 6(15)	18,502	16,393
Total non-current liabilities		<u>2,285,895</u>	<u>2,461,700</u>
Total liabilities		<u>6,690,482</u>	<u>6,222,017</u>
Equity attributable to the parent company	4, 6(16)		
Capital			
Common stock		3,581,640	3,562,130
Advance receipts for common stock		-	3,847
Total capital		<u>3,581,640</u>	<u>3,565,977</u>
Additional paid-in capital		<u>938,667</u>	<u>995,214</u>
Retained earnings			
Legal reserve		861,006	830,341
Special reserve		728,214	522,707
Retained earnings		260,690	387,585
Total retained earnings		<u>1,849,910</u>	<u>1,740,633</u>
Other components of equity			
Exchange differences on translation of foreign operations		(860,740)	(728,214)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		7,800	-
Total other components of equity		<u>(852,940)</u>	<u>(728,214)</u>
Total equity		<u>5,517,277</u>	<u>5,573,610</u>
Total liabilities and equity		<u>\$12,207,759</u>	<u>\$11,795,627</u>

(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 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the Years Ended 31 December	
		2020	2019
Net sales	4, 6(18), 7	\$8,481,882	\$8,045,768
Cost of sales	6(4), 7	(7,682,272)	(7,102,626)
Gross profit		799,610	943,142
Unrealized intercompany profit		64,783	(19,583)
Gross profit		864,393	923,559
Operating expenses	6(21), 7		
Selling and marketing		(321,456)	(431,214)
General and administrative		(267,013)	(305,342)
Research and development		(56,107)	(52,463)
Total operating expenses		(644,576)	(789,019)
Operating income		219,817	134,540
Non-operating income and expenses	6(22)		
Other revenue		8,758	16,306
Other gains and losses		36,269	71,282
Financial costs		(50,795)	(37,712)
Share of profit of subsidiaries, associates and joint ventures	4, 6(7)	110,778	201,335
Subtotal		105,010	251,211
Income from continuing operations before income tax		324,827	385,751
Income tax expense	6(24)	(37,340)	(50,578)
Income from continuing operations, net of Tax		287,487	335,173
Other comprehensive income (loss)	6(15), 6(23)		
Items that may not to be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(1,615)	(12,390)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		7,800	-
Share of other comprehensive income (loss) accounted for using the equity method-remeasurements of defined benefit plans		(27,041)	15,493
Income tax related to items that may not to be reclassified subsequently to profit or loss		323	2,478
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(132,526)	(205,507)
Total other comprehensive income (loss), net of tax		(153,059)	(199,926)
Total comprehensive income (loss)		\$134,428	\$135,247
Earnings per share (NTD)	6(25)		
Earnings per share-basic		\$0.81	\$0.94
Earnings per share-diluted		\$0.81	\$0.94

(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 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Capital		Retained Earnings			Other components of equity				Treasury stock	Total
		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	Unrealized gains or losses on financial assets at fair value through other comprehensive income		
Balance as at 1 Jan 2019	6(16)	\$3,681,600	\$635	\$1,032,019	\$768,519	\$470,533	\$656,738	\$522,707	\$(3,500)	\$-	\$(186,207)	\$5,897,650
Appropriations of earnings, 2018:					61,822	52,174	(61,822)					-
Legal reserve							(52,174)					-
Special reserve							(461,808)					(461,808)
Cash dividends												
Net income in 2019							335,173	(205,507)				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											186,207	-
Change in ownership of subsidiaries (Note 3)		(120,000)		(32,104)			(34,103)					(3,122)
Share-based payment transactions-Exercise of employee stock option (Note 1)			16,163	(3,122)								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		(10,000)		(4,000)					3,500			3,500
Retirement of Share options plan												(14,000)
Balance as at 31 Dec 2019	6(16)	\$3,562,130	\$3,847	\$995,214	\$830,341	\$522,707	\$387,585	\$728,214	-\$	-\$	-\$	\$5,573,610
Balance as at 1 Jan 2020	6(16)	\$3,562,130	\$3,847	\$995,214	\$830,341	\$522,707	\$387,585	\$728,214	-\$	-\$	-\$	\$5,573,610
Appropriations of earnings, 2019:												
Legal reserve							(30,665)					-
Special reserve							(205,507)					-
Cash dividends							(149,877)					(149,877)
Cash dividends distributed from additional paid-in capital				(64,232)								(64,232)
Net income in 2020							287,487	(132,526)				287,487
Other comprehensive income, net of tax in 2020							(28,333)	(132,526)				(153,059)
Total comprehensive income							259,154	(132,526)				134,428
Share-based payment transactions-Exercise of employee stock option (Note 1)			18,517									18,517
Share-based payment transactions-Conversion of advance receipts for common stock (Note 2)		19,510	(22,564)	2,854								-
Share-based payment transactions-Share-based payment expense				4,831								4,831
Balance as at 31 Dec 2020	6(16)	\$3,581,640	-\$	\$938,667	\$861,006	\$728,214	\$260,690	\$850,740	-\$	\$7,800	-\$	\$5,517,277

(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 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 \$16,165 thousand. During the year of 2020, employees converted their options into 310,000 shares at NT\$11.8 per share, and 1,315,000 shares at NT\$11.3 per share, respectively. Total consideration received was \$18,517 thousand.

