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

## **2023 Annual Shareholders' Meeting**

### **Meeting Agenda**

**Meeting Time : May 26<sup>th</sup>, 2023**

Shareholders meeting will be held by means of physical  
shareholders meeting

**PLACE :**

3<sup>rd</sup>F., No.1, Chien-Kuo Rd., Tanzi Dist., Taichung City  
42760, Taiwan (R.O.C.)  
(Recreation Room of Taichung Export Processing Zone)

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# Globe Union Industrial Corp.

Year 2023

## Meeting Procedure of Annual Shareholders' Meeting

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

**Globe Union Industrial Corp.**

**Year 2023**

**Agenda of Annual Shareholders' Meeting**

- I. Time : 9:30 a.m., Friday, May 26<sup>th</sup>, 2023
- II. Place : 3<sup>rd</sup>F., No.1, Chien-Kuo Rd., Tanzi Dist., Taichung City 42760,  
Taiwan (R.O.C.)  
(Recreation Room of Taichung Export Processing Zone)
- 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 FY2022 Business Performance.
  - 2. Audit Committee's Review Report on the FY 2022 audited Financial Statements.
  - 3. FY2022 Directors' and employees' profit sharing.
- VII. Matters for Ratification :
  - 1. Recognition of FY 2022 Business Report and Financial Statement.
  - 2. Recognition of FY 2022 Deficit Compensation.
- VIII. Matters for Discussion :
  - 1. Amendment to the Company's "Articles of Incorporation."
- IX. Elections
  - Election of 1 Independent Director.
- X. Other Motion
  - Release Non-Competition restriction from the Director elected.
- XI. Extemporaneous Motions
- XII. Adjournment

I. Report Items :

Report No. 1 :

Management Report on the FY 2022 Company's Business Performance.

Explanatory Notes : Please refer to p.7, Attachment 1.

Report No. 2 :

Audit Committee's Review Report on the FY 2022 audited Financial Statements.

Explanatory Notes : Please refer to p.9, Attachment 2.

Report No. 3 :

FY2022 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) In fiscal year 2022, the Company financial statement is with net loss, therefore, no remuneration is proposed to distribute to the Directors and employee.

The proposals have been approved by the Remuneration Committee on March 7<sup>th</sup>, 2023.

## II. Matters for Ratification :

### Matter No. 1 :

Recognition of FY 2022 Business Report and Financial Statement.  
(Proposed by the Board of Directors)

#### Explanatory Notes :

(1)The Company's FY 2022 Business Report (please refer to p.7, Attachment 1) and Financial Statements (as for the Consolidated and Parent Company Only Financial Statements, please refer to p.10, Attachment 3) have been approved by the Board of Directors and audited by the Ernst & Young, Taiwan, and reviewed by the Audit Committee.

(2)Submit for approval.

#### Resolution :

### Matter No. 2 :

Recognition of FY 2022 Deficit Compensation. (Proposed by the Board of Directors)

#### Explanatory Notes :

(1) The Company's deficit to be compensated is NTD691,191,621, therefore the Company proposed not to distribute dividends. In addition, the Company proposed to use legal reserve to cover loss. After using legal reserve to cover loss, the Company's deficit to be compensated is NTD0. Please refer to to p.32, attachment 4 for the deficit compensation statement.

(2) Submit for approval.

#### Resolution :

### III. Matters for Discussion :

#### Matter No. 1 :

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

#### Explanatory Notes :

- (1) In accordance with the revision of Article 172-2 of Company Act, propose to amend Company's "Article of Incorporation".
- (2) Comparisons for Amendment to the Article of Incorporation. (Please refer to p.33, Attachment 5)
- (3) Submit for approval.

#### Resolution :

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

To conduct election of the Company's independent director :

#### Explanatory Notes:

1. For the need of Company's operation and follow the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", propose to elect one additional seat of Independent directors.
2. The term of the 18<sup>th</sup> Directors elected will be from May 26<sup>th</sup>, 2023 to August 1<sup>st</sup>, 2024.
3. The nominated candidate list has been examined and approved by The 18<sup>th</sup> Session of Board of Directors in the 15<sup>th</sup> meeting held April 13<sup>th</sup>, 2023. List as below,

Name	Education	Experience	Held shares
Arthur Hsu	Department of Business Administration, Fu Jen Catholic University	1. Chairman of The THAI KIN CO., LTD. 2. Chairman of The Royal Finishing Co., Ltd.	0

4. Please vote.

#### Election Result :

## V. Other Proposals

Propose to release Noncompetition restriction for the Independent Director elected.

