



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



2023 ANNUAL SHAREHOLDERS' MEETING MINUTES

Time : 9:30 a.m., Friday, May 26th, 2023

Place : 3rdF., No.1, Chien-Kuo Rd., Tanzi Dist., Taichung City 42760, Taiwan (R.O.C.)

(Recreation Room of Taichung Export Processing Zone)

Total outstanding GUIC shares : 408,413,962 shares

Total shares represented by shareholders present in person or by proxy : 230,921,084 shares
(including votes casted electronically 81,257,427 shares).

Percentage of shares held by shareholders present in person or by proxy : 56.54%

Chairperson: Shane Ouyang



Observer : Directors : Shane Ouyang 、 Wen-Hsin Chen

Independent Directors : Young-Sheng Hsu (Convener of the Audit
Committee) 、 Wen-Yi Fan

CPA of Ernest and Young : Yu-Ting Huang

Lawyer of Lee and Li, Attorneys-at-Law : Jack Y. Twu

Recorder : Nancy Shih



The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

I. Chairman's Address(omitted)

II. Report Items:

Report No. 1:

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

Explanatory Notes : Please refer to Attachment 1.

Report No. 2:

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

Explanatory Notes : Please refer to 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 7th, 2023.

III. Matters for Ratification:

Matter No. 1 : (Proposed by the Board of Directors)

Recognition of FY 2022 Business Report and Financial Statement.

Explanatory Notes:

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

Resolution:

Shares represented at the time of voting : 230,921,084 votes

Voting Results *		% of the total represented share present
Votes in favor :	226,952,781 votes (77,335,811 votes)	98.28%
Votes against :	497,298 votes (497,298 votes)	0.21%
Votes invalid :	0 votes (0 votes)	0%
Votes abstained :	(3,471,005 votes) (3,424,318 votes)	1.50%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Matter No. 2 : (Proposed by the Board of Directors)

Recognition of FY 2022 Deficit Compensation.

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 Attachment 4 for the deficit compensation statement.

(2) Submit for approval.

Resolution:

Shares represented at the time of voting : 230,921,084votes

Voting Results *		% of the total represented share present
Votes in favor :	228,146,168 votes (78,529,198 votes)	98.79%
Votes against :	523,933 votes (523,933 votes)	0.22%
Votes invalid :	0 votes (0 votes)	0%
Votes abstained :	2,250,983 votes (2,204,296 votes)	0.97%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

IV. Matters for Discussion:

Matter No. 1 : (Proposed by the Board of Directors)

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 Attachment 5)

(3) Submit for approval.

Resolution:

Shares represented at the time of voting : 230,921,084votes

Voting Results *		% of the total represented share present
Votes in favor :	228,137,370 votes (78,520,400 votes)	98.79%
Votes against :	532,954 votes (532,954 votes)	0.23%
Votes invalid :	0 votes (0 votes)	0%
Votes abstained :	2,250,760 votes (2,204,073 votes)	0.97%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

V. 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 18th Directors elected will be from May 26th, 2023 to August 1st, 2024.
3. The nominated candidate list has been examined and approved by the 18th Session of Board of Directors in the 15th meeting held April 13th, 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 :

Account number or ID number	Account name or name	Votes obtained	Elected	Note
T101XXXXXX	Arthur Hsu	224, 506, 467	✓	Independent Director

VI. 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 :

Shares represented at the time of voting : 230,921,084votes

Voting Results *		% of the total represented share present
Votes in favor :	226,863,722 votes (77,246,752 votes)	98.24%
Votes against :	1,414,303 votes (1,414,303 votes)	0.61%
Votes invalid :	0 votes (0 votes)	0%
Votes abstained :	2,643,059 votes (2,596,372 votes)	1.14%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

VII. Extemporary Motions :

(Questions raised by the shareholder and the management's responses were omitted.)

There being no other business and special motion, upon a motion duly made and seconded, the meeting was adjourned.

VIII. Adjournment : May 26, 2023, at 09:48 a.m.

(This minutes of the 2023 Annual General Shareholders' Meeting stated the meeting and the shareholders' statements briefly. The content, the process and the shareholder's statements of the meeting shall be referred to audio and video conference records.)

(The proportion of the voting rights of shareholders present at the time of voting in favour, objection, invalidity, abstention and non-voting rights shall be calculated as the second unconditional transfer after the decimal point, and therefore there may be a decimal tail difference, resulting in a total of not equal to 100.00%.)

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)	<u>\$3,581,640</u>	<u>\$ -</u>	<u>\$877,995</u>	<u>\$886,922</u>	<u>\$852,940</u>	<u>\$55,000</u>	<u>\$(1,087,092)</u>	<u>\$5,280</u>	<u>\$5,172,685</u>
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)	<u>\$3,581,640</u>	<u>\$3,100</u>	<u>\$887,844</u>	<u>\$892,412</u>	<u>\$902,450</u>	<u>\$(914,871)</u>	<u>\$(675,531)</u>	<u>\$(3,240)</u>	<u>\$4,673,804</u>

(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		<u>3,824,674</u>	<u>5,530,868</u>
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		<u>2,831,357</u>	<u>1,736,495</u>
Total liabilities		<u>6,656,031</u>	<u>7,267,363</u>
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		<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>\$11,329,835</u>	<u>\$12,440,048</u>

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

GLOBE UNION INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended 31 December 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>	