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

2022 Annual Shareholders' Meeting

Meeting Agenda

Meeting Time : May 27th, 2022

Shareholders meeting will be held by means of physical
shareholders meeting

PLACE :

4F No. 610, Sec. 4, Taiwan Blvd., Taichung City 407003,
Taiwan (R.O.C.)

(Windsor Hotel Taichung)

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Globe Union Industrial Corp.

Year 2022

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. Extemporaneous Motions
- VII. Adjournment

Globe Union Industrial Corp.

Year 2022

Agenda of Annual Shareholders' Meeting

- I. Time : 9:30 a.m., Friday, May 27th, 2022
- II. Place : 4F No. 610, Sec. 4, Taiwan Blvd., Taichung City 407003, Taiwan
(R.O.C.)
(Windsor Hotel Taichung)
- 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 FY2021 Business Performance.
 - 2. Audit Committee's Review Report on the FY 2021 audited Financial Statements.
 - 3. FY2021 Directors' and employees' profit sharing.
- VII. Matters for Ratification :
 - 1. Recognition of FY 2021 Business Report and Financial Statement.
 - 2. Recognition of FY 2021 Dividend Distribution.
- VIII. Matters for Discussion :
 - 1. Amendment to the Company's "Procedure for the Acquisition and Disposal of Assets."
- IX. Extemporaneous Motions
- X. Adjournment

I. Report Items :

Report No. 1 :

Management Report on the FY 2021 Company's Business Performance.

Explanatory Notes : Please refer to p.6, Attachment 1.

Report No. 2 :

Audit Committee's Review Report on the FY 2021 audited Financial Statements.

Explanatory Notes : Please refer to p.8, Attachment 2.

Report No. 3 :

FY2021 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 2021, 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\$1,896,790 as Employees' FY2021 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 8th, 2022.

II. Matters for Ratification :

Matter No. 1 :

Recognition of FY 2021 Business Report and Financial Statement.

(Proposed by the Board of Directors)

Explanatory Notes :

(1)The Company's FY 2021 Business Report (please refer to p.6, Attachment 1) and Financial Statements (as for the Consolidated and Parent Company Only Financial Statements, please refer to p.9, 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 2021 Profit Distribution. (Proposed by the Board of Directors)

Explanatory Notes :

(1) For the Distribution of 2021 Profit which was reviewed by the Audit Committee and approved by the Board of Directors. (Please refer to p.31, attachment 4)

(2) Submit for approval.

Resolution :

III. Matters for Discussion :

Matter No. 1 :

Amendment to the Company's "Procedure for the Acquisition and Disposal of Assets" (Proposed by the Board of Directors)

Explanatory Notes :

- (1) In pursuance of Letter of order from Financial Supervisory Commission R.O.C.(Taiwan) Jan 28th, 2022, Jin Guan Cheng Fa No 1110380465, propose to amend Company's Procedure for the Acquisition and Disposal of Assets.
- (2) Comparisons for Amendment to the Procedure for the Acquisition and Disposal of Assets. (Please refer to p.32, Attachment 5)
- (3) Submit for approval.

Resolution :

IV. Extemporaneous Motions

V. Adjournment

Attachment 1

Globe Union Industrial Corp. Management Report

The COVID-19 pandemic continued to cast a pall over the world in 2021, which directly impacted global supply chains established over the past few decades. The Group's global business model was also severely affected. Restrictions on international travel, bottlenecks at shipping ports, and rising transportation costs all added to the operational challenges and impacted the Group's profitability.

However, no matter how severe the external challenges are, we remain proactive in business and operation and continue to move forward in the direction of steady growth.

First, we focus on improving the operations of our Vitreous China plant in Mexico, GUMX. This plant is a crucial first step in our strategy to diversify our manufacturing bases. Despite more than a year of disruptions due to the COVID-19 pandemic, we finally completed the integration of Milim and GUMX plant in the second half of 2021. After the reorganization, GUMX started to improve the production and management system this year. Moreover, we also recognize the importance of the need to have a localized manager on the ground to build and lead the Mexican team. At the end of 2021, a Mexican manager with over 30 years of experience in ceramics manufacturing plants was recruited to manage GUMX's daily operation and systematic manufacturing process integration. GUMX plant is our Group's first manufacturing base outside of China. With the disruption of COVID-19, GUMX did not get off to a good start. However, after the integration of organizational management completed last year, we believe we can accelerate the progress of improvement this year and steadily increase the yield and output.

Regarding the business in North America, in response to the rising costs of transportation and raw materials, we also actively increased our selling price to the market. Additionally, we imposed sales demand control on specific low-margin products to minimize the negative impact of rising costs. We also negotiated new contracts terms with National Builders to reduce the loss of profit without harming customer relationships. However, these are extraordinary measures to cope with costs soaring in a short time. We will continue to monitor market trends to find the best balance between profits and increasing our market share.

Our UK based Subsidiary, PJH, was the best-performing entity in 2021. As a channel distributor, PJH's business model enables it to pass on the cost to its customers. PJH keeps enhancing its competitive advantage of distribution services, which leads to high customer loyalty and stickness. As a strong brand for its major customers, PJH has continuously achieved growth in revenue and profit in this changing environment.

We understand and take this development seriously when it comes to corporate sustainability. To manage the risks and impacts of our operations on the economy, environment, and society and to practice corporate social responsibility, a responsible unit is established in 2022 to promote a corporate governance structure for sustainable development. In the early stage, the directors and management teams undertook education and training on sustainable development. We have created an awareness and consensus towards sustainable development issues internally. Next, we will implement the practice principles for sustainable development this year. Our sustainability goals and direction are driven at the group level. In doing so, we are moving in line with the international trends and can fulfill the stakeholders' expectations.

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 2021 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 11, 2022

Attachment 3

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 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies.

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 2021 and 2020, and their consolidated financial performance and cash flows for the years ended 31 December 2021 and 2020, 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 2021 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 2021, the goodwill was carried at NT\$683,574 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 to the financial statements.

Inventory valuation

As at 31 December 2021, the net inventories amounted to NT\$4,289,152 thousand, which accounted for 26% 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 to the financial statements.

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 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as at and for the years ended 31 December 2021 and 2020.

