



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

2024 ANNUAL SHAREHOLDERS' MEETING MINUTES

Time : 9:30 a.m., Thursday, May 30th, 2024

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

(Recreation Room of Taichung Export Processing Zone)

Total outstanding GUIC shares : 409,463,962 shares

Total shares represented by shareholders present in person or by proxy : 261,364,459 shares
(including votes casted electronically 159,125,617 shares).

Percentage of shares held by shareholders present in person or by proxy : 63.83%

Chairperson: Shane Ouyang



Observer : Directors : Shane Ouyang 、 Hung-Kang Lin 、 Wen-Hsin Chen

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

CPA of Ernest and Young : Chin-Yuan Tu

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:

2023 Business Reports.

Explanation : The 2023 Business Report is attached as Attachment 1.

Report No. 2:

The Audit Committee's Review Report on the 2023 audited Financial Statements.

Explanation : The 2023 Audit Committee's Review Report is attached as Attachment 2.

Report No. 3:

The 2023 Distribution of Remuneration for Employees and Directors.

Explanatory Notes :

- (1) According to Article 25-1, Section 1, of the Company's Articles of Incorporation "If the Company was profitable during the year, at least 2% of the profit shall be allocated as employee remuneration first, and no more than 2% can be allocated as remuneration for directors and supervisors. However, an amount shall be set aside in advance to compensate for cumulative losses, if any."
- (2) The Company has proposed to allocate NT\$4,095,000 as Directors' FY2023 remuneration and proposed to allocate NT\$21,905,000 as Employees' FY2023 remuneration.
- (3) The remunerations shall be distributed by cash. The proposals have been approved by the Remuneration Committee and the Board of Directors on March 11st, 2024.

Report No. 4 :

Report on the 2023 Distribution of Cash Dividends from Earnings.

Explanation :

- (1) In accordance with the Company's Articles of Incorporation, the Board of Directors shall be authorized to distribute the stock dividends in cash and report to the shareholders' meeting.
- (2) The board of directors has approved the distribution of cash dividends of NT\$1.2 per share, the total dividend distributed is NTD\$491,356,754, the calculation should round to dollar. The fractional shares from cash dividend distribution shall transfer to employee welfare committee. The chairman of the board of directors is authorized to set the ex-dividend base date and related schedule. The Chairman of the Board shall also be authorized to amend the rate of cash dividend distributed to shareholders, if any events that affect the number of outstanding shares of the company.

Report No. 5 :

Report on the 2023 Remuneration of Directors.

Explanation :

The Director's remuneration shall be distributed in accordance with the "Articles of Incorporation" of the Company and the "Regulations for the Payment of Remuneration to Directors". The Directors shall receive a fixed remuneration, Transportation allowance; and additional remuneration only if

certain criteria is met when the Company is profitability for the year. Item 1 of Article 25-1 of the “Articles of Incorporation” stipulated if the Company makes a profit in the year, it may allocate no more than 2% of the net profit before tax as directors' remuneration; however, if the company still has accumulated losses, the compensation amount should be reserved. Reasonable remuneration should be given based on the company's operating results and its contribution to the company. The performance evaluation of the relevant board of directors and functional committees has been approved by the 12th Remuneration Committee of the 5th session of the company. The breakdown of the individual remuneration of directors as follows:

Unit: Thousand NTD

Title	Name	Director's remuneration						Ratio of total compensation (A+B+C+D) and to net profit after tax (%)			
		Remuneration (A)		Severance pay and pension (B)		Director's remuneration (C)				Business expenses (D)	
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report(%)
Director	Representative of Ming-Ling Co., Ltd.:										
	Shane Ouyang	3,500	3,500	0	0	954	954	240	360	4,694 0.78%	4,814 0.80%
	Hung-Kang Lin	500	500	0	0	477	477	240	240	1,217 0.20%	1,217 0.20%
	Andrew Yates	500	500	0	0	477	477	150	150	1,127 0.19%	1,127 0.19%
	Wen-Hsin Chen	500	500	0	0	477	477	240	240	1,217 0.20%	1,217 0.20%
Independent Director	Chin-Shan Huang	800	800	0	0	477	477	210	210	1,487 0.25%	1,487 0.25%
	Young-Sheng Hsu	800	800	0	0	477	477	270	270	1,547 0.26%	1,547 0.26%
	Wen-Yi Fan	800	800	0	0	477	477	270	270	1,547 0.26%	1,547 0.26%
	Ta-Chin Hsu	379	379	0	0	279	279	120	120	778 0.13%	778 0.13%

Title	Name	Remuneration for part-time employees						Ratio of total compensation (A+B+C+D+E+F+G) and to net profit after tax(%)		Remuneration from reinvestments other than subsidiaries or the parent company	
		Salary, bonuses, and allowances (E)		Severance pay and pension (F)		Employee remuneration (G)					
								The Company	All companies in the financial report		The Company
Representative of Ming-Ling Co., Ltd.:											
Director	Shane Ouyang	0	0	0	0	0	0	0	4,694 0.78%	4,814 0.80%	0
	Hung-Kang Lin	0	0	0	0	0	0	0	1,217 0.20%	1,217 0.20%	0
	Andrew Yates	0	0	0	0	0	0	0	1,127 0.19%	1,127 0.19%	0
	Wen-Hsin Chen	0	0	0	0	0	0	0	1,217 0.20%	1,217 0.20%	0
	Chin-Shan Huang	0	0	0	0	0	0	0	1,487 0.25%	1,487 0.25%	0
Independent Director	Young-Sheng Hsu	0	0	0	0	0	0	0	1,547 0.26%	1,547 0.26%	0
	Wen-Yi Fan	0	0	0	0	0	0	0	1,547 0.26%	1,547 0.26%	0
	Ta-Chin Hsu	0	0	0	0	0	0	0	778 0.13%	778 0.13%	0

The amount of director's remuneration was approved by the board of directors on March 11, 2024.