Note 2: 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 \$19,510 thousand and \$2,854 thousand respectively. As at 31 December 2020, 1,951,000 shares under capital collected in advance in the amount of \$22,564 thousand have completed the registration process, and thus increased the common stock and the additional paid-in capital by \$19,510 thousand and \$2,854 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 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December	
		2020	2019
Cash flows from operating activities:			
Net income before tax		\$324,827	\$385,751
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation		14,207	13,181
Amortization		11,598	12,680
Net gain of financial assets/liabilities at fair value through profit or loss		(131,230)	(38,922)
Interest expense		50,795	37,712
Interest revenue		(3,226)	(8,470)
Share-based payment expense		2,509	3,500
Gain on disposal of financial assets measured at fair value through profit or loss		(20)	(8,903)
Retirement of Share options plan		-	(14,000)
Share of profit of subsidiaries, associates and joint ventures		(110,778)	(201,335)
(Gain) loss of unrealized intercompany profit		(64,783)	19,583
Gain on lease modification		(86)	-
Changes in operating assets and liabilities:			
Financial assets and liabilities at fair value through profit or loss		108,522	-
Accounts receivable		(511,039)	388,499
Other receivables		(86,301)	(118,812)
Inventories, net		(7,399)	43,243
Prepayments		(8,135)	7,667
Other current assets		89	6,648
Other assets-others		799	901
Accounts payable		492,181	(685,976)
Accrued expenses		(35,974)	(16,206)
Other payables		(80,174)	(218,049)
Contract liabilities, current		(122,153)	109,079
Other current liabilities		5,011	(2,756)
Defined benefit obligation		494	388
Other liabilities-others		35	-
Cash used in operations		<u>(150,231)</u>	<u>(284,597)</u>
Interest received		3,226	8,470
Dividend received		-	641,600
Interest paid		(50,142)	(37,689)
Income tax paid		(63,473)	(37,017)
Net cash (used in) generated from operating activities		<u>(260,620)</u>	<u>290,767</u>

(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 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December	
		2020	2019
(Continued)			
Cash flows from investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		(31,200)	-
Acquisition of financial assets measured at fair value through profit or loss		-	(363,000)
Disposal of financial assets measured at fair value through profit or loss		104,735	393,451
Acquisition of property, plant and equipment		(9,415)	(4,858)
Acquisition of intangible assets		(2,870)	(1,104)
Acquisition of investments accounted for under the equity method		(219,319)	(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)
Decrease in deposits-out		80	-
Net cash used in investing activities		<u>(157,989)</u>	<u>(1,027,679)</u>
Cash flows from financing activities:			
Increase in short-term loans		1,661,728	1,351,583
Decrease in short-term loans		(1,561,728)	(1,114,583)
Increase in long-term loans		720,000	1,390,000
Decrease in long-term loans		(600,000)	(255,769)
Cash dividends		(214,109)	(461,808)
Decrease in lease liabilities		(1,026)	(809)
Exercise of employee stock option		18,517	16,163
Net cash generated from financing activities		<u>23,382</u>	<u>924,777</u>
Net (decrease) increase in cash and cash equivalents		(395,227)	187,865
Cash and cash equivalents at beginning of period	6(1)	<u>666,101</u>	<u>478,236</u>
Cash and cash equivalents at end of period		<u>\$270,874</u>	<u>\$666,101</u>

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

Attachment 4

Globe Union Industrial Corp. FY 2020 Profit Distribution Table

Unit: NTD

Items	Total
Beginning retained earnings	1,536,314
Retirement of treasury stock	-
Add: Actuarial gain	(28,333,183)
Add: Net profit after tax	287,486,600
Subtotal :	260,689,731
Less: 10% legal reserve	(25,915,342)
Less: Special reserve	(124,725,134)
Distributable net profit as of December 31 st , 2020	110,049,255
Items for distribution:	
Cash Dividends (NTD0.307 per share) (Note 1)	(109,956,336)
Unappropriated retained earnings	92,919

Note 1. Cash dividends distributed to the shareholders are based on issued and outstanding 358,163,962 shares.

Note 2. The earnings of 2020 shall be distributed prior to distribution of earnings of prior years.

Chairman:
Shane Ouyang

Manager:
Todd Alex Talbot

Accounting supervisor:
Ying-Fan Chen

Attachment 5

Article of Incorporation Articles Before and After Revisions

After the Revision	Before the Revision
<p>Article 26: If the general final accounts for the year produce a surplus, in addition to the payment of income tax as required by law, priority should be given to make up for the losses suffered during previous years, followed by a 10% allocation as the statutory surplus reserve. However, if the statutory surplus reserve has reached the amount of the Company's total capital, such allocation is no longer necessary. Next, as prescribed by the competent authority, after the allocation or rollover into special surplus reserve, undistributed earnings accumulated from the previous year are then available for the distribution of earnings. An earnings distribution plan shall be drafted by the board of directors and submitted to the general shareholders' meeting for approval. <u>The surplus earning distributed in form of cash, it shall be approved by the meeting the board of directors and report to the Shareholder meeting in accordance with the Article 228 -1 and Article 240 item 5.</u> In Consideration and factor in of Company's Financial, business, operational aspects, the Company may distribute it capital reserve or legal reserve in whole or in part according to the regulation or legal authority. <u>If distribute in form of cash, the Company shall authorize the board of directors in accordance with Article 241 of the company Act., and report to the Shareholder meeting.</u></p>	<p>Article 26: If the general final accounts for the year produce a surplus, in addition to the payment of income tax as required by law, priority should be given to make up for the losses suffered during previous years, followed by a 10% allocation as the statutory surplus reserve. However, if the statutory surplus reserve has reached the amount of the Company's total capital, such allocation is no longer necessary. Next, as prescribed by the competent authority, after the allocation or rollover into special surplus reserve, undistributed earnings accumulated from the previous year are then available for the distribution of earnings. An earnings distribution plan shall be drafted by the board of directors and submitted to the general shareholders' meeting for approval.</p>

After the Revision	Before the Revision
<p>The Company's dividend policy must be based on the current and future development plans, and take the investment environment, funding requirements, and domestic/international competitions into consideration. In addition, shareholders' interests and other factors must be taken into account, so that shareholders' dividends of no less than 30% of the earnings can be distributed each year.</p> <p>Our Company strives to maintain a stable and sustainable dividend policy while ensuring that our capital spending, business expansion requirements and sound financial planning will guarantee our sustainable development. The cash dividend must not be less than 60% of the total shareholder dividend distributed for that year. The dividend distribution policy described above must take the Company's business requirements, reinvestment or M&A funding requirements, as well as the revision of key legislations into consideration. The percentage of cash dividend distributed shall be adjusted accordingly by the general shareholders' meeting upon the request of the board of directors.</p>	<p>The Company's dividend policy must be based on the current and future development plans, and take the investment environment, funding requirements, and domestic/international competitions into consideration. In addition, shareholders' interests and other factors must be taken into account, so that shareholders' dividends of no less than 30% of the earnings can be distributed each year.</p> <p>Our Company strives to maintain a stable and sustainable dividend policy while ensuring that our capital spending, business expansion requirements and sound financial planning will guarantee our sustainable development. The cash dividend must not be less than 60% of the total shareholder dividend distributed for that year. The dividend distribution policy described above must take the Company's business requirements, reinvestment or M&A funding requirements, as well as the revision of key legislations into consideration. The percentage of cash dividend distributed shall be adjusted accordingly by the general shareholders' meeting upon the request of the board of directors.</p>