Huang Yu Ting

Ming Hung Chen

Ernst & Young, Taiwan
8 March 2022

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 2021 and 31 December 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at	
		31 Dec 2021	31 Dec 2020
Current assets			
Cash and cash equivalents	4, 6(1)	\$2,281,297	\$3,572,319
Financial assets at fair value through profit or loss, current	4, 6(2)	10,973	31,235
Financial assets measured at amortized cost, current	4, 6(3), 8	106,445	146,289
Accounts receivable, net	4, 5, 6(4), 8	2,879,295	3,003,885
Inventories, net	4, 5, 6(5)	4,289,152	3,417,722
Prepayment	6(6)	175,556	216,291
Other current assets	7	729,061	706,657
Total current assets		<u>10,471,779</u>	<u>11,094,398</u>
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(7)	36,480	39,000
Investments accounted for under the equity method	4, 6(8)	20,090	20,391
Property, plant and equipment	4, 6(9), 8	2,419,829	2,616,466
Right-of-use assets	4, 6(23)	2,117,441	1,956,842
Intangible assets	4, 6(10)	30,342	39,406
Goodwill	4, 5, 6(10), 6(11)	683,574	718,003
Deferred tax assets	4, 6(27)	192,706	236,148
Deposits-out		34,137	34,581
Other non-current assets	6(12)	168,442	75,508
Total non-current assets		<u>5,703,041</u>	<u>5,736,345</u>
Total assets		<u><u>\$16,174,820</u></u>	<u><u>\$16,830,743</u></u>

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

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2021 and 31 December 2020
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 Dec 2021	31 Dec 2020
Current liabilities			
Short-term loans	4, 6(13)	\$2,159,121	\$1,492,720
Financial liabilities at fair value through profit or loss, current	4, 6(14)	3,500	3,109
Contract liabilities, current	6(21)	2,806	5,158
Notes payable		58,788	60,269
Accounts payable		2,177,220	2,705,251
Other payables	6(15)	253,750	308,978
Accrued expenses	6(16)	1,343,849	1,160,813
Current tax liabilities	4	72,518	101,218
Lease liabilities, current	4, 6(23)	248,831	235,330
Current portion of long-term loans	4, 6(17)	519,947	442,059
Other current liabilities		46,714	84,928
Total current liabilities		<u>6,887,044</u>	<u>6,599,833</u>
Non-current liabilities			
Long-term loans	4, 6(17)	1,710,000	2,260,515
Deferred tax liabilities	4, 6(27)	15,057	7,056
Lease liabilities, non-current	4, 6(23)	1,988,523	1,801,468
Other non-current liabilities		389,375	543,148
Net defined benefit obligation, non-current	4, 6(18)	12,136	101,446
Total non-current liabilities		<u>4,115,091</u>	<u>4,713,633</u>
Total liabilities		<u>11,002,135</u>	<u>11,313,466</u>
Equity attributable to the parent company	4, 6(19)		
Capital			
Common stock		3,581,640	3,581,640
Capital surplus		877,995	938,667
Retained earnings			
Legal reserve		886,922	861,006
Special reserve		852,940	728,214
Retained earnings		55,000	260,690
Total retained earnings		<u>1,794,862</u>	<u>1,849,910</u>
Other components of equity			
Exchange differences on translation of foreign operations		(1,087,092)	(860,740)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		5,280	7,800
Total other components of equity		<u>(1,081,812)</u>	<u>(852,940)</u>
Total equity		<u>5,172,685</u>	<u>5,517,277</u>
Total liabilities and equity		<u>\$16,174,820</u>	<u>\$16,830,743</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 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended 31 December	
	Notes	2021	2020
Net sales	6(21)	\$19,491,355	\$16,775,209
Cost of sales	6(5), 6(24)	(14,692,318)	(12,158,458)
Gross profit		<u>4,799,037</u>	<u>4,616,751</u>
Operating expenses	6(23), 6(24)		
Selling and marketing		(1,930,816)	(1,577,998)
General and administrative		(2,450,474)	(2,279,716)
Research and development		(245,774)	(281,422)
Expected credit losses	6(22)	(14,369)	(12,136)
Total operating expenses		<u>(4,641,433)</u>	<u>(4,151,272)</u>
Operating income		<u>157,604</u>	<u>465,479</u>
Non-operating income and expenses	6(25)		
Other revenue		115,156	162,883
Other gains and losses		80,731	21,805
Financial costs		(176,954)	(183,590)
Share of profit or loss of associates and joint ventures	4, 6(8)	(133)	(1,917)
Total non-operating income and expenses		<u>18,800</u>	<u>(819)</u>
Income from continuing operations before income tax		176,404	464,660
Income tax expense	6(27)	(163,607)	(177,173)
Income from continuing operations, net of tax		<u>12,797</u>	<u>287,487</u>
Other comprehensive income (loss)	6(18), 6(26)		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		68,319	(35,427)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		(2,520)	7,800
Income tax related to items that may not be reclassified subsequently to profit or loss		(26,208)	7,094
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(226,184)	(132,804)
Share of other comprehensive of associates and joint ventures	6(8)	(168)	278
Total other comprehensive loss, net of tax		<u>(186,761)</u>	<u>(153,059)</u>
Total comprehensive (loss) income		<u><u>\$(173,964)</u></u>	<u><u>\$134,428</u></u>
Net income attributable to:			
Stockholders of the parent		\$12,797	\$287,487
Non-controlling interests		-	-
		<u>\$12,797</u>	<u>\$287,487</u>
Comprehensive (loss) income attributable to:			
Stockholder of the parent		\$(173,964)	\$134,428
Non-controlling interests		-	-
		<u><u>\$(173,964)</u></u>	<u><u>\$134,428</u></u>
Earnings per share (NTD)	6(28)		
Earnings per share-basic		<u>\$0.04</u>	<u>\$0.81</u>
Earnings per share-diluted		<u>\$0.04</u>	<u>\$0.81</u>

(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 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Capital		Additional Paid-in Capital	Retained Earnings			Other components of equity		Total equity
		Common Stock	Advance Receipts for Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive	
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
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)						(64,232)
Net income in 2020							287,487			287,487
Other comprehensive income (loss), net of tax in 2020							(28,333)	(132,526)	7,800	(153,059)
Total comprehensive income (loss)							259,154	(132,526)	7,800	134,428
Share-based payment transactions-Exercise of employee stock option (Note1)			18,517							18,517
Share-based payment transactions-Conversion of advance receipts for common stock (Note 2)		19,510	(22,364)	2,854						-
Share-based payment transactions-Share-based payment expense				4,831						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
Balance as at 1 Jan 2021	6(19)	\$3,581,640	\$ -	\$938,667	\$861,006	\$728,214	\$260,690	\$(860,740)	\$7,800	\$5,517,277
Appropriations of earnings, 2020:										
Legal reserve					25,916		(25,916)			-
Special reserve						124,726	(124,726)			-
Cash dividends							(109,956)			(109,956)
Cash dividends distributed from additional paid-in capital				(69,126)						(69,126)
Net income in 2021							12,797			12,797
Other comprehensive income (loss), net of tax in 2021							42,111	(226,352)	(2,520)	(186,761)
Total comprehensive income (loss)							54,908	(226,352)	(2,520)	(173,964)
Share-based payment transactions-Share-based payment expense	6(20)			8,454						8,454
Balance as at 31 Dec 2021	6(19)	\$3,581,640	\$ -	\$877,995	\$886,922	\$852,940	\$55,000	\$(1,087,092)	\$5,280	\$5,172,685

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

Note 1: The Company issued employee share option in 2015. 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. Total consideration received was \$18,517 thousand.