III. Proposals:

Matter No. 1 :

Adoption of the 2023 Business Report and Financial Statements.
(Proposed by the Board)

Explanation:

- (1) The Company's FY 2023 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 the Ernst & Young, Taiwan, and reviewed by the Audit Committee.
- (2) Submit for approval.

Resolution:

Shares represented at the time of voting : 261,364,459 votes

Voting Results *		% of the total represented share present
Votes in favor :	218,624,591 votes (132,748,657 votes)	83.64%
Votes against :	280,684 votes (280,684 votes)	0.10%
Votes invalid :	0 votes (0 votes)	0%
Votes abstained :	42,459,184 votes (26,096,276 votes)	16.24%

*including votes casted electronically (numbers in brackets)

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

Matter No. 2 :

Adoption of the Proposal for 2023 Dividend Distribution.
(Proposed by the Board of Directors)

Explanation:

- (1) The 2023 earnings distribution proposal was adopted at the board meeting on March 11, 2024. Please refer to Attachment 4 for the earnings distribution.
- (2) Submit for approval.

Resolution:

Shares represented at the time of voting : 261,364,459 votes

Voting Results *		% of the total represented share present
Votes in favor :	220,022,312 votes (134,146,378 votes)	84.18%

Voting Results *		% of the total represented share present
Votes against :	283,059 votes (283,059 votes)	0.10%
Votes invalid :	0 votes (0 votes)	0%
Votes abstained :	41,059,088 votes (24,696,180 votes)	15.70%

* including votes casted electronically (numbers in brackets)

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

IV. Elections :

The 19th Election of Directors (including 4 Independent Directors) :
(Proposed by the Board of Directors)

Explanation:

1. The term of 18th session of Directors will be expired on August 1st, 2024, the Company shall conduct election for the 9 Directors (including 4 Independent Directors) on the Y2024 shareholders meeting in accordance with the Company's Article of Incorporation, the length of the term shall be 3 years.
2. The term of the 19th Directors elected will be from May 30th, 2024 to May 29th, 2027, for 3 years term, the directors may be eligible for re-election. The incumbent 18th session directors will be dismissed on the date when the newly elected directors take office.
3. The nominated candidate list has been examined and approved by The 18th Session of Board of Directors in the 23th meeting held April 12th, 2024. List as below.

Director Candidates:

Name	Education	Experience	Current position	Shareholding
Ming-Ling Co., Ltd. Representative: Shane Ouyang	M.S. in Marketing, Northwestern University, USA	•Founder and CEO of Venture-G Inc.	•Chairman & CEO of Globe Union Industrial Corp.	37,974,032
Ming-Ling Co., Ltd. Representative: Hung-Kang Lin	MBA, Bernard M. Baruch College, CUNY (City University of New York)	•Director of San-An Biotech Co. Ltd. •Director of Taichung City Private Jumei Social Welfare Charitable Foundation •Country managing	•Independent director, convener of the Audit Committee, and Remuneration Committee member of O-Bank •Independent	37,974,032

Name	Education	Experience	Current position	Shareholding
		partner, Ernst & Young •Partner of Ernst & Young	director, convener of the Audit Committee, and Remuneration Committee member of Johnson Health Tech. Co., Ltd. •Supervisor of Union Mechatronic Inc. •Institutional Director of Panjit International Inc. •Independent director of Samson Holding Ltd.(0531.HK) •Chairman of Ernst & Young Education Foundation, Taipei	
Ming-Ling Co., Ltd. Representative: Ta-Chin Hsu	Department of Business Administration, Fu Jen Catholic University	•Chairman of The THAI KIN CO., LTD.	•Director of The THAI KIN CO., LTD. •Chairman of The Royal Finishing Co., Ltd.	37,974,032
Ming-Ling Co., Ltd. Representative: Yuan-Long Lo	PhD in Physics, University of Washington	•Medifacts Software Engineer •JSR Micro Inc R&D Engineer	•Director of the Board, Cheng Shin Rubber Industry Co. Ltd. •Assistant Manager of Cheng Shin Rubber Industry Co. Ltd.	37,974,032
Ming-Ling Co., Ltd. Representative: Todd Alex Talbot	University of Nevada, BS of Business Administration; Economics	•CEO of Globe Union Industrial Corp. •President, Fluidmaster Inc. •Partner, Mega Western Sales •COO Oldcastle Glass Division of CRH •President of BrassCraft and Alsons Divisions of Masco Sales Manager, Hoyt Water Heater	-	37,974,032

Independent Director Candidates

Name	Education	Experience	Current position	Shareholding
Chien-Chih Sheng	Master in Business Administration (MBA). Drucker School of Management, Claremont Graduate University	<ul style="list-style-type: none"> •VP & Director of Hota Industrial Mfg. Co., Ltd. •Manager of Dong An Investment Co., Ltd 	<ul style="list-style-type: none"> •CEO of Hota Industrial Mfg. Co., Ltd. •CEO of Kao Ho Chuan Kuei Charity Foundation •Director of Hota Industrial Mfg. Co., Ltd. •Director of Kao Fong Machinery Co., Ltd. •Independent Director of Orange Electronic Inc. •Director of World Known Mfg (Cayman) Ltd. •Independent Director of Tan De Tech Co., Ltd. •CEO of Gao He Chungui Charitable Foundation •Member of Chiayi County Industrial and Commercial Development and Investment Promotion Association •Member of the Yunjia South District Enterprise Information Committee, Executive Yuan •Director of the Manufacturers Association of Dapu Mei Precision Machinery Park in Chiayi County •Member of the Review Committee for Industry-Academic Cooperation and Talent Cultivation and Innovation in National Key Areas of the Ministry of Education •The 14th Director of 	0