Explanatory Notes:

1. In pursuance of Article 209 of the Company's Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. Propose to release the Independent Director elected from such restriction for who might be taking positions as managers or directors in the same Scope of the Company's business, so the Directors can contribute his or her knowledge and experience to the Company. The Company propose to submit this motion in accordance of law and regulation to the Shareholder Meeting for approval.
3. Release of restriction from non-compete for Newly-elected Independent Director listed

Position	Name	Company *	remark
Independent Director	Arthur Hsu	THAI KIN CO., LTD. Royal Finishing Co., Ltd.	Chairman

4. Submit for approval.

Resolution :

## VI. Extemporaneous Motions

## VII. Adjournment



## **Attachment 1**

### **Globe Union Industrial Corp. Management Report**

2022 marked a critical year for Globe Union's transformation in manufacturing. On July 10, 2022, we announced that our important subsidiary in Shenzhen (Shenzhen Globe Union Enterprise Co., Ltd.) would be relocating to a new plant, "Globe Union Ann Bo Manufacturing Co., Ltd.". In response of this relocation, the Company has recognized a one-time cumulative loss including compensations for employee turnover and relevant asset impairments, reaching NT\$1.06 billion. As a result, the net loss after tax reached NT\$888 million, which led to a negative EPS of (NT\$2.48).

This plant relocation has an one off financial impact to shareholders, employees, and all stakeholders who have supported us for so many years. Nevertheless, we have also seen opportunities to realize our long-term benefits in the future in this decision. After pondering long and hard over the Group's developmental strategies, I believe that this is a critical move in the Group's manufacturing transformation in faucet manufacturing. After the relocation, we will be able to strategically and flexibly address an operating environment that is dramatically different from anything we have seen over the past 40 years.

We will continue to retain and develop the skills the Company has acquired over the years, including 1) the faucet hardware products and process R&D; 2) quality control; and 3) supply chain management skills. As a part of this strategy, we will outsource mature processes and components to strategic suppliers, while the Company will focus on technical product R&D and assembly to ensure quality, thereby accelerating the differentiation of our technologies and enhance the resilience and flexibility of suppliers. The Group's faucet hardware will transition toward an asset-light strategy model with flexibility in supply, and will be aligned with another one of our core competencies - the highly competitive ceramic products, to precisely and rapidly cater to market and customer demand.

After implementing operating adjustments for some time, optimizing our financial structure, and fortifying strong development conditions and foundations, we have firmly and surely realized our strategy of integrating faucet hardware with ceramic products. We will fulfill our vision of expanding the GERBER brand - currently available only to

wholesale market - to the retail channels, thereby creating substantial return for shareholders, employees, and stakeholders.

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

Chairman:  
Shane Ouyang

Manager:  
Todd Alex Talbot

Accounting supervisor:  
Ying-Fan Chen

## **Attachment 2**

### **Globe Union Industrial Corp.**

#### **Audit Committee Audit Report**

The Board of Directors has prepared and submitted the 2022 business report, financial statements, and deficit compensation. Ernst & Young audited the financial statements and submitted an audit report. The Audit Committee has reviewed the business report, financial statements, and the deficit compensation proposal and did not find any instances of noncompliance. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, it is hereby submitted for your review and perusal.

Globe Union Industrial Corp.

Chairperson of the Audit Committee : Young-Sheng Hsu

April 13, 2023

## **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 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, 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 2022 and 2021, and their consolidated financial performance and cash flows for the years ended 31 December 2022 and 2021, 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 and became effective 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2022 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 2022, the goodwill was carried at NT\$680,469 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 2022, the net inventories amounted to NT\$4,788,457 thousand, which accounted for 29% 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 2022 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 2022 and 2021.