After the Revision	Before the Revision
<p>Article 30: The Articles of Association was established on September 26, 1979.</p> <p>The 1st amendment was made on October 15, 1979.</p> <p>The 2nd amendment was made on August 20, 1980.</p> <p>The 3rd amendment was made on April 28, 1981.</p> <p>The 4th amendment was made on July 24, 1982.</p> <p>The 5th amendment was made on August 26, 1985.</p> <p>The 6th amendment was made on August 24, 1987.</p> <p>The 7th amendment was made on October 24, 1994.</p> <p>The 8th amendment was made on August 28, 1995.</p> <p>The 9th amendment was made on November 4, 1995.</p> <p>...</p> <p>The 22nd amendment was made on June 15, 2005.</p> <p>The 23rd amendment was made on June 15, 2006.</p> <p>The 24th amendment was made on June 15, 2007.</p> <p>The 25th amendment was made on June 13, 2011.</p> <p>The 26th amendment was made on June 27, 2012.</p> <p>The 27th amendment was made on June 27, 2014.</p> <p>The 28th amendment was made on June 26, 2015.</p> <p>The 29th amendment was made on June 24, 2016.</p> <p>The 30th amendment was made on May 26, 2017.</p> <p>The 31st amendment was made on May 25, 2018.</p> <p>The 32nd amendment was made on May 29, 2020</p> <p><u>The 33rd amendment was made on May 28th, 2021</u></p>	<p>Article 30: The Articles of Association was established on September 26, 1979.</p> <p>The 1st amendment was made on October 15, 1979.</p> <p>The 2nd amendment was made on August 20, 1980.</p> <p>The 3rd amendment was made on April 28, 1981.</p> <p>The 4th amendment was made on July 24, 1982.</p> <p>The 5th amendment was made on August 26, 1985.</p> <p>The 6th amendment was made on August 24, 1987.</p> <p>The 7th amendment was made on October 24, 1994.</p> <p>The 8th amendment was made on August 28, 1995.</p> <p>The 9th amendment was made on November 4, 1995.</p> <p>...</p> <p>The 22nd amendment was made on June 15, 2005.</p> <p>The 23rd amendment was made on June 15, 2006.</p> <p>The 24th amendment was made on June 15, 2007.</p> <p>The 25th amendment was made on June 13, 2011.</p> <p>The 26th amendment was made on June 27, 2012.</p> <p>The 27th amendment was made on June 27, 2014.</p> <p>The 28th amendment was made on June 26, 2015.</p> <p>The 29th amendment was made on June 24, 2016.</p> <p>The 30th amendment was made on May 26, 2017.</p> <p>The 31st amendment was made on May 25, 2018.</p> <p>The 32nd amendment was made on May 29, 2020</p>

Attachment 6

Rule and Procedure of Shareholders' Meeting Articles Before and After Revisions

After the Revision	Before the Revision
<p>Article 18-1: (Handling of Proposals before General Shareholders' Meetings)</p> <p>Shareholders who hold 1% or more of the total number of issued shares may submit a proposal to the Company's General Shareholders' Meeting. <u>Only one proposal may be accepted. All other proposals will not be included in the agenda.</u></p> <p>The Company shall announce the acceptance of shareholders' proposals, written or electronic acceptance methods, acceptance locations, and acceptance period before the book closure date and before the General Shareholders' Meeting. The acceptance period may not be shorter than ten days.</p> <p><u>A shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities shall, in accordance of Article 172-1 of the Company Act, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p>If a shareholder's proposal is without any of the following circumstances per review by the Board of Directors, it shall be included in the notice of the General Shareholders' Meeting:</p>	<p>Article 18-1: (Handling of Proposals before General Shareholders' Meetings)</p> <p>Shareholders who hold 1% or more of the total number of issued shares may submit a proposal to the Company's General Shareholders' Meeting.</p> <p>The Company shall announce the acceptance of shareholders' proposals, written or electronic acceptance methods, acceptance locations, and acceptance period before the book closure date and before the General Shareholders' Meeting. The acceptance period may not be shorter than ten days.</p> <p><u>Where a shareholder proposal is a proposal for the Company to promote the public interest or fulfill its social responsibilities, the Board of Directors may still include it in the agenda.</u></p> <p>If a shareholder's proposal is without any of the following circumstances per review by the Board of Directors, it shall be included in the notice of the General Shareholders' Meeting:</p>

After the Revision	Before the Revision
<p>Such a proposal is not for resolution by the General Shareholders' Meeting.</p> <p>The shareholder making the proposal holds less than 1% of the total number of issued shares at the book closure date for the current General Shareholders' Meeting.</p> <p>The proposal was proposed outside of the announced acceptance period as described in the preceding paragraph.</p> <p>The shareholder making the proposal has proposed more than one proposal, or the proposal contains more than 300 words (including punctuation marks).</p> <p>to omit</p>	<p>Such a proposal is not for resolution by the General Shareholders' Meeting.</p> <p>The shareholder making the proposal holds less than 1% of the total number of issued shares at the book closure date for the current General Shareholders' Meeting.</p> <p>The proposal was proposed outside of the announced acceptance period as described in the preceding paragraph.</p> <p>The shareholder making the proposal has proposed more than one proposal, or the proposal contains more than 300 words (including punctuation marks), <u>or the proposal is not submitted in writing.</u></p> <p>to omit</p>