Name	Education	Experience	Current position	Shareholding
			the Taiwan Science Park Science and Industry Association	
Wen-Yi Fan	Master Degree, Telecommunication, Michigan State University Bachelor Degree, English Literature, Tamkang University	<ul style="list-style-type: none"> •Chief Advisor, Bremen Digital •Managing Director & Partner, AnalogFolk China •Chief Strategic Integrator, Isobar China Group •Regional Business Director, wwwins Isobar Greater China •VP Client Service, J. Walter Thompson Taipei 	-	0
Pi-Ling Hu	Master of Business Administration: Concentration in Finance, Insurance and Real Estate, University of Memphis (Formerly Memphis State University) Bachelor of Economics, National Chengchi University	<ul style="list-style-type: none"> •Project Vice President/Capital Market Div, Taishin Securities Co., Ltd. •Deputy manager of Underwriter, China securities Co., Ltd. •Journalist, Commercial Times •Journalist, Independence Morning Post 	-	0
Hung-Yi Hsiao	<ul style="list-style-type: none"> •PH.D. (Doctor of Law), School of Law, Soochow University •LL.M. (Master of Law), School of Law, National Cheng Kung University •LL.B. (Bachelor of Law), School of Law, Soochow University 	<ul style="list-style-type: none"> •Dean, Office of International & Cross-Strait Academic Exchange, Soochow University •Director of Chunghwa Telecom Co., Ltd. •Independent Director and Chairman of China Electric Appliances Co., Ltd. •Dean, Office of Student Affairs, Soochow University •Committee member, Judges Evaluation Commission, Judicial Yuan 	<ul style="list-style-type: none"> •Dr. Science & Technology Law Institute INSTITUTE FOR INFORMATION INDUSTRY •Committee member, National Judge Personal Information Protection Commission, Judicial Yuan •Senior Strategy Chief of Technology Transfer Foundation Law Center in Industrial Technology Research Institute •Trustee in Taiwan information Security Foundry company board, 	0

Name	Education	Experience	Current position	Shareholding
			<ul style="list-style-type: none"> •Committee member, Prosecutor Review Commission, Ministry of Justice •Director representative appointed by legal persons, China Development Financial Holding Corporation •Professor, School of Law, Soochow University 	

4. Please vote.

Election Result :

Account number or ID number	Account name or name	Votes obtained	Elected	Note
20446	Ming-Ling Co., Ltd. Representative: Shane Ouyang	252,326,026	✓	Director
20446	Ming-Ling Co., Ltd. Representative: Hung-Kang Lin (Hank Lin)	215,196,716	✓	Director
20446	Ming-Ling Co., Ltd. Representative: Ta-Chin Hsu (Arthur Hsu)	211,453,748	✓	Director
20446	Ming-Ling Co., Ltd. Representative: Yuan-Long Lo (Alan Lo)	210,643,155	✓	Director
20446	Ming-Ling Co., Ltd. Representative: Todd Alex Talbot	208,187,440	✓	Director
Independent Director	Chien-Chih Sheng	204,427,682	✓	Independent Director
Independent Director	Wen-Yi Fan	206,162,504	✓	Independent Director
Independent Director	Pi-Ling Hu	207,307,139	✓	Independent Director
Independent Director	Hung-Yi Hsiao	203,858,025	✓	Independent Director

V. Other Matters

Proposal of Release the Prohibition on Directors from Participation in Competition Business.

Explanation:

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 19th session Directors elected from such restriction for who might be taking positions as managers or directors in the same Scope of the Company's business, so the Directors can contribute his or her knowledge and experience to the Company. The Company proposes to submit this motion in accordance of law and regulation to the Shareholder Meeting for approval.
3. Release of restriction from non-compete for Newly-elected Directors listed

Position	Name	Company *	remark
Director	Shane Ouyang	Director of the Globe Union Industrial (BVI) Corp. 、ShenZhen Globe Union Enterprise Co., Ltd. 、Globe Union Cayman Corp. 、Globe Union Germany GmbH & Co.KG 、Globe Union Verwaltungs GmbH 、Milim G&G Ceramics Co., Ltd 、Globe Union (Bermuda) Ltd. 、Globe Union Group, Inc. 、Globe Union (Canada) Inc. 、Danze, Inc. 、Gerber Plumbing Fixtures LLC 、GU Plumbing de Mexico, S.A. de C.V. 、Globe Union Ann Bo Manufacturing Co., Ltd 、He Shun Investment Co., Ltd	Act of Director (*1)
Director	Todd Alex Talbot	Director of the Globe Union Germany GmbH & Co.KG 、Globe Union Verwaltungs GmbH	Act of Director (*1)
Director	Ta-Chin Hsu	Director of the THAI KIN CO., LTD. Chairman of the Royal Finishing Co., Ltd.	

*1 : Company mentioned is Globe Union's Subsidiary, percentage of ownership 100%.