Note 2: 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, respective

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended 31 December	
Notes	2021	2020
Cash flows from operating activities:		
Net income before tax	\$176,404	\$464,660
Adjustments to reconcile net income to net cash provided by operating		
Depreciation	707,317	693,974
Amortization	24,454	18,919
Expected credit losses	14,369	12,136
Net gain of financial assets/liabilities at fair value through profit or loss	(101,843)	(138,307)
Interest expense	176,954	183,590
Interest income	(25,947)	(38,626)
Dividends income	(2,694)	-
Share-based payment expense	8,454	4,831
Share of profit or loss of subsidiaries, associates and joint ventures	133	1,917
Loss on disposal of property, plant and equipment	3,305	9,090
Gain on financial assets measured at fair value through profit or loss	-	(20)
Gain on lease modification	(34,432)	(271)
Changes in operating assets and liabilities:		
Financial assets/liabilities at fair value through profit or loss, current	122,496	118,180
Accounts receivable	13,658	(779,426)
Inventories, net	(1,001,805)	(218,708)
Prepayments	40,735	(82,104)
Other current assets	(21,795)	(173,327)
Other assets-others	(92,934)	25,205
Notes payable	(1,481)	(5,157)
Accounts payable	(452,026)	720,202
Other payables	128,059	335,275
Contract liabilities, current	(2,352)	(15,114)
Other current liabilities	(13,673)	20,993
Defined benefit obligation	(45,532)	(11,495)
Other liabilities-others	(153,773)	(32,202)
Cash (used in) generated from operations	(533,949)	1,114,215
Interest received	25,947	38,626
Interest paid	(177,205)	(182,937)
Income tax paid	(167,072)	(195,004)
Net cash (used in) generated from operating activities	(852,279)	774,900

(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 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

		For the Years Ended 31 December	
	Notes	2021	2020
(Continued)			
Cash flows from investing activities:			
Acquisition of financial assets measured at fair value through other comprehensive income		\$ -	\$(31,200)
Disposal of financial assets at fair value through profit or loss		-	104,735
Acquisition of property, plant and equipment		(211,917)	(220,471)
Disposal of property, plant and equipment		1,209	12,939
Decrease in deposits-out		444	2,307
Decrease in financial assets measured at amortized cost, current		39,844	79,776
Acquisition of intangible assets		(17,396)	(13,758)
Dividends received		2,694	-
Net cash used in investing activities		(185,122)	(65,672)
Cash flows from financing activities:			
Increase in short-term loans		2,716,233	717,720
Decrease in short-term loans		(2,049,832)	(785,566)
Increase in long-term loans		530,000	720,000
Decrease in long-term loans		(1,002,627)	(618,598)
Cash dividends		(179,082)	(214,109)
Decrease in lease liabilities		(346,371)	(337,692)
Exercise of employee stock option		-	18,517
Net cash used in financing activities		(331,679)	(499,728)
Effect of changes in exchange rate on cash and cash equivalents		78,058	123,420
Net (decrease) increase in cash and cash equivalents		(1,291,022)	332,920
Cash and cash equivalents at beginning of period	6(1)	3,572,319	3,239,399
Cash and cash equivalents at end of period		<u>\$2,281,297</u>	<u>\$3,572,319</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 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, 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 2021 and 2020, and its parent company only financial performance and cash flows for the years ended 31 December 2021 and 2020, 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 2021 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\$9,629,805 thousand, accounting for 77% 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 \$4,289,152 thousand, accounting for 34% 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 to the financial statements.

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 2021 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
Ming Hung Chen

Ernst & Young, Taiwan
8 March 2022

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 2021 and 31 December 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at	
		31 Dec 2021	31 Dec 2020
Current assets			
Cash and cash equivalents	4, 6(1)	\$74,693	\$270,874
Financial assets at fair value through profit or loss, current	4, 6(2)	10,149	31,235
Accounts receivable, net	4, 5, 6(3)	512,429	632,948
Accounts receivable, net- Related parties	4, 6(3), 7	1,001,060	842,541
Other receivables	7	472,047	224,456
Inventories, net	4, 5, 6(4)	526,742	294,685
Prepayment	6(5)	57,506	62,141
Other current assets		10,628	21,316
Total current assets		<u>2,665,254</u>	<u>2,380,196</u>
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(6)	36,480	39,000
Investments accounted for under the equity method	4, 5, 6(7)	9,629,805	9,647,868
Property, plant and equipment	4, 6(8)	69,537	73,182
Right-of-use assets	4, 6(20)	2,588	2,849
Intangible assets	4, 6(9)	2,114	10,939
Deferred tax assets	4, 6(24)	32,855	51,509
Other non-current assets		1,415	2,216
Total non-current assets		<u>9,774,794</u>	<u>9,827,563</u>
Total assets		<u>\$12,440,048</u>	<u>\$12,207,759</u>

(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 2021 and 31 December 2020
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 Dec 2021	31 Dec 2020
Current liabilities			
Short-term loans	4, 6(10)	\$1,938,769	\$1,335,000
Financial liabilities at fair value through profit or loss, current	4, 6(11)	1,745	145
Contract liabilities, current	6(18)	2,797	2,117
Accounts payable		110,155	106,068
Accounts payable- Related parties	7	2,545,778	2,256,952
Other payables	6(12), 7	103,683	20,250
Accrued expenses	6(13), 7	262,238	223,020
Current tax liabilities	4, 6(24)	48,243	47,721
Lease liabilities, current	4, 6(20)	1,995	1,130
Current portion of long-term loans	4, 6(14)	510,000	400,000
Other current liabilities		5,465	12,184
Total current liabilities		<u>5,530,868</u>	<u>4,404,587</u>
Non-current liabilities			
Long-term loans	4, 6(14)	1,710,000	2,250,000
Deferred tax liabilities	4, 6(24)	11,287	15,548
Lease liabilities, non-current	4, 6(20)	569	1,682
Other non-current liabilities		128	163
Net defined benefit obligation, non-current	4, 6(15)	14,511	18,502
Total non-current liabilities		<u>1,736,495</u>	<u>2,285,895</u>
Total liabilities		<u>7,267,363</u>	<u>6,690,482</u>
Equity attributable to the parent company	4, 6(16)		
Capital			
Common stock		3,581,640	3,581,640
Capital surplus		877,995	938,667
Retained earnings			
Legal reserve		886,922	861,006
Special reserve		852,940	728,214
Retained earnings		55,000	260,690
Total retained earnings		<u>1,794,862</u>	<u>1,849,910</u>
Other components of equity			
Exchange differences on translation of foreign operations		(1,087,092)	(860,740)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		5,280	7,800
Total other components of equity		<u>(1,081,812)</u>	<u>(852,940)</u>
Total equity		<u>5,172,685</u>	<u>5,517,277</u>
Total liabilities and equity		<u>\$12,440,048</u>	<u>\$12,207,759</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 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended 31 December	
	Notes	2021	2020
Net sales	4, 6(18), 7	\$10,128,556	\$8,481,882
Cost of sales	6(4), 7	(9,777,184)	(7,682,272)
Gross profit		351,372	799,610
Unrealized intercompany profit		(256,437)	(302,779)
Realized intercompany profit		302,779	367,562
Gross profit		397,714	864,393
Operating expenses	6(21), 7		
Selling and marketing		(218,550)	(321,456)
General and administrative		(226,063)	(267,013)
Research and development		(69,836)	(56,107)
Total operating expenses		(514,449)	(644,576)
Operating (loss) income		(116,735)	219,817
Non-operating income and expenses	6(22)		
Other revenue		23,343	8,758
Other gains and losses		86,798	36,269
Financial costs		(47,808)	(50,795)
Share of profit of subsidiaries, associates and joint ventures	4, 6(7)	115,731	110,778
Total non-operating income and expenses		178,064	105,010
Income from continuing operations before income tax		61,329	324,827
Income tax expense	6(24)	(48,532)	(37,340)
Income from continuing operations, net of tax		12,797	287,487
Other comprehensive income (loss)	6(7), 6(15), 6(23)		
Items that may not to be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		4,208	(1,615)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		(2,520)	7,800
Share of other comprehensive income (loss) accounted for using the equity method-remeasurements of defined benefit plans		38,744	(27,041)
Income tax related to items that may not to be reclassified subsequently to profit or loss		(841)	323
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(226,352)	(132,526)
Total other comprehensive income, net of tax		(186,761)	(153,059)
Total comprehensive (loss) income		<u>\$(173,964)</u>	<u>\$134,428</u>
Earnings per share (NTD)	6(25)		
Earnings per share-basic		<u>\$0.04</u>	<u>\$0.81</u>
Earnings per share-diluted		<u>\$0.04</u>	<u>\$0.81</u>