Attachment 7

Procedures for Election of Directors Articles Before and After Revisions

After the Revision	Before the Revision
<p>Article 3 : The number of directors to be elected shall be in accordance with the number of director positions stipulated in the Company's Articles of Association. <u>The voting rights shall be calculated separately for independent directors and non-independent directors position. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.</u> In situations where there are two or more candidates with the same number of votes but who exceed the number of positions to accommodate them, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance.</p> <p>Shareholders may exercise their voting rights in writing or electronically; exercise voting rights in writing or electronically; The method of exercising voting rights is specified in the notice of the General Shareholders' Meeting.</p>	<p>Article 3 : The number of directors to be elected shall be in accordance with the number of director positions stipulated in the Company's Articles of Association. Candidates with the most number of votes shall be elected as the <u>Company's directors</u> in the order of the number of votes received. In situations where there are two or more candidates with the same number of votes but who exceed the number of positions to accommodate them, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance.</p> <p>Shareholders may exercise their voting rights in writing or electronically; exercise voting rights in writing or electronically; The method of exercising voting rights is specified in the notice of the General Shareholders' Meeting.</p>

After the Revision	Before the Revision
<p>Article 4 : When an election begins, the Chair shall assign several ballot monitors and <u>counting personnel who shall with shareholder status to perform their respective tasks</u></p> <p>Article 6 : <u>(Deleted)</u></p>	<p>Article 4 : When an election begins, the Chair shall assign several ballot monitors and <u>counters to perform their respective tasks.</u></p>
<p>Article 7 : Ballots shall be invalidated where any of the following circumstances apply:</p> <p>I. <u>The ballot was not prepared by a person with the right to convene.</u> °</p> <p>II. <u>Blank ballots are placed in the ballot box.</u> °</p> <p>III. <u>The handwriting on ballots is illegible or has been altered.</u> °</p> <p>IV. <u>Other words or marks are entered in addition to the number of voting rights allotted</u></p> <p>V. <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u></p>	<p>Article 6 : <u>Each elector shall write a candidate's name whom they wish to elect in the space marked "candidate" on the ballot, as well as specify their shareholder account number; if not a shareholder, the elector shall specify the candidate's name and ID number or unified business number. If the candidate is an institution shareholder, the name of the institution and its representative must be provided in the "candidate" space on the ballot.</u></p> <p>Article 7 : Ballots shall be invalidated where any of the following circumstances apply:</p> <p>I. <u>The ballots used are not those as stipulated in the Rules.</u></p> <p>II. <u>Blank ballots are placed in the ballot box.</u></p> <p>III. <u>The handwriting on ballots is illegible.</u></p> <p>IV. <u>Other words are written on the ballots in addition to the account name (first and last name) of the candidate and the shareholder account number (the ID number or unified business number).</u></p> <p>V. <u>If the candidate written on the ballot is a shareholder whose account name and shareholder account number do not match with those recorded</u></p>

After the Revision	Before the Revision
	<p><u>on the shareholder register; if the candidate written on the ballot is a non-shareholder whose name and ID number or unified business number are verified as not matching.</u></p> <p><u>VI. The number of candidates written on the same ballot exceeds the stipulated number of directors to be elected.</u></p>
<p><u>Article 8 : The voting rights shall be calculated on site immediately after the end of the poll, and the result of the calculation, including the list of persons elected as directors and the numbers of votes with which they are elected, shall be announced by the chair on the site.</u></p>	<p>Article 8 : <u>Ballots are opened immediately after voting is completed and the results are announced by the Chair on site.</u></p>
<p>Article 11 : The Rules shall come into force after approval by the General Shareholders' Meeting. The same shall apply to subsequent changes.</p> <p>The Rules were formulated on April 19, 1997.</p> <p>Revised on June 28, 2002.</p> <p>Revised on June 27, 2014.</p> <p>Revised on May 25, 2018.</p> <p>Revised on <u>May 28, 2021.</u></p>	<p>Article 11 : The Rules shall come into force after approval by the General Shareholders' Meeting. The same shall apply to subsequent changes.</p> <p>The Rules were formulated on April 19, 1997.</p> <p>Revised on June 28, 2002.</p> <p>Revised on June 27, 2014.</p> <p>Revised on May 25, 2018.</p>

Appendix 1

Globe Union Industrial Corp. **Rule and Procedure of Shareholders' Meeting**

- Article 1: Unless otherwise provided by laws and regulations, the General Shareholders' Meeting of the Company shall be conducted in accordance with these Rules.
- Article 2: The Company shall set up an attendance log for attending shareholders to sign; attendance cards may be submitted by attending shareholders in lieu of signing the attendance log. The number of attending shares shall be calculated based on the attendees recorded in the attendance log and the number of attendance cards submitted, to which is added the number of shares where voting rights are exercised in writing or electronically.
- Article 3: Attendance and voting of the General Shareholders' Meeting shall be determined by the number of shares represented at the meeting.
- Article 4: General Shareholders' Meeting shall be held at locations that are suitable and convenient for shareholders' attendance. Meetings shall not begin earlier than 9 AM or later than 3 PM.
- Article 5: General Shareholders' Meetings convened by the Chairman shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any other reason, the Vice Chairman shall act in this capacity on the Chairman's behalf. If the Vice Chairman is also unavailable or is non-existent, the Chairman may appoint one of the directors to act on the Chairman's behalf. If the Chairman does not appoint a delegate, one shall be elected among the directors to act on the Chairman's behalf.
- Where the Chair is represented by a director as described in the preceding paragraph, that director must have served as director for six months or more and must possess an understanding of the Company's financial and business status. The same applies where the Chair is the representative of an institutional director.
- If the General Shareholders' Meeting is convened by an entity that has the right to convene other than the Board of Directors, that convener shall be the chair. If there are two or more conveners, the Chair shall be elected among them.
- Article 6: The Company may appoint lawyers, certified public accountants, or certain personnel to attend the General Shareholders' Meeting.
- The meeting personnel handling the General Shareholders' Meeting shall bear identification cards or armbands.
- Article 7: The Company shall record in audio or video format the entire course of the General Shareholders' Meeting, beginning when the shareholders declare their attendance, and shall keep the audio or video records on file

for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the audio or video records shall be retained until the conclusion of the litigation.