Huang Yu Ting

Chen Ming Hung

Ernst & Young, Taiwan  
7 March 2023

### 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 2022 and 31 December 2021  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at	
		31 Dec 2022	31 Dec 2021
Current assets			
Cash and cash equivalents	4, 6(1)	\$2,271,437	\$2,281,297
Financial assets at fair value through profit or loss, current	4, 6(2)	19,862	10,973
Financial assets measured at amortized cost, current	4, 6(3), 8	171,070	106,445
Accounts receivable, net	4, 5, 6(4), 8	2,565,843	2,879,295
Inventories, net	4, 5, 6(5), 8	4,788,457	4,289,152
Prepayment	6(6)	184,476	175,556
Other current assets		607,907	729,061
Total current assets		<u>10,609,052</u>	<u>10,471,779</u>
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(7)	27,960	36,480
Investments accounted for under the equity method	4, 6(8)	19,047	20,090
Property, plant and equipment	4, 6(9), 8	2,311,704	2,419,829
Right-of-use assets	4, 6(23)	2,328,096	2,117,441
Intangible assets	4, 6(10)	52,631	30,342
Goodwill	4, 5, 6(10) (11)	680,469	683,574
Deferred tax assets	4, 5, 6(27)	322,514	192,706
Deposits-out		27,282	34,137
Other non-current assets	6(12)	223,070	168,442
Total non-current assets		<u>5,992,773</u>	<u>5,703,041</u>
Total assets		<u>\$16,601,825</u>	<u>\$16,174,820</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 2022 and 31 December 2021  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 Dec 2022	31 Dec 2021
Current liabilities			
Short-term loans	4, 6(13)	\$1,777,167	\$2,159,121
Financial liabilities at fair value through profit or loss, current	4, 6(14)	6,102	3,500
Contract liabilities, current	6(21)	665	2,806
Notes payable		69,539	58,788
Accounts payable		1,888,505	2,177,220
Other payables	6(15)	228,202	253,750
Accrued expenses	6(16)	1,841,423	1,343,849
Current tax liabilities	4	74,413	72,518
Lease liabilities, current	4, 6(23)	354,880	248,831
Current portion of long-term loans	4, 6(17)	330,000	519,947
Other current liabilities		50,698	46,714
Total current liabilities		<u>6,621,594</u>	<u>6,887,044</u>
Non-current liabilities			
Long-term loans	4, 6(17)	2,810,000	1,710,000
Deferred tax liabilities	4, 5, 6(27)	11,838	15,057
Lease liabilities, non-current	4, 6(23)	2,183,928	1,988,523
Other non-current liabilities		266,316	389,375
Net defined benefit obligation, non-current	4, 6(18)	34,345	12,136
Total non-current liabilities		<u>5,306,427</u>	<u>4,115,091</u>
Total liabilities		<u>11,928,021</u>	<u>11,002,135</u>
Equity attributable to the parent company	4, 6(19)		
Capital			
Common stock		3,581,640	3,581,640
Advance receipts for common stock		3,100	-
Total capital		<u>3,584,740</u>	<u>3,581,640</u>
Capital surplus		<u>887,844</u>	<u>877,995</u>
Retained earnings			
Legal reserve		892,412	886,922
Special reserve		902,450	852,940
(Accumulated Deficits) retained earnings		(914,871)	55,000
Total retained earnings		<u>879,991</u>	<u>1,794,862</u>
Other components of equity			
Exchange differences on translation of foreign operations		(675,531)	(1,087,092)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		(3,240)	5,280
Total other components of equity		<u>(678,771)</u>	<u>(1,081,812)</u>
Total equity		<u>4,673,804</u>	<u>5,172,685</u>
Total liabilities and equity		<u>\$16,601,825</u>	<u>\$16,174,820</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 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended 31 December	
	Notes	2022	2021
Net sales	6(21)	\$20,211,011	\$19,491,355
Cost of sales	6(5) (24)	(15,247,819)	(14,692,318)
Gross profit		<u>4,963,192</u>	<u>4,799,037</u>
Operating expenses	6(23) (24)		
Selling and marketing		(2,035,670)	(1,930,816)
General and administrative		(3,390,531)	(2,450,474)
Research and development		(221,388)	(245,774)
Expected credit losses	6(22)	(12,482)	(14,369)
Total operating expenses		<u>(5,660,071)</u>	<u>(4,641,433)</u>
Operating (loss) income		<u>(696,879)</u>	<u>157,604</u>
Non-operating income and expenses	6(25)		
Other revenue		150,157	115,156
Other gains and losses		(136,052)	80,731
Financial costs		(212,716)	(176,954)
Share of profit or loss of associates and joint ventures	4, 6(8)	(1,353)	(133)
Total non-operating income and expenses		<u>(199,964)</u>	<u>18,800</u>
(Loss) income from continuing operations before income tax		<u>(896,843)</u>	<u>176,404</u>
Income tax benefit (expense)	4, 5, 6(27)	7,969	(163,607)
(Loss) income from continuing operations, net of tax		<u>(888,874)</u>	<u>12,797</u>
Other comprehensive loss	6(26)		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(32,288)	68,319
Unrealized gains or losses on financial assets at fair value through other comprehensive income		(8,520)	(2,520)
Income tax related to items that may not be reclassified subsequently to profit or loss		6,291	(26,208)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		411,251	(226,184)
Share of other comprehensive of associates and joint ventures	6(8)	310	(168)
Total other comprehensive income (loss), net of tax		<u>377,044</u>	<u>(186,761)</u>
Total comprehensive loss		<u><u>\$(511,830)</u></u>	<u><u>\$(173,964)</u></u>
Net (loss) income attributable to:			
Stockholders of the parent		\$(888,874)	\$12,797
Non-controlling interests		-	-
		<u><u>\$(888,874)</u></u>	<u><u>\$12,797</u></u>
Comprehensive loss attributable to:			
Stockholder of the parent		\$(511,830)	\$(173,964)
Non-controlling interests		-	-
		<u><u>\$(511,830)</u></u>	<u><u>\$(173,964)</u></u>
(Losses) earnings per share (NTD)	6(28)		
(Losses) earnings per share-basic		<u><u>\$(2.48)</u></u>	<u><u>\$0.04</u></u>
(Losses) earnings per share-diluted		<u><u>\$(2.48)</u></u>	<u><u>\$0.04</u></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 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Equity Attributable to the Parent Company								Total equity
		Capital		Additional Paid-in Capital	Retained Earnings			Other components of equity		
		Common Stock	Advance Receipts for Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	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 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
Balance as at 1 Jan 2022	6(19)	\$3,581,640	\$ -	\$877,995	\$886,922	\$852,940	\$55,000	\$(1,087,092)	\$5,280	\$5,172,685
Appropriations of earnings, 2021:										
Legal reserve					5,490		(5,490)			-
Special reserve						49,510	(49,510)			-
Net loss in 2022							(888,874)			(888,874)
Other comprehensive income (loss), net of tax in 2022							(25,997)	411,561	(8,520)	377,044
Total comprehensive income (loss)							(914,871)	411,561	(8,520)	(511,830)
Share-based payment transactions-Exercise of employee stock option (Note)	6(20)		3,100							3,100
Share-based payment transactions-Share-based payment expense	6(20)			9,849						9,849
Balance as at 31 Dec 2022	6(19)	\$3,581,640	\$3,100	\$887,844	\$892,412	\$902,450	\$(914,871)	\$(675,531)	\$(3,240)	\$4,673,804