4. Submit for approval.

Resolution :

Shares represented at the time of voting : 261,364,459votes

Voting Results *		% of the total represented share present
Votes in favor :	219,769,697 votes (133,893,763 votes)	84.08%
Votes against :	353,926 votes	0.13%

Voting Results *		% of the total represented share present
	(353,926 votes)	
Votes invalid :	0 votes (0 votes)	0%
Votes abstained :	41,240,836 votes (24,877,928 votes)	15.77%

* including votes casted electronically (numbers in brackets)

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

VI. Questions and Motions : None.

Shareholder statement: Account number 53362

Acknowledging the efforts of the management team and encouraging continued unity working together, to create long term value for shareholders.

Shareholder inquiry: Account number 67856

Asking about the company's current strategies regarding geopolitical and international developments (such as US-China tariffs).

Chairman's response:

The company has implemented China+1 production strategy, with corresponding strategies for both our ceramic and faucet products. In addition to continued focus on the US market, we are also expanding our product lines in the European market and striving to address the diverse demands of that market. Regarding the US-China tariffs, the company has established faucet assembly plants in the US, enabling flexible production and capacity adjustments in collaboration with our strategic partners in Thailand.

VII. Adjournment : May 30, 2024, at 09:56 a.m.

Today's shareholder meeting covered report items, proposals and discussion, elections, and other matters, with no shareholder statements or questions.

(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

Business Report

In 2023, the global political and economic situation remained turbulent, and the industry operating environment was undergoing adjustments. Fortunately, with the collective efforts of our colleagues and the support of our stakeholders, Globe Union Industrial Corp. demonstrated business resilience and successfully navigated through operational challenges. Simultaneously, we continuously enhanced our operational capabilities to strengthen long-term competitiveness.

As part of our ongoing plan to relocate our faucet hardware factory, we successfully closed the Shenzhen Fuyong facility in the third quarter of 2023; and seamlessly transitioned to our Dongguan Globe Union Ann-Bo manufacturing Co. Ltd. the operation and responsibility of supplying hardware products. During the relocation process, Globe Union not only ensured that its commitments to customers were met in terms of orders and delivery schedules, but also took the opportunity to optimize the company's resource allocation and achieve the business structure set by the strategy.

Meanwhile, through continuous improvement and collaborative efforts, the Mexican ceramic factory (GUMX) has significantly improved its yield. This has enabled the company to gradually reduce the length of its previous supply chain model and better adapt to future global supply chain trends with increased flexibility.

PJH, the UK subsidiary, has chosen a new warehouse facility in response to its industry-leading position in recent years. In 2023, they planned to expand their storage capacity to meet the growing business demand. This project will continue in 2024 and is expected to help PJH achieve a new operational milestone.

Amidst market adjustments, the group is progressing with the preliminary work for the planned expansion of Gerber's retail channel strategy in North America. Over the past three years, Gerber's operations have been proven to withstand the impact from external operational changes, such as inflation, which has highlighted the significance of brand value and its contribution to the Groups overall performance. This has further reinforced the need and justification for investing in enhancing Gerber's brand competitiveness.

In summary, based on the 2023 operational overview report, the company has undergone structural adjustments over the past year. As a result, in 2024, the company's main operations will be focused on Gerber and PJH, with contract manufacturing serving as a supporting structure. The operational plan will incorporate Globe Union's sustainable vision and regularly conduct target assessments to verify progress, showcasing the commitment to sustainability.

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

Chairman :
Shane Ouyang

Executive :
Shane Ouyang

Accounting Manager :
Ying-Fan Chen

Attachment 2

Globe Union Industrial Corp. Audit Committee Audit Report

The Board of Directors has prepared and submitted the 2023 business report, financial statements, and earnings distribution proposal. Ernst & Young audited the financial statements and submitted an audit report. The Audit Committee has reviewed the business report, financial statements, and the earnings distribution proposal and did not find any instances of noncompliance. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, it is hereby submitted for your review and perusal.

Globe Union Industrial Corp.

Chairperson of the Audit Committee: Young-Sheng Hsu

April 12, 2024

Attachment 3

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED
31 DECEMBER 2023 AND 2022

Notice to readers:

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Address: No.22, Chien-Kuo Rd., Tanzi Dist., Taichung, Taiwan, R.O.C.

Telephone: 886-4-25349676

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 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2023 and 2022, and their consolidated financial performance and cash flows for the years ended 31 December 2023 and 2022, 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 Financial Statements Audit and Attestation Engagements of 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 2023 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 2023, the goodwill was carried at NT\$713,874 thousand which accounted for 5% of the total consolidated 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 2023, the net inventories amounted to NT\$3,665,912 thousand, which accounted for 24% 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 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 2023 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 2023 and 2022.

Tu, Ching Yuan

Lo, Wen Chen

Ernst & Young, Taiwan

11 March 2024

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 2023 and 31 December 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at	
		31 Dec 2023	31 Dec 2022
Current assets			
Cash and cash equivalents	4, 6(1)	\$2,964,092	\$2,271,437
Financial assets at fair value through profit or loss, current	4, 6(2)	971	19,862
Financial assets measured at amortized cost, current	4, 6(3), 8	103,029	171,070
Accounts receivable, net	4, 5, 6(4), 8	2,131,271	2,565,843
Inventories, net	4, 5, 6(5), 8	3,665,912	4,788,457
Prepayment	6(6)	266,278	184,476
Other current assets		686,814	607,907
Total current assets		9,818,367	10,609,052
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(7)	32,760	27,960
Investments accounted for under the equity method	4, 6(8)	-	19,047
Property, plant and equipment	4, 6(9), 8	2,298,557	2,311,704
Right-of-use assets	4, 6(22)	2,146,445	2,328,096
Investment properties	4, 6(10)	35,761	-
Intangible assets	4, 6(11)	56,885	52,631
Goodwill	4, 5, 6(11)(12)	713,874	680,469
Deferred tax assets	4, 5, 6(26)	292,627	322,514
Deposits-out		32,277	27,282
Other non-current assets	6(13)	57,640	223,070
Total non-current assets		5,666,826	5,992,773
Total assets		\$15,485,193	\$16,601,825