- Article 8: The chair calls the meeting to order when attendance is more than half of the total issued shares. If the meeting time has passed and attendance is less than the statutory amount, the Chair may postpone the meeting up to two times, for a period totaling no more than one hour. If after two postponements the number of shareholders present is still insufficient while representing at least one third of the total issued shares, “a tentative resolution may be passed by a majority of those present,” as stated in Article 175 of the Company Act. Where a tentative resolution is passed as described in the preceding paragraph, if the number of shares represented by the shareholders present has reached the statutory amount, the Chair may immediately declare a formal meeting and request acknowledgment of the tentative resolution.
- Article 9: The agenda of General Shareholders' Meetings convened by the Board of Directors shall be set by the Board of Directors. All relevant proposals (including extraordinary motions and amendments to the contents of the original proposals) shall be voted on case-by-case. The meeting shall be conducted in accordance with its agenda, which may not be changed unless resolved during the General Shareholders' Meeting. The above rule also applies mutatis mutandis if the General Shareholders' Meeting is convened by an entity that has the right to convene other than the Board of Directors. In either of the two arrangements described above, the Chair may not dismiss the meeting while an agenda item “including extraordinary motions” is still in progress. If the Chair violates meeting policy by dismissing the meeting when it is not allowed to do so, attending shareholders may elect another Chair with the support of more than half of voting rights represented and continue the meeting. After the meeting if adjourned, shareholders may not elect a Chair to resume the meeting at the original location or at any other premises, except where the circumstances mentioned in the preceding paragraph apply. The Chair must allow adequate opportunity to explain and discuss the various proposals, amendments, or extraordinary motions proposed during the meeting. The Chair may announce to discontinue further discussion and proceed with voting if the issue in question is considered to have been sufficiently discussed; the Chair shall also provide sufficient time for voting.
- Article 10: While the General Shareholders' Meeting is in session, the Chair may at his/her discretion allocate and announce time for breaks.
- Article 11: Shareholders who wish to speak during the meeting must produce statement slips detailing the topics and the shareholders' account numbers “or the attendance pass numbers.” The order of shareholders' comments shall be determined by the Chair. Shareholders who submit statement slips without actually making statements are considered to have remained silent. If the shareholder's actual statement differs from that recorded on the statement slip, only the actual comments expressed shall be recorded.

While a shareholder is speaking, other shareholders may not speak or interfere in any way, unless agreed to by the Chair and the speaking shareholder. Violators shall be restrained by the Chair.

Article 12: Proposals shall be discussed in the order in which they are listed on the agenda. If there is a violation of such procedure or the topics of proposals are exceeded, the Chair may stop the speaker from speaking.

Article 13: Each shareholder's statement may not exceed five minutes. However, an extension of three minutes may be granted with the permission of the chair; the chair may stop the speaker when the time expires.

Article 14: Each person may not speak more than twice on the same proposal.

Article 15: An institutional shareholder may assign only one proxy representative to attend the General Shareholders' Meeting on its behalf. Where an institutional shareholder has appointed two or more representatives to attend the General Shareholders' Meeting, only one representative may speak per proposal.

Article 16: When discussing a proposal, the Chair may announce the end of discussion at an appropriate time, and may also announce suspension of the discussion when necessary, and the Chair may then immediately open the proposal to voting.

Article 17: Proposals are passed when supported by shareholders who represent more than half of the total voting rights in the meeting, except for the specific proposals otherwise provided for in the Company Act. Voting proceeds on a case-by-case basis, and the Chair or its delegate shall announce the total number of voting rights represented in the meeting for every proposal discussed. Pursuant to Article 177 of the Company Act, where shareholders entrust their proxies to attend the General Shareholders' Meeting, "when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company; otherwise, the portion of excessive voting power shall not be counted."

Voting rights are exercised electronically or in writing by shareholders in a General Shareholders' Meeting. The method of exercising voting rights is specified in the notice of the General Shareholders' Meeting.

Shareholders who exercise voting rights in writing or electronically are deemed to have attended the General Shareholders' Meeting in person. However, such shareholders are considered to have waived their rights to participate in any extraordinary motions or amendments to the contents of the original proposals that may arise during the General Shareholders' Meeting.

The resolution results of proposals shall be recorded in the meeting minutes.

Article 17-1: (Shareholders' Proposals)

A proposal or amendment or replacement to the original proposal raised by a shareholder shall be made in writing by a shareholder with voting rights.

When there are amendments or alternative motions, the Chair shall

determine the order of voting with the original proposal. If one of the proposals has been passed, the other proposals are deemed to be rejected and no further voting is required.

Where a shareholder's written proposal made in accordance with Article 172 of the Company Act is included in the General Shareholders' Meeting, if the proposal is of the same type as the proposal raised by the Board of Directors, the proposal shall be handled in conjunction with the preceding paragraph applied *mutatis mutandis*.

The order of discussion and voting for shareholders' proposals in extraordinary motions shall be determined by the Chair.

Article 18: The monitors and counters for voting on proposals shall be designated by the Chair; however, monitors must be shareholders. The results of voting shall be reported on the spot and recorded.

Article 18-1: (Handling of Proposals before General Shareholders' Meetings)

Shareholders who hold 1% or more of the total number of issued shares may submit a proposal to the Company's General Shareholders' Meeting.

The Company shall announce the acceptance of shareholders' proposals, written or electronic acceptance methods, acceptance locations, and acceptance period before the book closure date and before the General Shareholders' Meeting. The acceptance period may not be shorter than ten days.

Where a shareholder proposal is a proposal for the Company to promote the public interest or fulfill its social responsibilities, the Board of Directors may still include it in the agenda.

If a shareholder's proposal is without any of the following circumstances per review by the Board of Directors, it shall be included in the notice of the General Shareholders' Meeting:

Such a proposal is not for resolution by the General Shareholders' Meeting.

The shareholder making the proposal holds less than 1% of the total number of issued shares at the book closure date for the current General Shareholders' Meeting.