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

Note : The Company issued employee share option in 2020. During the year of 2022, employees converted their options into 250,000 shares at NT\$12.4 per share. Total consideration received was \$3,100 thousand.

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended 31 December 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December 2022	2021
Cash flows from operating activities:			
Net (loss) income before tax		\$(896,843)	\$176,404
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation		738,028	707,317
Amortization		16,221	24,454
Expected credit losses		12,482	14,369
Net loss (gain) of financial assets/liabilities at fair value through profit or loss		77,640	(101,843)
Interest expense		212,716	176,954
Interest income		(58,608)	(25,947)
Dividends income		(1,920)	(2,694)
Share-based payment expense		9,849	8,454
Share of profit or loss of associates and joint ventures		1,353	133
Loss on disposal of property, plant and equipment		12,904	3,305
Gain on lease modification		(184)	(34,432)
Impairment loss on non-financial assets		139,296	-
Changes in operating assets and liabilities:			
Financial assets/liabilities at fair value through profit or loss, current		(83,927)	122,496
Accounts receivable		457,688	13,658
Inventories, net		(243,692)	(1,001,805)
Prepayments		13,734	40,735
Other current assets		121,154	(21,795)
Other non-current assets		(54,628)	(92,934)
Notes payable		10,751	(1,481)
Accounts payable		(326,425)	(452,026)
Other payables		470,663	128,059
Contract liabilities, current		(2,141)	(2,352)
Other current liabilities		3,431	(13,673)
Defined benefit obligation		(9,526)	(45,532)
Other non-current liabilities		(123,059)	(153,773)
Cash generated from (used in) operations		<u>496,957</u>	<u>(533,949)</u>
Interest received		58,608	25,947
Interest paid		(211,353)	(177,205)
Income tax paid		<u>(116,872)</u>	<u>(167,072)</u>
Net cash generated from (used in) operating activities		<u>227,340</u>	<u>(852,279)</u>