(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 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Capital		Additional Paid-in Capital	Retained Earnings			Other components of equity		Total
		Common Stock	Advance Receipts for Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income	
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		(30,665)			-
Special reserve						205,507	(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			287,487
Other comprehensive income, net of tax in 2020							(28,333)	(132,526)	7,800	(153,059)
Total comprehensive income							259,154	(132,526)	7,800	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	(22,364)	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	\$(860,740)	\$7,800	\$5,517,277
Balance as at 1 Jan 2021	6(16)	\$3,581,640	\$ -	\$938,667	\$861,006	\$728,214	\$260,690	\$(860,740)	\$7,800	\$5,517,277
Appropriations of earnings, 2020:										
Legal reserve					25,916		(25,916)			-
Special reserve						124,726	(124,726)			-
Cash dividends							(109,956)			(109,956)
Cash dividends distributed from additional paid-in capital				(69,126)						(69,126)
Net income in 2021							12,797			12,797
Other comprehensive income, net of tax in 2021							42,111	(226,352)	(2,520)	(186,761)
Total comprehensive income							54,908	(226,352)	(2,520)	(173,964)
Share-based payment transactions-Share-based payment expense				8,454						8,454
Balance as at 31 Dec 2021	6(16)	\$3,581,640	\$ -	\$877,995	\$886,922	\$852,940	\$55,000	\$(1,087,092)	\$5,280	\$5,172,685

(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 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 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.

GLOBE UNION INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended 31 December	
Notes	2021	2020
Cash flows from operating activities:		
Net income before tax	\$61,329	\$324,827
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	13,543	14,207
Amortization	10,326	11,598
Net gain of financial assets/liabilities at fair value through profit or loss	(99,760)	(131,230)
Interest expense	47,808	50,795
Interest income	(6,383)	(3,226)
Dividends income	(2,694)	-
Share-based payment expense	4,252	2,509
Gain on financial assets measured at fair value through profit or loss	-	(20)
Share of profit or loss of subsidiaries, associates and joint ventures	(115,731)	(110,778)
Gain of unrealized intercompany profit	256,437	302,779
Gain of realized intercompany profit	(302,779)	(367,562)
Gain on lease modification	-	(86)
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	122,446	108,522
Accounts receivable	(38,000)	(511,039)
Other receivables	(247,591)	(86,301)
Inventories, net	(232,057)	(7,399)
Prepayments	4,635	(8,135)
Other current assets	10,688	89
Other assets-others	801	799
Accounts payable	292,913	492,181
Accrued expenses	39,469	(35,974)
Other payables	83,433	(80,174)
Contract liabilities, current	680	(122,153)
Other current liabilities	(6,719)	5,011
Defined benefit obligation	217	494
Other liabilities-others	(35)	35
Cash used in operations	(102,772)	(150,231)
Interest received	6,383	3,226
Interest paid	(48,059)	(50,142)
Income tax paid	(34,458)	(63,473)
Net cash used in operating activities	(178,906)	(260,620)

(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 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

		For the Years Ended 31 December	
	Notes	2021	2020
(Continued)			
Cash flows from investing activities:			
Acquisition of financial assets measured at fair value through other comprehensive income		-	(31,200)
Disposal of financial assets measured at fair value through profit or loss		-	104,735
Acquisition of property, plant and equipment		(8,318)	(9,415)
Acquisition of intangible assets		(1,501)	(2,870)
Acquisition of investments accounted for under the equity method		(3,270)	(219,319)
Decrease in deposits-out		-	80
Dividends received		2,694	-
Net cash used in investing activities		(10,395)	(157,989)
Cash flows from financing activities:			
Increase in short-term loans		2,495,881	1,661,728
Decrease in short-term loans		(1,892,112)	(1,561,728)
Increase in long-term loans		530,000	720,000
Decrease in long-term loans		(960,000)	(600,000)
Cash dividends		(179,082)	(214,109)
Decrease in lease liabilities		(1,567)	(1,026)
Exercise of employee stock option		-	18,517
Net cash (used in) generated from financing activities		(6,880)	23,382
Net decrease in cash and cash equivalents		(196,181)	(395,227)
Cash and cash equivalents at beginning of period	6(1)	270,874	666,101
Cash and cash equivalents at end of period		<u>\$74,693</u>	<u>\$270,874</u>

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

Attachment 4

Globe Union Industrial Corp. FY 2021 Profit Distribution Table

Unit: NTD ‘0

Items	Total
Beginning retained earnings	92,919
Add: Actuarial gain	42,110,712
Add: Net profit after tax	12,797,549
Subtotal :	55,001,180
Less: 10% legal reserve	(5,490,826)
Less: Special reserve	(49,510,354)
Unappropriated retained earnings	0

Note 1. issued and outstanding 358,163,962 shares.