The proposal was proposed outside of the announced acceptance period as described in the preceding paragraph.

The shareholder making the proposal has proposed more than one proposal, or the proposal contains more than 300 words (including punctuation marks), or the proposal is not submitted in writing.

The Company shall notify the shareholder making the proposal of the resolution results before the date the notice for the General Shareholders' Meeting is sent. The Board of Directors shall record the reasons for not including proposals in the meeting manual of the General Shareholders' Meeting, and such proposals shall not be included in the agenda or in the meeting minutes.

Article 19: Matters not stipulated in the Rules shall be handled in accordance with the Company Act, relevant laws and regulations, and the Company's Articles of Association.

Article 20: The Rules were drafted by the Company's Board of Directors and were put into force by the General Shareholders' Meeting. The same shall apply to subsequent changes.

Appendix 2

Globe Union Industrial Corp. Article of Incorporation

Chapter I General Provisions

Article 1: The Company has been incorporated in accordance with the provisions of the Company Act, and it is named Globe Union Industrial Corp. The Company's English name is Globe Union Industrial Corp.

Article 2: The Company's principal business operations are listed below:

- I. Faucets and faucet accessories, bathroom fixtures and accessories, the manufacture/machining, sale, and distribution of machine components.
- II. Import/export of related products.
- III. Act as an agent for local/overseas suppliers to submit price quotations for tenders, as well as performing other commissioned operations involving related products.
- IV. General import/export business operations. (Except for business operations requiring approval)
- V. C805030 Manufacturing of everyday products made of plastic.
- VI. C805050 Manufacturing of industrial plastic products.
- VII. CA01990 Other basic manufacturing of non-ferrous metals: The manufacturing, forging, extrusion, rolling, and wire drawing of ingots, blocks, and strips to create basic parts, such as sheets, sticks, wires, rings, and tubes.
- VIII. CA02020 Manufacturing of copper and aluminum products.
- IX. CA02050 Manufacturing of valves.
- X. CA02070 Manufacturing of locks.
- XI. CQ01010 Manufacturing of dies.
- XII. ZZ99999 Apart from the approved business items, the Company is also allowed to operate other business not prohibited or restricted by law.

Article 3: The Company must provide external guarantees.

Article 4: Where necessary, the Company may invest in other businesses and become a shareholder of limited responsibilities of another company once a resolution has been passed by the board of directors. In this case, the Company is exempt from the restriction prescribed in Article 13 of the Company Act, where the total invested amount should not exceed 40% of the Company's paid-in capital, and the board of directors has the authorization to execute such matters.

Article 5: The Company is headquartered in Taichung City, and may establish domestic or foreign branches upon the approval of the board of directors.

Article 6: Official announcements made by the Company shall be published in accordance with Article 28 of the Company Act.

Chapter II Shares

Article 7: The Company has a paid-in capital of NT\$6 billion, which is divided into 600 million shares with each share valued at NT\$10. Shares are issued in installments, and the board of directors has the authority to issue undistributed shares in installments. An amount of NT\$600 million is reserved for the shares described above. A total of 60 million shares are available for the issuance of stock options and subscription shares of preferred shares with warrants. The face value of each share is NT\$10, which the board of directors is authorized to issue in installments.

Article 7-1: If employee stock options are distributed by the Company at a price lower than the market price (net value per share), regulations specified under Article 56-1 and Article 76 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be followed, and shares shall be distributed after a resolution has been passed at the general shareholders' meeting.

Sales of shares to employees at prices below the Company's average purchase price shall follow Article 10-1 and Article 13 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, which can be processed after a resolution has been passed at the general shareholders' meeting.

Article 7-2: The Company may transfer the bought back Treasury Shares in compliance of the Company Act to employees of the parents or subsidiaries of the Company meeting certain specific requirement.

The Company may issue Employee Stock Option to employees of the parents or subsidiaries of the Company meeting certain specific requirement.

The Company may issue new stock, and reserve subscription for employees of the parents or subsidiaries of the Company meeting certain specific requirement.

The Company may issue Restricted stock for employees of parents of subsidiaries of the Company meeting certain specific requirement.

Article 8: Stocks issued by the Company are not required to be printed. The Company, however, should contact the securities depository and custodian institution for the safe-keeping and registration of the share certificates.

Article 9: The Company shall administer all services in accordance with relevant regulations and the "Regulations Governing the Administration of Shareholder Services of Public Companies" established by the competent authority.

Article 10: The entry of Shareholder roster shall be suspended 60 days prior to an annual general shareholders' meeting, 30 days prior to an extraordinary shareholders' meeting, and 5 days prior to the baseline date of any dividend, bonus, or rights distribution.

Chapter III General Shareholders' Meeting

Article 11: Shareholders' meetings can be divided into regular and special (extraordinary) meetings. Regular shareholders' meetings are convened at least once per year. It shall be convened by the board of directors within six months after the closing of each fiscal year. Extraordinary shareholders' meetings shall be held in accordance with the relevant statutory requirements whenever

necessary. A shareholders' meeting shall, unless otherwise specified within the Company Act, be convened by the board of directors.

Article 12: If a shareholder is unable to attend the shareholders' meeting in person, a proxy may be appointed by presenting a properly signed or sealed proxy form printed in the Company's prescribed format, while specifying the scope of delegated authority.

Once the proxy form has been delivered to the Company, shareholders who wish to attend the general shareholders' meeting in person, or by using printed or digital documents to exercise his/her voting rights, shall submit a notice to the Company 2 days before the general shareholders' meeting to cancel the proxy form. For those who did not submit a cancellation notice on time, his/her voting rights shall be exercised by the proxy.

Article 13: During a general shareholders' meeting, unless otherwise specified within the Company Act, the meeting shall be chaired by the company chairman. If he/she is absent or unable to perform such duties, a person shall be selected in accordance with Article 208 of the Company Act to act on his/her behalf. For a shareholders' meeting convened by an individual who is not a board member and has the convening right, he/she shall act as the chairman of that meeting; however, if there are two or more individuals with the convening right, the chairman of the meeting shall be elected from among themselves.