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

(Continued)

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended 31 December 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

		For the Years Ended 31 December	
	Notes	2022	2021
(Continued)			
Cash flows from investing activities:			
Acquisition of property, plant and equipment		\$(307,913)	\$(211,917)
Disposal of property, plant and equipment		24,662	1,209
Decrease in deposits-out		6,855	444
Financial assets measured at amortized cost, current		(64,625)	39,844
Acquisition of intangible assets		(16,870)	(17,396)
Dividends received		1,920	2,694
Net cash used in investing activities		<u>(355,971)</u>	<u>(185,122)</u>
Cash flows from financing activities:			
Increase in short-term loans		4,571,996	2,716,233
Decrease in short-term loans		(4,953,950)	(2,049,832)
Increase in long-term loans		2,760,000	530,000
Decrease in long-term loans		(1,849,947)	(1,002,627)
Cash dividends		-	(179,082)
Decrease in lease liabilities		(337,653)	(346,371)
Exercise of employee stock option		3,100	-
Net cash generated from (used in) financing activities		<u>193,546</u>	<u>(331,679)</u>
Effect of changes in exchange rate on cash and cash equivalents		<u>(74,775)</u>	<u>78,058</u>
Net decrease in cash and cash equivalents		(9,860)	(1,291,022)
Cash and cash equivalents at beginning of period	6(1)	<u>2,281,297</u>	<u>3,572,319</u>
Cash and cash equivalents at end of period		<u><u>\$2,271,437</u></u>	<u><u>\$2,281,297</u></u>

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

## **REPORT OF INDEPENDENT ACCOUNTANTS**

### **English Translation of a Report Originally Issued in Chinese**

To Globe Union Industrial Corp.

#### **Opinion**

We have audited the accompanying parent company only balance sheets of Globe Union Industrial Corp. (the “Company”) as at 31 December 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, 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 2022 and 2021, and its parent company only financial performance and cash flows for the years ended 31 December 2022 and 2021, 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 the Standards on Accounting of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2022 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\$8,654,909 thousand, accounting for 76% 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 \$4,788,457 thousand, accounting for 29% of the total consolidated 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 2022 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  
Chen Ming Hung