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

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2023 and 31 December 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 Dec 2023	31 Dec 2022
Current liabilities			
Short-term loans	4, 6(14)	\$2,293,648	\$1,777,167
Financial liabilities at fair value through profit or loss, current	4	844	6,102
Contract liabilities, current	6(20)	77	665
Notes payable		71,789	69,539
Accounts payable		1,549,681	1,888,505
Other payables	6(15)	1,716,835	2,069,625
Current tax liabilities	4	80,475	74,413
Lease liabilities, current	4, 6(22)	386,173	354,880
Current portion of long-term loans	4, 6(16)	200,000	330,000
Other current liabilities		71,746	50,698
Total current liabilities		6,371,268	6,621,594
Non-current liabilities			
Long-term loans	4, 6(16)	1,100,000	2,810,000
Provision for decommissioning, restoration and rehabilitation costs	4	27,742	-
Deferred tax liabilities	4, 5, 6(26)	17,518	11,838
Lease liabilities, non-current	4, 6(22)	1,933,327	2,183,928
Other non-current liabilities		112,853	266,316
Net defined benefit obligation, non-current	4, 6(17)	22,754	34,345
Total non-current liabilities		3,214,194	5,306,427
Total liabilities		9,585,462	11,928,021
Equity attributable to the parent company	4, 6(18)		
Capital			
Common stock		4,087,290	3,581,640
Advance receipts for common stock		3,259	3,100
Total capital		4,090,549	3,584,740
Capital surplus		988,391	887,844
Retained earnings			
Legal reserve		201,221	892,412
Special reserve		678,770	902,450
Unappropriated earnings (accumulated deficits)		590,529	(914,871)
Total retained earnings		1,470,520	879,991
Other components of equity			
Exchange differences on translation of foreign operations		(651,289)	(675,531)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		1,560	(3,240)
Total other components of equity		(649,729)	(678,771)
Total equity		5,899,731	4,673,804
Total liabilities and equity		\$15,485,193	\$16,601,825

(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 2023 and 2022

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

	Notes	For the Years Ended 31 December	
		2023	2022
Net sales	6(20)	\$18,313,929	\$20,211,011
Cost of sales	6(5)(23)	(12,694,083)	(15,247,819)
Gross profit		5,619,846	4,963,192
Operating expenses	6(22)(23)		
Selling and marketing		(2,268,736)	(2,035,670)
General and administrative		(2,830,739)	(3,390,531)
Research and development		(178,143)	(221,388)
Expected credit losses	6(21)	(11,172)	(12,482)
Total operating expenses		(5,288,790)	(5,660,071)
Operating income (loss)		331,056	(696,879)
Non-operating income and expenses	6(24)		
Other revenue		481,658	150,157
Other gains and losses		228,846	(136,052)
Finance costs		(226,537)	(212,716)
Share of profit or loss of associates and joint ventures	4, 6(8)	(3,073)	(1,353)
Total non-operating income and expenses		480,894	(199,964)
Income (loss) before income tax		811,950	(896,843)
Income tax (expense) income	4, 5, 6(26)	(206,849)	7,969
Income (loss) from continuing operations, net of tax		605,101	(888,874)
Other comprehensive income (loss)	6(25)		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(19,175)	(32,288)
Unrealized gains or losses on financial assets at fair value			
through other comprehensive income		4,800	(8,520)
Income tax related to items that may not be reclassified subsequently		4,603	6,291
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		24,377	411,251
Share of other comprehensive (loss) income of associates and joint ventures	6(8)	(135)	310
Total other comprehensive income, net of tax		14,470	377,044
Total comprehensive income (loss)		\$619,571	\$(511,830)
Net income (loss) attributable to:			
Stockholders of the parent		\$605,101	\$(888,874)
Non-controlling interests		-	-
		\$605,101	\$(888,874)
Comprehensive income (loss) attributable to:			
Stockholder of the parent		\$619,571	\$(511,830)
Non-controlling interests		-	-
		\$619,571	\$(511,830)
Earnings (losses) per share (NTD)	6(27)		
Earnings (losses) per share-basic		\$1.52	\$(2.48)
Earnings (losses) per share-diluted		\$1.51	\$(2.48)

(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 2023 and 2022
(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 January 2022	6(18)	\$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	6(18)(19)		3,100							3,100
Share-based payment transactions-Share-based payment expense	6(19)			9,849						9,849
Balance as at 31 December 2022	6(18)	\$3,581,640	\$3,100	\$887,844	\$892,412	\$902,450	\$(914,871)	\$(675,531)	\$(3,240)	\$4,673,804
Balance as at 1 January 2023	6(18)	\$3,581,640	\$3,100	\$887,844	\$892,412	\$902,450	\$(914,871)	\$(675,531)	\$(3,240)	\$4,673,804
Deficit compensation, 2022:										-
Legal reserved used to cover deficits					(691,191)	(223,680)	691,191			-
Reversal of special reserve							223,680			-
Net income in 2023							605,101			605,101
Other comprehensive income (loss), net of tax in 2023							(14,572)	24,242	4,800	14,470
Total comprehensive income							590,529	24,242	4,800	619,571
Cash capital increase		500,000		87,500						587,500
Share-based payment transactions-Conversion of advance receipts for common stock	6(18)	5,650	(6,975)	1,325						-
Share-based payment transactions-Exercise of employee stock option	6(18)(19)		7,134							7,134
Share-based payment transactions-Share-based payment expense	6(19)			11,722						11,722
Balance as at 31 December 2023	6(18)	\$4,087,290	\$3,259	\$988,391	\$201,221	\$678,770	\$590,529	\$(651,289)	\$1,560	\$5,899,731