Article 14: Unless otherwise prescribed by law, each shareholder shall have one vote for each share in his/her possession.

Article 15: Unless otherwise regulated by the Company Act, a shareholders' meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

Article 16: Resolutions passed during the general shareholders' meetings shall be documented, along with the meeting time, venue, key points of discussion and the final result, name of the chair, the voting method, and the number of shares represented by proxies. The form must be signed or stamped by the chair, then distributed to each shareholder as a meeting minutes report within 20 days after the date of the meeting.

Chapter IV Directors and Supervisors

Article 17: The Company shall have a Board of Directors consisting of 7 to 9 directors. The candidate nomination system is adopted, where individuals are selected from a list of candidates during a general shareholders' meeting. Each individual's term of service is three years and may be eligible for re-election. When an election cannot be held in time when the current term expires, the individual may remain in office until a newly elected director assumes the office. The total number of the Company's registered stocks held by its directors shall comply with the relevant regulations established by the competent authority. In accordance of law, the Company's Audit committee shall be composed of the entire number of independent directors. The Exercise of Powers of the Audit Committee and its members shall be regulated in accordance of Securities and Exchange Act and related law and regulations.

Article 17-1: In conjunction to Article 14-2 of the Securities and Exchange Act, the number of independent directors shall not be less than three among the Company's directors. The candidate nomination system is adopted, where individuals are selected from a list of independent director candidates during a general shareholders' meeting. The election of independent directors and the election of non-independent directors shall be conducted at the same time, and the number of winners calculated separately. The guidelines for qualifications, shareholdings, restrictions on concurrent posts, nomination, election and any other matters to be complied with by the independent directors shall be prescribed by the competent securities authority.

Article 18: When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of vacancies in the board of directors equals one third of the total number of members a special shareholders' meeting shall be convened by the board of directors within 60 days to fill the vacancies; each successor elected shall only serve the remaining term of the previous board member/supervisor. When the number of independent directors falls below 3 directors, 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 19: The board of directors shall appoint one chairperson of the board during a board meeting with more than two-thirds of directors present, and with the approval of more than half of all attending directors. The chairperson shall represent the Company externally. If s/he is absent or unable to perform his/her duties, a person shall be selected in accordance with Article 208 of the Company Act to act on his/her behalf.

Article 20: When a meeting of the board of directors is call by the chairperons of the board, the meeting shall be chaired by the chairperson.. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

Board of directors meetings shall be announced to all directors seven days in advance, with the reasons for the meeting clearly stated. Board meetings may be convened at any time during an emergency event.

To convene a board meeting described above, letters, faxes, and emails can be used.

Article 21: The power and authority of the Board of Directors are as follows:

- I. Establish a business direction.

- II. Propose earnings distribution or loss reimbursement plans.
- III. Proposal of capital increase and reduction plans.
- IV. Verify and authorize important regulations and contracts.
- V. Appoint/dismiss the Company's president and vice president.
- VI. Review and authorize the budget and year-end account closures.
- VII. Approve the procurement and disposal of important assets and real estate.
- VIII. Approve the investments in other businesses.
- IX. Make decisions on other material issues.

Article 22: Unless otherwise prescribed in the company policies, resolutions of the board of directors shall be adopted by a majority vote at a meeting attended by more than half of the directors. If a director is unable to attend the meeting, he/she may delegate another director as his/her representative by issuing a proxy form, specifying clearly the scope of the authorization. A director can only represent one other director. When a meeting of the Board of Directors is conducted in the form of a video conference meeting, the directors taking part via video conferencing shall be deemed to have attended the meeting in person.

Article 23: Regardless if the Company made a profit or suffered a loss, directors of the Company shall receive their monthly remuneration and travel allowances accordingly. In addition, remuneration shall be distributed according to the Company's profits. The authorization of payment standards shall be established by the board of directors. Relevant remuneration distribution methods shall follow the general standards adopted by the industry. Furthermore, the Company shall purchase liability insurance for directors, which will protect directors from legal actions taken against them by shareholders or other related parties while executing their duties according to the law.

Article 23-3: The Company has authorized its board of directors to form various types of functional committees for mergers and acquisitions, making nominations, risk management, or other purposes. In addition, each functional committee's organizational regulations shall be established by the board of directors.

Chapter V Managers

Article 24: The Company may appoint one president and several vice presidents, whose appointment, dismissal, and remuneration shall comply with Article 29 of the Company Act.

Chapter VI Accounting

Article 25: The Company's board of directors is responsible for preparing the statements and reports at the end of each fiscal year in accordance of Article 228 of Company Act, which shall be submitted to the general shareholders' meeting for final acceptance:

Article 25-1: 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. However, an amount shall

be set aside in advance to compensate for cumulative losses, if any.

Employee remuneration can be paid in shares or cash to qualified employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements.

Article 26: If the general final accounts for the year produce a surplus, in addition to the payment of income tax as required by law, priority should be given to make up for the losses suffered during previous years, followed by a 10% allocation as the statutory surplus reserve. However, if the statutory surplus reserve has reached the amount of the Company's total capital, such allocation is no longer necessary. Next, as prescribed by the competent authority, after the allocation or rollover into special surplus reserve, undistributed earnings accumulated from the previous year are then available for the distribution of earnings. An earnings distribution plan shall be drafted by the board of directors and submitted to the general shareholders' meeting for approval.

The Company's dividend policy must be based on the current and future development plans, and take the investment environment, funding requirements, and domestic/international competitions into consideration. In addition, shareholders' interests and other factors must be taken into account, so that shareholders' dividends of no less than 30% of the earnings can be distributed each year.

Our Company strives to maintain a stable and sustainable dividend policy while ensuring that our capital spending, business expansion requirements and sound financial planning will guarantee our sustainable development. The cash dividend must not be less than 60% of the total shareholder dividend distributed for that year. The dividend distribution policy described above must take the Company's business requirements, reinvestment or M&A funding requirements, as well as the revision of key legislations into consideration. The percentage of cash dividend distributed shall be adjusted accordingly by the general shareholders' meeting upon the request of the board of directors.