Ernst & Young, Taiwan  
7 March 2023

#### 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

GLOBE UNION INDUSTRIAL CORP.  
PARENT COMPANY ONLY BALANCE SHEETS  
31 December 2022 and 31 December 2021  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at	
		31 Dec 2022	31 Dec 2021
Current assets			
Cash and cash equivalents	4, 6(1)	\$195,936	\$74,693
Financial assets at fair value through profit or loss, current	4, 6(2)	19,594	10,149
Accounts receivable, net	4, 5, 6(3)	297,844	512,429
Accounts receivable, net- Related parties	4, 6(3), 7	1,376,890	1,001,060
Other receivables	7	316,030	472,047
Inventories, net	4, 5, 6(4)	285,725	526,742
Prepayment	6(5)	33,471	57,506
Other current assets		10,276	10,628
Total current assets		<u>2,535,766</u>	<u>2,665,254</u>
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(6)	27,960	36,480
Investments accounted for under the equity method	4, 6(7)	8,654,909	9,629,805
Property, plant and equipment	4, 6(8)	69,901	69,537
Right-of-use assets	4, 6(20)	1,232	2,588
Intangible assets	4, 6(9)	2,621	2,114
Deferred tax assets	4, 6(24)	33,928	32,855
Other non-current assets		3,518	1,415
Total non-current assets		<u>8,794,069</u>	<u>9,774,794</u>
Total assets		<u>\$11,329,835</u>	<u>\$12,440,048</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 2022 and 31 December 2021  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 Dec 2022	31 Dec 2021
Current liabilities			
Short-term loans	4, 6(10)	\$1,442,290	\$1,938,769
Financial liabilities at fair value through profit or loss, current	4, 6(11)	774	1,745
Contract liabilities, current	4, 6(18)	269	2,797
Accounts payable		47,561	110,155
Accounts payable- Related parties	7	1,589,452	2,545,778
Other payables	6(12), 7	145,281	103,683
Accrued expenses	6(13), 7	190,858	262,238
Current tax liabilities	4, 6(24)	72,439	48,243
Lease liabilities, current	4, 6(20)	887	1,995
Current portion of long-term loans	4, 6(14)	330,000	510,000
Other current liabilities		4,863	5,465
Total current liabilities		3,824,674	5,530,868
Non-current liabilities			
Long-term loans	4, 6(14)	2,810,000	1,710,000
Deferred tax liabilities	4, 6(24)	13,126	11,287
Lease liabilities, non-current	4, 6(20)	322	569
Other non-current liabilities		-	128
Net defined benefit obligation, non-current	4, 6(15)	7,909	14,511
Total non-current liabilities		2,831,357	1,736,495
Total liabilities		6,656,031	7,267,363
Equity attributable to the parent company	4, 6(16)		
Capital			
Common stock		3,581,640	3,581,640
Advance receipts for common stock		3,100	-
Total capital		3,584,740	3,581,640
Capital surplus		887,844	877,995
Retained earnings			
Legal reserve		892,412	886,922
Special reserve		902,450	852,940
(Accumulated deficits) retained earnings		(914,871)	55,000
Total retained earnings		879,991	1,794,862
Other components of equity			
Exchange differences on translation of foreign operations		(675,531)	(1,087,092)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		(3,240)	5,280
Total other components of equity		(678,771)	(1,081,812)
Total equity		4,673,804	5,172,685
Total liabilities and equity		\$11,329,835	\$12,440,048

(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 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended 31 December	
	Notes	2022	2021
Net sales	4, 6(18), 7	\$10,006,765	\$10,128,556
Cost of sales	6(4), 7	(9,252,811)	(9,777,184)
Gross profit		753,954	351,372
Unrealized intercompany profit		(365,272)	(256,437)
Realized intercompany profit		256,437	302,779
Gross profit		645,119	397,714
Operating expenses	6(21), 7		
Selling and marketing		(235,409)	(218,550)
General and administrative		(268,570)	(226,063)
Research and development		(61,625)	(69,836)
Total operating expenses		(565,604)	(514,449)
Operating income (loss)		79,515	(116,735)
Non-operating income and expenses	6(22)		
Other revenue		14,719	23,343
Other gains and losses		(23,564)	86,798
Financial costs		(65,697)	(47,808)
Share of profit of subsidiaries, associates and joint ventures	4, 6(7)	(844,118)	115,731
Total non-operating income and expenses		(918,660)	178,064
(Loss) income from continuing operations before income tax		(839,145)	61,329
Income tax expense	6(24)	(49,729)	(48,532)
(Loss) income from continuing operations, net of tax		(888,874)	12,797
Other comprehensive loss	6(7)(15)(23)		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		6,854	4,208
Unrealized gains or losses on financial assets at fair value through other comprehensive income		(8,520)	(2,520)
Share of other comprehensive (loss) income accounted for using the equity method-remeasurements of defined benefit plans		(31,480)	38,744
Income tax related to items that may not to be reclassified subsequently to profit or loss		(1,371)	(841)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		411,561	(226,352)
Total other comprehensive (loss) income, net of tax		377,044	(186,761)
Total comprehensive loss		<u>\$(511,830)</u>	<u>\$(173,964)</u>
(Losses) earnings per share (NTD)	6(25)		
(Losses) earnings per share-basic		<u>\$(2.48)</u>	<u>\$0.04</u>
(Losses) earnings per share-diluted		<u>\$(2.48)</u>	<u>\$0.04</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 2022 and 2021  
(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 (Accumulated Deficits)	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 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 (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(17)			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
Balance as at 1 Jan 2022		\$3,581,640	\$ -	\$877,995	\$886,922	\$852,940	\$55,000	\$(1,087,092)	\$5,280	\$5,172,685
Appropriations of earnings, 2021:										
Legal reserve					5,490		(5,490)			-
Special reserve						49,510	(49,510)			-
Net loss in 2022							(888,874)			(888,874)
Other comprehensive income (loss), net of tax in 2022							(25,997)	411,561	(8,520)	377,044
Total comprehensive income (loss)							(914,871)	411,561	(8,520)	(511,830)
Share-based payment transactions-Exercise of employee stock option (Note)			3,100							3,100
Share-based payment transactions-Share-based payment expense	6(17)			9,849						9,849
Balance as at 31 Dec 2022	6(16)	\$3,581,640	\$3,100	\$887,844	\$892,412	\$902,450	\$(914,871)	\$(675,531)	\$(3,240)	\$4,673,804