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

GLOBE UNION INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the year ended 31 December	
		2023	2022
Cash flows from operating activities:			
Net income (loss) before tax		\$811,950	\$(896,843)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation		799,269	738,028
Amortization		20,905	16,221
Expected credit losses		11,172	12,482
Net (gain) loss of financial assets/liabilities at fair value through profit or loss		(16,444)	77,640
Interest expense		226,537	212,716
Interest income		(45,728)	(58,608)
Dividend income		(1,362)	(1,920)
Share-based payment expense		11,722	9,849
Share of profit or loss of associates and joint ventures		3,073	1,353
(Gain) loss on disposal of property, plant and equipment		(98,564)	12,904
Gain on disposal of right-of-use assets		(50,404)	-
Loss (gain) on lease modification		846	(184)
Gain on disposal of investments accounted for under the equity method		(19,414)	-
Impairment loss on non-financial assets		35,219	139,296
Changes in operating assets and liabilities:			
Financial instrument at fair value through profit or loss, current		30,077	(83,927)
Accounts receivable		475,662	457,688
Inventories, net		1,188,842	(243,692)
Prepayments		(55,249)	13,734
Other current assets		(77,956)	121,154
Other non-current assets		85,271	(54,628)
Notes payable		2,250	10,751
Accounts payable		(257,172)	(326,425)
Other payables		(484,763)	470,663
Contract liabilities, current		(588)	(2,141)
Other current liabilities		1,817	3,431
Defined benefit obligation		(11,143)	(9,526)
Other non-current liabilities		(153,463)	(123,059)
Cash generated from operations		2,432,362	496,957
Interest received		45,728	58,608
Interest paid		(226,644)	(211,353)
Income tax paid		(160,617)	(116,872)
Net cash generated from operating activities		2,090,829	227,340

(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 year ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the year ended 31 December	
		2023	2022
(Continued)			
Cash flows from investing activities:			
Disposal of investments accounted for under the equity method		36,627	-
Acquisition of property, plant and equipment		(431,523)	(307,913)
Disposal of property, plant and equipment		117,532	24,662
Disposal of right-of-use assets		53,627	-
(Increase) decrease in deposits-out		(4,995)	6,855
Financial assets measured at amortized cost, current		68,041	(64,625)
Acquisition of intangible assets		(23,738)	(16,870)
Dividend received		1,362	1,920
Net cash used in investing activities		(183,067)	(355,971)
Cash flows from financing activities:			
Increase in short-term loans		2,968,000	4,571,996
Decrease in short-term loans		(2,466,272)	(4,953,950)
Increase in long-term loans		500,000	2,760,000
Decrease in long-term loans		(2,340,000)	(1,849,947)
Decrease in lease liabilities		(417,891)	(337,653)
Cash capital increase		587,500	-
Exercise of employee stock option		7,134	3,100
Net cash (used in) generated from financing activities		(1,161,529)	193,546
Effect of changes in exchange rate on cash and cash equivalents		(53,578)	(74,775)
Net increase (decrease) in cash and cash equivalents		692,655	(9,860)
Cash and cash equivalents at beginning of period		2,271,437	2,281,297
Cash and cash equivalents at end of period	6(1)	\$2,964,092	\$2,271,437

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

GLOBE UNION INDUSTRIAL CORP.

PARENT COMPANY ONLY FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED
31 DECEMBER 2023 AND 2022

Notice to readers:

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Address: No.22, Chien-Kuo Rd., Tanzi Dist., Taichung, Taiwan, R.O.C.

Telephone: 886-4-25349676

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 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”)

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 of 31 December 2023 and 2022, and its parent company only financial performance and cash flows for the years ended 31 December 2023 and 2022, 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 Financial Statements Audit and Attestation Engagements of 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 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 2023 the parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

The long-term equity investment of Globe Union Industrial Corp. amounted to NT\$ 9,022,836 thousand, accounting for 86% of the total assets. The Company conducts impairment tests on the relevant cash generating units in accordance with the International Financial Reporting Standards (IFRS). The Company was unable to reliably measure the fair value. According to the results of the impairment test, the value in use of the cash generating unit was higher than its book value, so there is no investment loss estimated in this year. As the calculation of the discounted future cash flow of each cash-generating unit to support the value of the investees required significant management judgment with respect to the assumptions for cash flow forecast, we therefore considered this a key audit matter.

The auditor's audit procedures included, but are not limited to, analyzing whether component of cash-generating unit has significant changed, including analyzing its sales pattern and region; analyzing the management's method and assumptions to assess the value in use; inviting internal experts to assist in assessing the reasonableness of management's key assumptions of the growth rate, discount rate and gross margin, including referring to a company of similar size of the cash generation unit to assess the reasonableness of the key assumptions, such as the equity cost of the components of the discount rate, the Company's specific risk premium and market risk premium; interviewing management and analyzing the cash flow, gross margin rate and revenue growth rate of financial forecast, and the reasonableness of the overall market and economic forecasts; comparing the current financial predictions and the results that have achieved so far; analyzing the Company's historical data and performance to assess the rationality of its cash flow forecasts. In addition, we also considered the adequacy of the impairment test results and hypothetical sensitivity disclosures stated in Notes 4 and 6 to the financial statements.