Chairman :
Shane Ouyang

Manager :
Todd Alex Talbot

Accounting upervisor :
Ying-Fan Chen

Attachment 5

Globe Union Industrial Corp.
Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>Article 5 Processes for Acquiring or Disposing of Real Property, Equipment, or Right-of-Use Assets Thereof</p> <p>.....</p> <p>IV. Disposition Procedures</p> <p>.....</p> <p>(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same applies to subsequent changes to the transaction conditions.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>.....</p>	<p>Article 5 Processes for Acquiring or Disposing of Real Property, Equipment, or Right-of-Use Assets Thereof</p> <p>.....</p> <p>IV. Disposition Procedures</p> <p>.....</p> <p>(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same applies to subsequent changes to the transaction conditions.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>.....</p>	<p>Article 5 deletes the paragraph about certified public accountant shall perform the appraisal in accordance with the provisions of Statement of Auditing Standards, because Article 15 has specified the procedures that external professionals should follow and their responsibilities.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>Article 6 Investment Processing Procedures for the Acquisition or Disposal of Securities</p> <p>.....</p> <p>V. Obtain expert opinion</p> <p>If the dollar amount of the acquiring or disposing of securities is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to securities with publicly quoted prices from an active market, or where other regulations of the competent authority prevail.</p>	<p>Article 6 Investment Processing Procedures for the Acquisition or Disposal of Securities</p> <p>.....</p> <p>V. Obtain expert opinion</p> <p>If the dollar amount of the acquiring or disposing of securities is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to securities with publicly quoted prices from an active market, or where other regulations of the competent authority prevail.</p>	<p>Article 6 deletes the paragraph about certified public accountant shall perform the appraisal in accordance with the provisions of Statement of Auditing Standards, because Article 15 has specified the procedures that external professionals should follow and their responsibilities.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>Article 7 Procedures for Related Party Transactions</p> <p>.....</p> <p>II.Assessment and Operating Procedures</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by one half of the members of the Audit Committee and passed by the Board of Directors. Or the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting before signing the transaction contract and making payment:</p> <p>(I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p>	<p>Article 7 Procedures for Related Party Transactions</p> <p>.....</p> <p>II.Assessment and Operating Procedures</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by one half of the members of the Audit Committee and passed by the Board of Directors. Or the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting before signing the transaction contract and making payment:</p> <p>(I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p>	<p>To strengthen management of related party transactions and protect the right of minority interests of the Company, Article 7 specifies that significant related party transactions shall be approved by the shareholders meeting.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 3, Subparagraphs (1) and (4) of this Article.</p> <p>(IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p>	<p>(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 3, Subparagraphs (1) and (4) of this Article.</p> <p>(IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 13, Paragraph 1, Subparagraph (6) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors need not be counted toward the transaction amount.</u></p>	<p>To strengthen management of related party transactions and protect the right of minority interests of the Company, Article 7 specifies that significant related party transactions shall be approved by the shareholders meeting.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's Board of Directors may pursuant to Article 5, Paragraph 2, delegate the board Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p>	<p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's Board of Directors may pursuant to Article 5, Paragraph 2, delegate the board Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p>	<p>To strengthen management of related party transactions and protect the right of minority interests of the Company, Article 7 specifies that significant related party transactions shall be approved by the shareholders meeting.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p><u>If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 13, Paragraph 1, Subparagraph (6) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</u></p> <p>The terms "all audit committee members" in the preceding paragraph and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>.....</p>	<p>The terms "all audit committee members" in the preceding paragraph and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>.....</p>	<p>To strengthen management of related party transactions and protect the right of minority interests of the Company, Article 7 specifies that significant related party transactions shall be approved by the shareholders meeting.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>Article 8 Processes for Acquiring or Disposing of Memberships or Intangible Assets or Right-of-Use Assets Thereof</p> <p>.....</p> <p>IV. Expert assessment report on membership or intangible assets or on right-to-use assets thereof</p> <p>Where the Company acquires or disposes of memberships, intangible assets, or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 13, Paragraph 1, Subparagraph (6) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>Article 8 Processes for Acquiring or Disposing of Memberships or Intangible Assets or Right-of-Use Assets Thereof</p> <p>.....</p> <p>IV. Expert assessment report on membership or intangible assets or on right-to-use assets thereof</p> <p>Where the Company acquires or disposes of memberships, intangible assets, or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 13, Paragraph 1, Subparagraph (6) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>Reasons of amendment are the same as Article 5.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>Article 13 Information Disclosure Procedure</p> <p>I. Under any of the following circumstances, when the Company is acquiring or disposing of assets, it shall publicly announce and report the relevant information on the designated website of the competent authority in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>.....</p> <p>(VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. provided, this shall not apply to the following circumstances:</p> <p>1. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p>	<p>Article 13 Information Disclosure Procedure</p> <p>II. Under any of the following circumstances, when the Company is acquiring or disposing of assets, it shall publicly announce and report the relevant information on the designated website of the competent authority in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>.....</p> <p>(VII) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. provided, this shall not apply to the following circumstances:</p> <p>1. Trading of domestic government bonds.</p>	<p>Considering now that public companies do not need to make public announcement for trading of domestic government bonds, Article 13 is amended to exempt the Company from making public announcement for related transactions.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds</u> , or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>.....</p>	<p>2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>.....</p>	<p>Considering now that public companies do not need to make public announcement for trading of domestic government bonds, Article 13 is amended to exempt the Company from making public announcement for related transactions.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>Article 15 Other matters</p> <p>I. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(I) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(II) May not be a related party or de facto related party of any party to the transaction.</p> <p>(III) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of the industry associations to which they belong and with the following provisions:</u></p>	<p>Article 15 Other matters</p> <p>II. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(I) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(II) May not be a related party or de facto related party of any party to the transaction.</p> <p>(III) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p>	<p>Specify the procedures that external professionals should follow and their responsibilities.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(III) They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p> <p>.....</p>	<p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(III) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they have complied with applicable laws and regulations.</p> <p>.....</p>	<p>Specify the procedures that external professionals should follow and their responsibilities.</p>

Procedure for the Acquisition and Disposal of Assets
Comparison Table of Amended Articles and Reasons of Amendments

Content of Article after Amendment	Content of Article before Amendment	Reasons
<p>V. The Procedure was formulated on Sunday, December 7, 1997. Revised on June 24, 2003. Revised on June 24, 2004. Revised on November 5, 2004. Revised on June 15, 2006. Revised on June 15, 2007. Revised on June 18, 2009. Revised on June 27, 2012. Revised on June 27, 2014. Revised on June 24, 2016. Revised on May 26, 2017. Revised on May 25, 2018. Revised on May 31, 2019. <u>Revised on May 27, 2022.</u></p>	<p>V. The Procedure was formulated on Sunday, December 7, 1997. Revised on June 24, 2003. Revised on June 24, 2004. Revised on November 5, 2004. Revised on June 15, 2006. Revised on June 15, 2007. Revised on June 18, 2009. Revised on June 27, 2012. Revised on June 27, 2014. Revised on June 24, 2016. Revised on May 26, 2017. Revised on May 25, 2018. Revised on May 31, 2019.</p>	<p>Add the latest revision date.</p>

Appendix 1

Rules of Procedure for Shareholders' Meetings

- 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. Only one proposal may be accepted. All other proposals will not be included in the agenda.

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.

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.

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).

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. Articles of Association

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 or 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 Committess 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 5 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 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. In Consideration and factor in of Company's Financial, business, operational aspects, the Company may distribute its capital reserve or legal reserve in whole or in part according to the regulation or legal authority. 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.

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
The 33rd amendment was made on August 2, 2021

Appendix 3

Procedure for the Acquisition and Disposal of Assets

Article 1 Purpose and Legal Basis

The Procedure is formulated in accordance with Article 36-1 of the Securities and Exchange Act (hereinafter referred to as “the Act”) and the regulations of the competent authorities and relevant laws and regulations with the aim of protecting assets and implementing information disclosure.