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

Note: The Company issued employee share option in 2020. During the year of 2022, employees converted their options into 250,000 shares at NT\$12.4 per share. Total consideration received was \$3,100 thousand.

GLOBE UNION INDUSTRIAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the Years Ended 31 December 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended 31 December	
Notes	2022	2021
Cash flows from operating activities:		
Net (loss) income before tax	\$(839,145)	\$61,329
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	12,656	13,543
Amortization	1,107	10,326
Net loss (gain) of financial assets/liabilities at fair value through profit or loss	79,097	(99,760)
Interest expense	65,697	47,808
Interest income	(5,251)	(6,383)
Dividends income	(1,920)	(2,694)
Share-based payment expense	4,147	4,252
Share of profit or loss of subsidiaries, associates and joint ventures	844,118	(115,731)
Gain on disposal of property, plant and equipment	(343)	-
Gain of unrealized intercompany profit	365,272	256,437
Gain of realized intercompany profit	(256,437)	(302,779)
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss, current	(89,513)	122,446
Accounts receivable	(161,245)	(38,000)
Other receivables	156,017	(247,591)
Inventories, net	241,017	(232,057)
Prepayments	24,035	4,635
Other current assets	352	10,688
Other non-current assets	(2,090)	801
Accounts payable	(1,018,920)	292,913
Other payables	41,598	83,433
Accrued expenses	(72,743)	39,469
Contract liabilities, current	(2,528)	680
Other current liabilities	(602)	(6,719)
Defined benefit obligation	252	217
Other non-current liabilities	(128)	(35)
Cash used in operations	(615,500)	(102,772)
Interest received	5,251	6,383
Interest paid	(64,334)	(48,059)
Income tax paid	(26,138)	(34,458)
Net cash used in operating activities	(700,721)	(178,906)

(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 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the Years Ended 31 December	
		2022	2021
(Continued)			
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(10,710)	(8,318)
Disposal of property, plant and equipment		343	-
Acquisition of intangible assets		(1,614)	(1,501)
Acquisition of investments accounted for under the equity method		(231,026)	(3,270)
Increase in deposits-out		(13)	-
Dividends received		640,672	2,694
Net cash generated from (used in) investing activities		397,652	(10,395)
Cash flows from financing activities:			
Increase in short-term loans		4,457,471	2,495,881
Decrease in short-term loans		(4,953,950)	(1,892,112)
Increase in long-term loans		2,760,000	530,000
Decrease in long-term loans		(1,840,000)	(960,000)
Cash dividends		-	(179,082)
Decrease in lease liabilities		(2,309)	(1,567)
Exercise of employee stock option		3,100	-
Net cash generated from (used in) financing activities		424,312	(6,880)
Net increase (decrease) in cash and cash equivalents		121,243	(196,181)
Cash and cash equivalents at beginning of period	6(1)	74,693	270,874
Cash and cash equivalents at end of period		\$195,936	\$74,693

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

## Attachment 4

### Globe Union Industrial Corp. Deficit Compensation Statement Year 2022

Unit: NTD '0

Items	Total
Unappropriated retained earnings of prior years	0
Less: Other comprehensive income- remeasurements of defined benefit plans	(25,996,558)
Less: 2022 Net loss after tax	(888,874,176)
Subtotal	(914,870,734)
Less: Legal reserve	0
Plus: Special reserve	223,679,113
Deficit to be compensated	(691,191,621)
Items for compensating deficit	
Legal reserved used to cover deficits	691,191,621
Unappropriated retained earnings at year-end	0

Note 1 : At year-end Y2022, the Company's deficit to be compensated is NTD691,191,621 and legal reserve is NTD892,412,690. The Company proposed to use legal reserve to cover loss. After using legal reserve to cover loss, the Company's legal reserve is NTD201,221,069 and deficit to be compensated is NTD0.