Inventory valuation

The net inventory of the Company (including inventories of the investees accounted for under the equity method) amounted to \$3,665,912 thousand, accounting for 24% 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 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 2023 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.

Tu, Ching Yuan
Lo, Wen Chen

Ernst & Young, Taiwan
11 March 2024

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 2023 and 31 December 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at	
		31 Dec 2023	31 Dec 2022
Current assets			
Cash and cash equivalents	4, 6(1)	\$127,836	\$195,936
Financial assets at fair value through profit or loss, current	4, 6(2)	971	19,594
Accounts receivable, net	4, 5, 6(3)	218,992	297,844
Accounts receivable, net- related parties	4, 6(3), 7	383,781	1,376,890
Other receivables	7	242,771	316,030
Inventories, net	4, 5, 6(4)	253,217	285,725
Prepayment		46,850	33,471
Other current assets		12,288	10,276
Total current assets		<u>1,286,706</u>	<u>2,535,766</u>
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 6(5)	32,760	27,960
Investments accounted for under the equity method	4, 6(6)	9,022,836	8,654,909
Property, plant and equipment	4, 6(7)	72,918	69,901
Right-of-use assets	4, 6(16)	7,092	1,232
Intangible assets	4	8,170	2,621
Deferred tax assets	4, 6(20)	75,567	33,928
Other non-current assets		2,883	3,518
Total non-current assets		<u>9,222,226</u>	<u>8,794,069</u>
Total assets		<u>\$10,508,932</u>	<u>\$11,329,835</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 2023 and 31 December 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 Dec 2023	31 Dec 2022
Current liabilities			
Short-term loans	4, 6(8)	\$2,158,000	\$1,442,290
Financial liabilities at fair value through profit or loss, current	4	-	774
Contract liabilities, current	4, 6(14)	-	269
Accounts payable		34,398	47,561
Accounts payable- related parties	7	608,528	1,589,452
Other payables	7	10,020	145,281
Accrued expenses	6(9), 7	417,637	190,858
Current tax liabilities	4, 6(20)	51,058	72,439
Lease liabilities, current	4, 6(16)	958	887
Current portion of long-term loans	4, 6(10)	200,000	330,000
Other current liabilities		5,752	4,863
Total current liabilities		3,486,351	3,824,674
Non-current liabilities			
Long-term loans	4, 6(10)	1,100,000	2,810,000
Deferred tax liabilities	4, 6(20)	9,153	13,126
Lease liabilities, non-current	4, 6(16)	6,134	322
Net defined benefit obligation, non-current	4, 6(11)	7,563	7,909
Total non-current liabilities		1,122,850	2,831,357
Total liabilities		4,609,201	6,656,031
Equity attributable to the parent company	4, 6(12)		
Capital			
Common stock		4,087,290	3,581,640
Advance receipts for common stock		3,259	3,100
Total capital		4,090,549	3,584,740
Capital surplus		988,391	887,844
Retained earnings			
Legal reserve		201,221	892,412
Special reserve		678,770	902,450
Unappropriated earnings (accumulated deficits)		590,529	(914,871)
Total retained earnings		1,470,520	879,991
Other components of equity			
Exchange differences on translation of foreign operations		(651,289)	(675,531)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		1,560	(3,240)
Total other components of equity		(649,729)	(678,771)
Total equity		5,899,731	4,673,804
Total liabilities and equity		\$10,508,932	\$11,329,835

(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 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the Years Ended 31 December	
		2023	2022
Net sales	4, 6(14), 7	\$6,910,540	\$10,006,765
Cost of sales	6(4), 7	(6,207,745)	(9,252,811)
Gross profit		702,795	753,954
Unrealized intercompany profit		(450,691)	(365,272)
Realized intercompany profit		365,272	256,437
Gross profit-net		617,376	645,119
Operating expenses	6(17), 7		
Selling and marketing		(399,544)	(235,409)
General and administrative		(282,970)	(268,570)
Research and development		(61,226)	(61,625)
Total operating expenses		(743,740)	(565,604)
Operating (loss) income		(126,364)	79,515
Non-operating income and expenses	6(18)		
Other revenue		203,960	14,719
Other gains and losses		71,403	(23,564)
Finance costs		(76,599)	(65,697)
Share of profit or loss of subsidiaries, associates and joint ventures	4, 6(7)	518,346	(844,118)
Total non-operating income and expenses		717,110	(918,660)
Income (loss) from continuing operations before income tax		590,746	(839,145)
Income tax income (expense)	6(20)	14,355	(49,729)
Income (loss) from continuing operations, net of tax		605,101	(888,874)
Other comprehensive income (loss)	6(6)(11)(19)		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(2,934)	6,854
Unrealized gains or losses on financial assets at fair value through other comprehensive income		4,800	(8,520)
Share of other comprehensive loss of subsidiaries-remeasurements of defined benefit plans		(12,225)	(31,480)
Income tax related to items that may not to be reclassified subsequently		587	(1,371)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		24,242	411,561
Total other comprehensive income, net of tax		14,470	377,044
Total comprehensive income (loss)		<u>\$619,571</u>	<u>\$(511,830)</u>
Earnings (losses) per share (NTD)	6(21)		
Earnings (losses) per share-basic		<u>\$1.52</u>	<u>\$(2.48)</u>
Earnings (losses) per share-diluted		<u>\$1.51</u>	<u>\$(2.48)</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 2023 and 2022
(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 January 2022	6(12)	\$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	49,510	(5,490)			-
Special reserve							(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	6(12)(13)		3,100	9,849						3,100
Share-based payment transactions-Share-based payment expense	6(13)									9,849
Balance as at 31 December 2022	6(12)	<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>
Balance as at 1 January 2023	6(12)	\$3,581,640	\$3,100	\$887,844	\$892,412	\$902,450	\$(914,871)	\$(675,531)	\$(3,240)	\$4,673,804
Deficit compensation, 2022:										-
Legal reserved used to cover deficits					(691,191)	(223,680)	691,191			-
Reversal of special reserve							223,680			-
Net income in 2023							605,101	24,242	4,800	605,101
Other comprehensive income (loss), net of tax in 2023							(14,572)			14,470
Total comprehensive income							590,529	24,242	4,800	619,571
Cash capital increase		500,000		87,500						587,500
Share-based payment transactions-Conversion of advance receipts for common stock	6(12)	5,650	(6,975)	1,325						-
Share-based payment transactions-Exercise of employee stock option	6(12)(13)		7,134							7,134
Share-based payment transactions-Share-based payment expense	6(13)			11,722						11,722
Balance as at 31 December 2023	6(12)	<u>\$4,087,290</u>	<u>\$3,259</u>	<u>\$988,391</u>	<u>\$201,221</u>	<u>\$678,770</u>	<u>\$590,529</u>	<u>\$(651,289)</u>	<u>\$1,560</u>	<u>\$5,899,731</u>