Article 2 Scope of Assets

- I. Securities: Includes investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Intangible assets: Includes patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

Article 3 Definitions of terms

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or

disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier. However, for investments that require the approval of the competent authority, the date of occurrence shall be determined as the earlier between the above dates and the date approved by the competent authority.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- VIII. Securities exchange: Domestic securities exchange refers to the Taiwan Stock Exchange Corporation; foreign securities exchange refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- IX. Over-the-counter venue ("OTC venue", "OTC"): Domestic OTC venue refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; foreign OTC venue refers to a venue at a financial

institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Amounts invested in real property and right-of-use assets thereof or securities:
In addition to obtaining assets for business use according to actual need, the Company may invest in and purchase securities and real property for non-business use. The limits of the right-of-use assets thereof are as follows:

- I. The total amount of real property for non-business use and right-of-use assets thereof or securities purchased may not exceed 200% of the shareholders' equity in the most recent financial reports audited and certified by an accountant.
- II. Short-term investment in securities may not exceed 60% of shareholders' equity in the most recent financial reports audited and certified by an accountant.
- III. The limit of short-term investment in a single security may not exceed 30% of the total short-term investment in securities.

Article 5 Processes for Acquiring or Disposing of Real Property, Equipment, or Right-of-Use Assets Thereof

I. Assessment and Operating Procedures

The Company's acquisition or disposal of real property, equipment, or right-of-use assets thereof shall be handled in accordance with the Company's internal control system and fixed asset cycle procedures.

II. Procedure for Determining Transaction Conditions and Authorized Amounts

- (I) When acquiring or disposing of real property, the announced current value, appraised value, actual transaction price of neighboring real property, etc., are referenced to determine the transaction conditions and transaction price, and to prepare an analysis report and submit it to the Chairman. It must be approved by the Chairman and subsequently reported to the recent board meeting; Those exceeding NT\$50 million must be approved by the Board of Directors.
- (II) For acquisition or disposal of real property, equipment, or right-of-use assets thereof, one method must be chosen among price inquiry, price comparison, negotiation or bidding; if the amount is less than NT\$50 million (inclusive), it should be approved according to the authorization method of approval by each level of authority; Those exceeding NT\$50 million must be approved by the Board of Directors after being approved by the Chairman.

- (III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee. When the transactions in the acquisition or disposal of assets by the Company is proposed for discussion by the Board of Directors in accordance with regulations, Independent Directors' opinions must also be fully taken into consideration. Any objections or qualified opinions made by Independent Directors must be detailed in Board meeting minutes.

III. Implementation Unit

When the Company acquires or disposes of real property, equipment, or right-of-use assets thereof, it shall submit for approval in accordance with approval authority stipulated in the preceding paragraph; the using department and management unit shall be responsible for execution.

IV. Disposition Procedures

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same applies to subsequent changes to the transaction conditions.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance

with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

1. Where the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. Where the discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 6 Investment Processing Procedures for the Acquisition or Disposal of Securities

I. Assessment and Operating Procedures

The purchase and sale of long-term and short-term securities of the Company shall be handled in accordance with the Company's internal control system and investment cycle procedures.

- ##### II. For investment in bonds, bond funds, and financial products with risks equal to or less than bonds and bond funds, the trading conditions and amounts are:
- The purchase and sale of securities on the centralized exchange market or the business office of a securities firm shall be determined by the responsible unit based on judgment through market research, and the amount may not exceed 60% of the shareholders' equity in the most recent financial report audited and certified by an accountant.

III. Securities other than the financial products mentioned in Article 6, Paragraph 2:

(I) Procedure for Determining Transaction Conditions and Authorized Amounts

1. The trading of securities on centralized trading markets, financial institutions, or the business offices of securities firms shall be determined by the responsible trading unit according to market conditions. If the amount is less than NT\$50 million (inclusive), it shall be handled according to the Company

regulations on approval authority by the supervisors of relevant units at different levels; If the single transaction amount exceeds NT\$50 million, it must be approved by the Board of Directors or authorized by the Chairman of the board and submitted to the Board of Directors for ratification.

2. For the purchase and sale of securities not on the centralized exchange market or the business office of a securities firm, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price; also to be considered are its net worth per share, profitability, and future development potential, etc., if the amount of which is less than NT\$50 million (inclusive), it shall be handled according to the Company regulations on approval authority by the supervisors of relevant units at different levels; If the single transaction amount exceeds NT\$50 million, it must be approved by the Board of Directors or authorized by the Chairman of the board and submitted to the Board of Directors for ratification.
3. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee. When the transactions in the acquisition or disposal of assets by the Company is proposed for discussion by the Board of Directors in accordance with regulations, Independent Directors' opinions must also be fully taken into consideration. Any objections or qualified opinions made by Independent Directors must be detailed in Board meeting minutes.

IV. Implementation Unit

When the Company invests in long-term and short-term securities, it shall be subject to the approval authority of the long-term and short-term investment regulations, and the financial unit shall be responsible for their implementation.

V. Obtain expert opinion

If the dollar amount of the acquiring or disposing of securities is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to securities with publicly quoted prices from an active market, or where other regulations of the competent authority prevail.

Article 7 Procedures for Related Party Transactions

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the following provisions. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 13, Paragraph 1, Subparagraph (6). When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

- II. Assessment and Operating Procedures

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by one half of the members of the Audit Committee and passed by the Board of Directors. Or the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee

shall be recorded in the minutes of the board of directors meeting before signing the transaction contract and making payment:

- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (II) The reason for choosing the related party as a transaction counterparty.
- (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 3, Subparagraphs (1) and (4) of this Article.
- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.
- (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (VII) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 13, Paragraph 1, Subparagraph (6) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's Board of Directors may pursuant to Article 5, Paragraph 2, delegate the board Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

- (I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- (II) Acquisition or disposal of real property right-of-use assets held for business use.

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

The terms "all audit committee members" in the preceding paragraph and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

III. Reasonableness assessment of transaction costs

- (I) When the Company acquires real property or right-of-use assets thereof from a related party, it shall evaluate the reasonableness of the transaction costs by the following means:
 - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. Necessary interest on funding is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this may not apply where the financial institution is a related party of one of the trading counterparties.
- (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

(III) When the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs, it shall also engage a CPA to check the appraisal and render a specific opinion.

(IV) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article are uniformly lower than the transaction price, it shall process in accordance with Paragraph 3, Subparagraph (5) of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction may not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

- (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

- (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

2. Where the Company is acquiring real property or obtaining real property right-of-use assets through leasing from a related party and provides evidence that the terms of the transaction are similar to the terms of completed transactions involving

neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

(V) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. The members of the Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to Paragraph 3, Subparagraph (5), items 1 and 2 of this Article shall be reported to a General Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and investment prospectus.
4. When the Company has set aside a special reserve under the preceding, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been

restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.

(VI) When the Company acquires real property from a related party, if there is one of the following circumstances, it shall proceed with evaluation and operation procedures in accordance with the provisions of Paragraphs 1 and 2 of this Article, and Paragraph 3, Subparagraphs (1), (2), (3) of this Article may not apply on the reasonableness assessment of transaction costs:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

(VII) When the Company obtains real property from a related party, it shall also comply with Paragraph 3, Subparagraph (5) of this Article if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 8 Processes for Acquiring or Disposing of Memberships or Intangible Assets or Right-of-Use Assets Thereof

I. Assessment and Operating Procedures

The Company's acquisition or disposal of membership or intangible assets or the right-of-use assets thereof shall be handled in accordance with the Company's internal control system and investment cycle procedures.