Note 2 : The Company proposed not to distribute dividends.

Chairman :  
Shane Ouyang

Executive :  
Todd Alex Talbot

Accounting upervisor :  
Ying-Fan Chen

## Attachment 5

### Article of Incorporation Articles Before and After Revisions

After the Revision	Before the Revision	
<p>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.</p> <p><u>The Shareholders' meeting can be held by means of visual communication net work or other methods promulgated by the central competent authority.</u></p> <p><u>In case a shareholders' meeting is proceeded via visual communication network, then the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</u></p>	<p>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.</p>	

After the Revision	Before the Revision	
<p><u>The above two provisions are subject to the provisions separately prescribed by the competent authority in charge of securities affairs, such provisions shall prevail.</u></p>		
<p>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 32nd amendment was made on May 29, 2020.  The 33rd amendment was made on August 2, 2021.  <u>The 34th amendment will made on May 26, 2023.</u></p>	<p>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 32nd amendment was made on May 29, 2020.  The 33rd amendment was made on August 2, 2021.</p>	

## Appendix 1

### Globe Union Industrial Corp.

#### 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

### Globe Union Industrial Corp.

#### Director Election Rules

- Article 1: Election of the Company's directors shall be conducted in accordance with the provisions of these Rules.
- Article 2: Directors shall be elected using the cumulative voting method. Electors' attendance pass numbers may be printed on ballots in lieu of the names of those electors. Each share has voting rights equal to the number of directors to be elected, and votes may be cast for a single candidate or split among multiple candidates.
- Article 3: The number of directors to be elected shall be in accordance with the number of director positions stipulated in the Company's Articles of Association. The voting rights shall be calculated separately for independent directors and non-independent directors position. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. In situations where there are two or more candidates with the same number of votes but who exceed the number of positions to accommodate them, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance.
- Shareholders may exercise their voting rights in writing or electronically; exercise voting rights in writing or electronically; The method of exercising voting rights is specified in the notice of the General Shareholders' Meeting.
- Article 3-1: Directors of the Company shall adopt a nomination system in accordance with the Company's Articles of Association, and the General Shareholders' Meeting shall elect persons for the director positions from the candidate list.
- The election of independent directors and of non-independent directors shall be conducted simultaneously, and the numbers of which shall be calculated separately.
- Article 4: When an election begins, the Chair shall assign several ballot monitors and counting personnel who shall with shareholder status to perform their respective tasks.
- Article 5: The ballots shall be prepared and distributed by the Company. The voting rights corresponding to each attendance pass number shall be printed on the ballots.
- Article 6: (Deleted)
- Article 7: Ballots shall be invalidated where any of the following circumstances apply:
- I. The ballot was not prepared by a person with the right to convene.
  - II. Blank ballots are placed in the ballot box.

- III. The handwriting on ballots is illegible or has been altered.
- IV. Other words or marks are entered in addition to the number of voting rights allotted.
- V. The candidate whose name is entered in the ballot does not conform to the director candidate list.

Article 8: The voting rights shall be calculated on site immediately after the end of the poll, and the result of the calculation, including the list of persons elected as directors and the numbers of votes with which they are elected, shall be announced by the chair on the site.

Article 9: Deleted.

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

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

The Rules were formulated on April 19, 1997.

Revised on June 28, 2002.

Revised on June 27, 2014.

Revised on May 25, 2018.

Revised on August 2, 2021.

## 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 28<sup>th</sup>, 2023

Director(s)	The Actual Number of Shares	The Minimum Shareholding
4 persons of Ming-Ling Co., Ltd.	37,974,032	13,069,246

#### 2.The Current Shareholding of All Directors

Record Date : March 28<sup>th</sup>, 2023

Title	Name	Current Shareholding (Shares)		Remark
		Shares	Shareholding ratio(%)	
Chairman	Ming-Ling Co., Ltd. Representative : Shane Ouyang	37,974,032	9.29	
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 408,413,962 shares.