Article 27: When the statutory surplus reserve has reached the amount of the Company's total capital, statutory reserve allocation is no longer necessary as specified in the previous Article.

Chapter VII Addendum

Article 28: Any matters that are not addressed in the Articles of Association shall be governed by the Company Act and other relevant regulations.

Article 29: The organizational policies and enforcement rules of the Company shall be established separately by the board of directors.

Article 30: The Articles of Association was established on September 26, 1979.

The 1st amendment was made on October 15, 1979.

The 2nd amendment was made on August 20, 1980.

The 3rd amendment was made on April 28, 1981.

The 4th amendment was made on July 24, 1982.

The 5th amendment was made on August 26, 1985.

The 6th amendment was made on August 24, 1987.

The 7th amendment was made on October 24, 1994.
The 8th amendment was made on August 28, 1995.
The 9th amendment was made on November 4, 1995.
The 10th amendment was made on April 25, 1996.
The 11th amendment was made on October 1, 1996.
The 12th amendment was made on April 19, 1997.
The 13th amendment was made on December 7, 1997.
The 14th amendment was made on May 15, 1998.
The 15th amendment was made on April 27, 1999.
The 16th amendment was made on May 23, 2000.
The 17th amendment was made on June 18, 2001.
The 18th amendment was made on June 28, 2002.
The 19th amendment was made on June 24, 2003.
The 20th amendment was made on October 30, 2003.
The 21st amendment was made on June 24, 2004.
The 22nd amendment was made on June 15, 2005.
The 23rd amendment was made on June 15, 2006.
The 24th amendment was made on June 15, 2007.
The 25th amendment was made on June 13, 2011.
The 26th amendment was made on June 27, 2012.
The 27th amendment was made on June 27, 2014.
The 28th amendment was made on June 26, 2015.
The 29th amendment was made on June 24, 2016.
The 30th amendment was made on May 26, 2017.
The 31st amendment was made on May 25, 2018.
The 32nd amendment was made on May 29, 2020

Appendix 3

Globe Union Industrial Corp. Procedures for Election of Directors

- Article 1: Election of the Company's directors shall be conducted in accordance with the provisions of these Rules.
- Article 2: Directors shall be elected using the cumulative voting method. Electors' attendance pass numbers may be printed on ballots in lieu of the names of those electors. Each share has voting rights equal to the number of directors to be elected, and votes may be cast for a single candidate or split among multiple candidates.
- Article 3: The number of directors to be elected shall be in accordance with the number of director positions stipulated in the Company's Articles of Association. Candidates with the most number of votes shall be elected as the Company's directors in the order of the number of votes received. In situations where there are two or more candidates with the same number of votes but who exceed the number of positions to accommodate them, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance. Shareholders may exercise their voting rights in writing or electronically; exercise voting rights in writing or electronically; The method of exercising voting rights is specified in the notice of the General Shareholders' Meeting.
- Article 3-1: Directors of the Company shall adopt a nomination system in accordance with the Company's Articles of Association, and the General Shareholders' Meeting shall elect persons for the director positions from the candidate list. The election of independent directors and of non-independent directors shall be conducted simultaneously, and the numbers of which shall be calculated separately.
- Article 4: When an election begins, the Chair shall assign several ballot monitors and counters to perform their respective tasks.
- Article 5: The ballots shall be prepared and distributed by the Company. The voting rights corresponding to each attendance pass number shall be printed on the ballots.
- Article 6: Each elector shall write a candidate's name whom they wish to elect in the space marked "candidate" on the ballot, as well as specify their shareholder account

number; if not a shareholder, the elector shall specify the candidate's name and ID number or unified business number. If the candidate is an institution shareholder, the name of the institution and its representative must be provided in the "candidate" space on the ballot.

- Article 7: Ballots shall be invalidated where any of the following circumstances apply:
- I. The ballots used are not those as stipulated in the Rules.
 - II. Blank ballots are placed in the ballot box.
 - III. The handwriting on ballots is illegible.
 - IV. Other words are written on the ballots in addition to the account name (first and last name) of the candidate and the shareholder account number (the ID number or unified business number).
 - V. If the candidate written on the ballot is a shareholder whose account name and shareholder account number do not match with those recorded on the shareholder register; if the candidate written on the ballot is a non-shareholder whose name and ID number or unified business number are verified as not matching.
 - VI. The number of candidates written on the same ballot exceeds the stipulated number of directors to be elected.

Article 8: Ballots are opened immediately after voting is completed and the results are announced by the Chair on site.

Article 9: Deleted.

Article 10: Matters not specified in the Rules shall be handled in accordance with the Company Act as well as relevant laws and regulations.

Article 11: The Rules shall come into force after approval by the General Shareholders' Meeting. The same shall apply to subsequent changes.

The Rules were formulated on April 19, 1997.

Revised on June 28, 2002.

Revised on June 27, 2014.

Revised on May 25, 2018.

Appendix 4

Globe Union Industrial Corp. Shareholdings of All Directors

1.The Minimum Shareholding of All Directors

All Directors (Does not include Independent Directors)

Record Date : March 30th, 2021

Director(s)	The Actual Number of Shares	The Minimum Shareholding
4 persons of Ming-Ling Co., Ltd.	23,366,692	14,326,558

2.The Current Shareholding of All Directors

Record Date : March 30th, 2021

Title	Name	Current Shareholding (Shares)		Remark
		Shares	Shareholding ratio(%)	
Chairman	Ming-Ling Co., Ltd. Representative : Shane Ouyang	23,366,692	6.52	
Director	Ming-Ling Co., Ltd. Representative : Scott Ouyoung			
Director	Ming-Ling Co., Ltd. Representative : Wen-Hsin Chen			
Director	Ming-Ling Co., Ltd. Representative : Andrew Yates			
Independent Director	Chin-Shan Huang	541	0.00	
Independent Director	Young-Sheng Hsu	0	0.00	
Independent Director	Yi-Chia Chiu	0	0.00	

Note : The number of issued shares was 358,163,962 shares.