II. Procedure for Determining Transaction Conditions and Authorized Amounts

1. When acquiring or disposing of membership, the fair market price is referenced to determine the transaction conditions and transaction price, and to prepare an analysis report and submit it to the Chairman. If the amount is less than 1 percent of the paid-in capital of the

Company or under NT\$5 million, it must be approved by the Chairman and subsequently reported to the recent board meeting; Those exceeding NT\$5 million must be approved by the Board of Directors.

2. When acquiring or disposing intangible assets or the right-of-use assets thereof, the expert assessment report or fair market price is referenced to determine the transaction conditions and transaction price, and to prepare an analysis report and submit it to the Chairman. If the amount is less than 10 percent of the paid-in capital of the Company or under NT\$50 million, it must be approved by the Chairman and subsequently reported to the recent board meeting; Those exceeding NT\$50 million must be approved by the Board of Directors.
3. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee. When the transactions in the acquisition or disposal of assets by the Company is proposed for discussion by the Board of Directors in accordance with regulations, Independent Directors' opinions must also be fully taken into consideration. Any objections or qualified opinions made by Independent Directors must be detailed in Board meeting minutes.

III. Implementation Unit

When the Company acquires or disposes of membership or intangible assets, it shall submit for approval in accordance with approval authority stipulated in the preceding paragraph; the using department and Financial Department or Administrative Department shall be responsible for execution.

IV. Expert assessment report on membership or intangible assets or on right-to-use assets thereof

Where the Company acquires or disposes of memberships, intangible assets, or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction

price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 13, Paragraph 1, Subparagraph (6) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 9 Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be used as a substitute for the appraisal report or CPA opinion.

Article 10 Procedures for Acquiring or Disposing of Claims of Financial Institutions

In principle, the Company does not engage in transactions to acquire or dispose of the claims of financial institutions. If it intends to engage in transactions to acquire or dispose of the claims of financial institutions in the future, it will report to the Board of Directors for approval before determining its evaluation and operating procedures.

Article 11 Procedures for Acquiring or Disposing of Derivatives

I. Transaction principles and strategies:

(I) Type of transactions

The scope of the Company's operation of derivative financial products is limited to business-related hedging operations, such as foreign exchange, futures, interest rates, etc., however, it is not limited to these three. If it is necessary to engage in the transaction of other derivative financial products not related to hedging, the transaction must be approved by a majority of the Board of Directors.

(II) Management or Hedging Strategy

The Company engaging in financial derivatives transactions is for the purpose of hedging, thus it chooses financial derivative products to primarily hedge the risks associated with the Company's business operations. The counterparty selects a financial institution with preferable conditions according to the Company's operational needs to engage in hedging transactions to avoid credit risk. Foreign exchange operations must be defined as risk aversion or financial operations for returns on investment.

(III) Performance evaluation

1. Hedging transactions
 - A. The performance evaluation is based on the cost of the hedging project on the Company's book and the profit and loss arising from the derivative financial transaction.
 - B. In order to fully grasp and express the evaluated risk of the transaction, the Company adopts the monthly evaluation method to evaluate the profit and loss.
 - C. The Financial Department shall provide the President with market trends and market analysis of the hedging project to be engaged in for use as reference and instructions for management.
2. The performance evaluation of non-hedging transactions is based on actual profit and loss, and the accountants must regularly compile the positions to be used as reference for management.

(IV) Determination of the total contract amount and the maximum loss limit

1. Total contract amount

A. Hedging transaction limit

The Financial Department must understand the overall position of the Company in order to avoid transaction risks. The amount of hedging transactions may not exceed the Company's overall monthly net position and six-month net position. If the above limits are exceeded, it must be reported to the Chairman for approval.

B. Non-hedging transaction limit

The amount of non-hedging transactions is limited to 1/2 of the monthly net position and 1/2 of the six-month net position. If the amount exceeds the above amounts, it must be approved by the Board of Directors.

2. Setting the maximum loss limit

A. When the market situation reverses or is obviously unfavorable as compared to the original assumption, resulting in a loss of 15% of the position on the hedging and non-hedging transactions, the executing unit must submit a report to the president-level management within one day, and hold a meeting to discuss whether it is necessary to terminate the contract.

B. Stop-loss procedure: When it is confirmed that a stop loss is required, the responsible trader and the top financial executive shall confirm the method of placing the order.

II. Operating procedures:

(I) Authorization amount and level

1. The following table of authorization limits for derivatives transactions is formulated based on the Company's turnover trends and risk considerations, which will be implemented after the approval of the Board of Directors.

Work type	The amount of an individual transaction (Million US\$)
Board of directors	Over 4,001
Chairman	2,001-4,000
President	501-2,000
Vice President	Below 500

(II) Executing unit: Forward foreign exchange or other financial products for hedging are handled by the Financial Department.

(III) Executing process

1. Head of the Financial Department: Before conducting external transactions, fill out the "Transaction Application Form", on which should be indicated the nature, content and authorization limit of the transaction. After the transaction, the transaction records must be archived for reference.
2. Accounting Department: Review whether the transaction is carried out in accordance with the authorization authority and accounting treatment.

III. Risk management measures:

(I) Management of credit risk

1. The transaction counterparty must be a correspondent bank or a legal broker who can fully disclose risks.
2. After the transaction, check with the correspondent bank whether the authorization amount and level are in compliance with regulations.

(II) Management of market risk

The Financial Department shall continuously check whether the authorization amount, level, and total transaction amount comply with the provisions of this Procedure, and shall pay attention to the impact of future market price fluctuations on the unrealized profit and loss of positions held.

(III) Management of liquidity risk

The types of derivative financial products selected for transactions must have considerable market liquidity, and the financial institutions involved must have good reputation, sufficient capabilities in terms of equipment, information, and trading, and be able to conduct transactions in the market.

(IV) Management of legal risk

The Company must sign contracts with all derivatives trading counterparties. In addition, for each transaction, it shall obtain a legal transaction certificate signed by the counterparty to ensure the legality of each transaction and so as to avoid the legal risks of derivatives trading.

(V) Management operating risk

1. Actually comply with the Company's requirements for authorization limits, operating procedures, and internal audits.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Evaluate at least twice a week positions held for trading, and continuously pay attention to the financial conditions of derivatives trading; consider whether the investment risk is within the scope of the Company's authorization and whether it conforms to its established business strategy.

IV. Internal auditor

- (I) The internal auditors shall, on a regular basis and monthly, check the adequacy of the Company's internal control system for derivatives transactions and conduct audits on the Transaction Department to ensure compliance with the Procedures and analyze transaction cycling. Audit reports shall be produced. The auditors are required to advise the Audit Committee in writing if any significant violations are found.
- (II) The internal auditors shall submit the preceding Audit Report along with the implementation status of the internal auditing procedures in the annual inspection plan to the competent authority before the end of February of the following year. The Company shall also file improvements for the irregularities to the competent authority for reference before the end of May at the latest.

V. Regular evaluation method

- (I) The Board of Directors shall authorize senior executives to regularly supervise and evaluate whether derivatives transactions are actually handled in accordance with the Company's transactions procedures, and whether the risks borne are within the allowable range; when there are abnormal situations in the market price evaluation report (such as holding positions exceeding maximum loss limit), it must

immediately be reported to the Board of Directors and response measures must be taken.