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

GLOBE UNION INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended 31 December	
Notes	2023	2022
Cash flows from operating activities:		
Net income (loss) before tax	\$590,746	\$(839,145)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	13,465	12,656
Amortization	1,212	1,107
Net (gain) loss of financial assets/liabilities at fair value through profit or loss	(11,878)	79,097
Interest expense	76,599	65,697
Interest income	(25,427)	(5,251)
Dividends income	(1,362)	(1,920)
Share-based payment expense	8,970	4,147
Share of profit or loss of subsidiaries, associates and joint ventures	(518,346)	844,118
Gain on disposal of property, plant and equipment	-	(343)
Unrealized intercompany profit	450,691	365,272
Realized intercompany profit	(365,272)	(256,437)
Changes in operating assets and liabilities:		
Financial instrument at fair value through profit or loss, current	29,727	(89,513)
Accounts receivable	1,071,961	(161,245)
Other receivables	73,259	156,017
Inventories, net	32,508	241,017
Prepayments	(13,379)	24,035
Other current assets	(2,012)	352
Other non-current assets	1,162	(2,090)
Accounts payable	(994,087)	(1,018,920)
Other payables	(135,261)	41,598
Accrued expenses	227,445	(72,743)
Contract liabilities, current	(269)	(2,528)
Other current liabilities	889	(602)
Defined benefit obligation	(3,280)	252
Other non-current liabilities	-	(128)
Cash generated from (used in) operations	<u>508,061</u>	<u>(615,500)</u>
Interest received	25,427	5,251
Interest paid	(77,265)	(64,334)
Income tax paid	<u>(52,051)</u>	<u>(26,138)</u>
Net cash generated from (used in) operating activities	<u>404,172</u>	<u>(700,721)</u>

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

(Continued)

GLOBE UNION INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended 31 December	
Notes	2023	2022
(Continued)		
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(15,448)	(10,710)
Disposal of property, plant and equipment	-	343
Acquisition of intangible assets	(6,761)	(1,614)
Acquisition of investments accounted for under the equity method	(35,312)	(231,026)
Increase in deposits-out	(527)	(13)
Dividends received	116,443	640,672
Net cash generated from investing activities	58,395	397,652
Cash flows from financing activities:		
Increase in short-term loans	2,968,000	4,457,471
Decrease in short-term loans	(2,252,290)	(4,953,950)
Increase in long-term loans	500,000	2,760,000
Decrease in long-term loans	(2,340,000)	(1,840,000)
Decrease in lease liabilities	(1,011)	(2,309)
Cash capital increase	587,500	-
Exercise of employee stock option	7,134	3,100
Net cash (used in) generated from financing activities	(530,667)	424,312
Net (decrease) increase in cash and cash equivalents	(68,100)	121,243
Cash and cash equivalents at beginning of period	195,936	74,693
Cash and cash equivalents at end of period	6(1) <u>\$127,836</u>	<u>\$195,936</u>

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

Attachment 4

Globe Union Industrial Corp.
Profit Distribution Table
Year 2023

Unit NTD	
Items	Total
Beginning retained earnings	-
Less: Other comprehensive income- remeasurements of defined benefit plans	(14,572,300)
Plus: 2023 Net profit after tax	605,100,606
Subtotal	590,528,306
Less: 10% legal reserve	(59,052,831)
Plus: Special reserve	29,041,268
Distributable net profit of December 31 st ,2023	560,516,743
Items for distribution:	
Cash Dividends (NTD 1.2 per share)(Note 1)	(491,356,754)
Unappropriated retained earnings	69,159,989

Note 1. Cash dividends distributed to the shareholders are based on issued and outstanding 409,463,962 shares.

Chairman :
Shane Ouyang

Executive :
Shane Ouyang

Accounting Manager :
Ying-Fan Chen