- (II) The positions held for derivatives transactions must be evaluated twice a month, and the evaluation report must be sent to the CFO authorized by the Board of Directors.

VI. Principles for supervision by the Board of Directors when the Company is engaging in derivatives trading

- (I) The Board of Directors shall designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk. Management principles are as follows:
 - 1. Periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the Procedure and the procedures for engaging in derivatives trading formulated by the Company.
 - 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; if the Company has independent directors, an independent director shall be present at the meeting and express an opinion.
- (II) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.
- (III) The Company shall report to the latest meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its procedures for engaging in derivatives trading.
- (IV) When the Company engages in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under Paragraph 5, Subparagraph (2) and Paragraph 6, Subparagraphs (1) and (2) of this Article shall be recorded in detail in the log book.

Article 12 Procedures for Mergers, Demergers, Acquisitions, or Transfer of Shares

I. Assessment and Operating Procedures

- (I) When the Company engages in mergers, demergers, acquisitions or share transfers, the Company shall, before convening a Board meeting to approve such matter, engage a CPA, attorney or securities underwriter to provide opinions on the reasonableness of the share exchange ratio, acquisition price, the cash or other property to be distributed to shareholders, etc. The proposal shall be submitted to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of

a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

- (II) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in Paragraph 1, Subparagraph (1) of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. However, where other legal provisions exempt a company from convening a General Shareholders' Meeting to approve the merger, demerger or acquisition, this restriction may not apply. Also, where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

II. Other matters to implement

- (I) Board meeting dates: When the Company participates in a merger, demerger, or acquisition, it shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the Securities and Futures Institute is notified in advance of extraordinary circumstances and grants consent. When the Company participates in a transfer of shares, it shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the Securities and Futures Institute is notified in advance of extraordinary circumstances and grants consent. When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company, listed on an exchange or having its shares traded on an OTC market, shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the competent authority for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of Paragraphs 3 and 4.

- (II) Prior commitment to confidentiality: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (III) Principles for determining or changing the share exchange ratio or purchase price: Companies engaged in mergers, demergers, acquisitions or share transfers, shall, before convening a bilateral

Board meeting to approve such matter, engage a CPA, attorney or securities underwriter to provide opinions on the reasonableness of the share exchange ratio, acquisition price, the cash or other property to be distributed to shareholders, etc. The proposal shall be submitted to the General Shareholders' Meeting. The share exchange ratio or purchase price in principle must not be arbitrarily altered, however, this does not apply to terms/conditions that the contract stipulates may be altered and that have been publicly disclosed. The conditions for changing the share exchange ratio or the purchase price are as follows:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
2. An action, such as a disposal of major assets, that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

(IV) The contract should contain: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract for companies participating in the merger, demerger, acquisition, or transfer of shares must also specify the following matters.

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

4. The manner of handling changes in the number of participating entities or companies.
 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (V) When there is a change in the number of companies participating in the merger, demerger, acquisition, or transfer of shares: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (VI) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company shall sign an agreement with the non-public company, and shall convene a board meeting on the date in accordance with Paragraph 2, Subparagraph (1) of this Article, the prior commitment to confidentiality in accordance with Subparagraph (2), and handle changes in the number of companies participating in the merger, demerger, acquisition, or transfer of shares in accordance with Subparagraph (5).

Article 13 Information Disclosure Procedure

- I. Under any of the following circumstances, when the Company is acquiring or disposing of assets, it shall publicly announce and report the relevant information on the designated website of the competent authority in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
 - (I) Acquisition or disposal of real property or other right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related

party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more. provided, this may not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- (IV) Where the type of asset of equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (V) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. provided, this shall not apply to the following circumstances:
 - 1. Trading of domestic government bonds.
 - 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by

its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions specified in the preceding paragraph shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

Within the preceding year as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedure need not be counted toward the transaction amount.

II. Public announcement and regulatory filing procedures

- (I) The Company shall publish relevant information on the website designated by the competent authority for announcement and declaration.
- (II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authority by the 10th day of each month.
- (III) When the Company makes an error or omission in an item required by regulations to be publicly announced, all the items shall be properly corrected and publicly announced in entirety within 2 days upon knowledge of its error or omission.

- (IV) When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of the certified public accountant, attorney and securities underwriter at the Company headquarters, where they shall be retained for five years, except where otherwise provided by laws and regulations.
- (V) If the following situations arise after the Company has announced or reported transactions according to the preceding article, the Company shall announce and report such matters within two days on the website specified by the competent authority:
 - 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 - 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - 3. Change to the originally publicly announced and reported information.

Article 14 Subsidiaries of the Company shall comply with the following provisions:

- I. Subsidiaries shall also establish Regulations Governing the Acquisition and Disposal of Assets by Public Companies in accordance with the provisions of the Procedure. After the procedures have been approved by the Board of Directors, they shall be submitted to a General Shareholders' Meeting for approval; the same applies for amendments.
- II. Subsidiary companies shall handle the acquisition or disposal of assets in compliance with the regulations of the Company.
- III. If the subsidiary is not a public company, the parent company shall also handle the announcement and reporting on behalf of the subsidiary if the acquired or disposed assets reach the threshold requiring public announcement and regulatory filing under Article 13, Paragraph 1 of the "Procedure for the Acquisition and Disposal of Assets".
- IV. The paid-in capital or total assets of the public company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches the threshold requiring public announcement and regulatory filing.
- V. For the calculation of 10 percent of total assets under the Procedure, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations

Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT\$10 for the calculation of transaction amounts of 20 percent of paid-in capital under the Procedure, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of the Procedure regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article 15 Other matters

- I. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- (I) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- (II) May not be a related party or de facto related party of any party to the transaction.
- (III) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

- (I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- (II) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The

related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

(III) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.

(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

II. If the managers or head organizers of the Company violate the competent authority's Procedure for the Acquisition and Disposal of Assets, they will be punished in accordance with the regulations of the Company's reward and disciplinary measures.

III. After the Company's "Procedure for the Acquisition and Disposal of Assets" is approved by the Board of Directors, it is submitted to the General Shareholders' Meeting for approval; the same applies to amendments thereof. If a Director expresses objection and records or written statements are available, the Company shall submit information regarding the Director's objection to the Audit Committee. When the transactions in the Company's acquisition or disposal of assets is proposed for discussion by the Board of Directors in accordance with the Procedure for the Acquisition and Disposal of Assets, Independent Directors' opinions must also be fully taken into consideration. Any objections or qualified opinions made by Independent Directors must be detailed in Board meeting minutes.

IV. Any other matters not set forth in the Procedure shall be handled in accordance with relevant laws and regulations.

V. The Procedure was formulated on Sunday, December 7, 1997.

Revised on June 24, 2003.

Revised on June 24, 2004.

Revised on November 5, 2004.

Revised on June 15, 2006.

Revised on June 15, 2007.

Revised on June 18, 2009.

Revised on June 27, 2012.

Revised on June 27, 2014.

Revised on June 24, 2016.

Revised on May 26, 2017.

Revised on May 25, 2018.

Revised on May 31, 2019.

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 29th, 2022

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 29th, 2022

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 : Hung-Kang Lin			
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	Wen-Yi Fan	0	0.00	

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