

Stock Code: 1802



**台灣玻璃工業公司**  
**TAIWAN GLASS IND. CORP.**

## **Handbook for 2023 Annual Meeting of Stockholders**

June 14, 2023

玻 璃 工 業 貢 獻 社 會



(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there is any inconsistency between the Chinese original and this translation, the Chinese version shall prevail.)

**TAIWAN GLASS IND. CORP.**  
**2023 Annual Meeting of Stockholders**

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# **TAIWAN GLASS IND. CORP.**

## **Procedure for 2023 Annual Meeting of Stockholders**

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Ratification Items
5. Motions
6. Adjournment

# **TAIWAN GLASS IND. CORP.**

## **Agenda for 2023 Annual Meeting of Stockholders**

Time: 09:00 a.m. on Wednesday, June 14<sup>th</sup>, 2023

Location: 1F., No.207, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)

Call the Meeting to Order

Chairman's Address

Report Items

1. 2022 Business Report
2. 2022 Audit Committee's Review Report and Independent Auditors' Report
3. 2022 Directors' and Employees' Remuneration Distribution Report

Ratification Items

1. 2022 Business Report and Financial Statements Report
2. 2022 Earning Distribution

Motions

Adjournment

## Rules of Procedure for Stockholders' Meeting

TGI Stockholders' Meeting June 14, 2023

1. Attendance: Attending stockholders shall present attendance cards with represented shares clearly marked. Stockholders should be issued an official attendance card by the Company, and present original documents to attend the stockholders' meeting. When the Company's stockholders' meeting is held, it may be held by video conference or other methods announced by the competent authority.
2. Call the meeting to order: The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by stockholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour.
3. Agenda : In the event that the stockholder meeting is convened by the Board of Directors, the agenda shall be worked out by the Board of Directors. The stockholder meeting shall be duly convened based on the arranged agenda, which shall not be changed unless duly resolved by the stockholder meeting. In the event that the stockholder meeting is convened by a convener beyond the Board of Directors, the provision set forth under the preceding paragraph may apply, mutatis mutandis. The chairperson shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including occasional (extemporaneous) motions) unless duly resolved in the meeting.
4. Speaking: An attending stockholder shall issue and submit a floor note before speaking at the stockholder meeting. The floor note shall expressly describe the subject of his or her opinions, his or her stockholder account number (or the code of the participation certificate), and his or her name so that the chairperson may fix the order of speaking. On the same issue, each stockholder shall not take the floor more than twice and a stockholder shall not speak more than five minutes for each round unless agreed upon by the chairperson. In the event that a juristic (corporate) person is entrusted to participate in a stockholder meeting, that juristic (corporate) person may appoint only one representative to participate in the meeting. In the event that a juristic (corporate) person stockholder appoints two or more representatives to participate in a stockholder meeting, only one representative may speak for the same issue. A stockholder who has submitted a floor note but does not speak is deemed to have not taken the floor. In the event that the actual contents of the stockholder's statement are found inconsistent with the entries of the floor note, the stockholder's spoken statement shall prevail. While an attending stockholder is taking the floor, other stockholder(s) shall not interrupt or interfere with the current floor unless agreed upon by the chairperson and the speaking stockholder. The chairperson shall stop an offender. After a stockholder speaks on the floor, the chairperson may answer either by himself or herself or through a designee.
5. Discussion: Any issue not for the motion shall not be discussed or vote. Chairperson may declare for stopping discussion in appropriate time. Chairperson may declare for stopping discussion to vote when necessary. In order to keep the order of the meeting place and smooth procedure, chairperson may stop discussion of the issue which is discussed enough after consulting other stockholders.
6. Vote: Unless otherwise provided for in law and company's articles of incorporation, decisions at the stockholder meeting shall be resolved by a majority vote of the stockholders attending the meeting. An issue is deemed to have been duly resolved after the chairperson enquires from all participants but no objection is heard. The validity of the decision so resolved is equally valid as a decision duly resolved through the balloting process. One vote right for one share. The recording procedure of issues of stockholder meetings shall be processing publicly in stockholder meetings. In the event that an amendment or a substitute comes out of the same issue, the chairperson shall fix the order of balloting in consolidation with the original issue. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required. The ballot inspector(s) and ballot recorder(s) of issues in stockholder meeting shall be appointed by the chairperson, and the ballot inspector(s) shall be selected from the stockholders.
7. Order of Meeting Place: The rectification (or security) personnel shall wear the "rectification officer" arm-band. The chairperson may instruct the rectification (or security) personnel to help maintain order of the meeting. All present stockholders are obliged to comply with the instruction of chairperson and the rectification (or security) personnel. In the event that a stockholder violates the order of meeting place, chairperson or the rectification (or security) personnel has to take action to stop him or her and ask him or her to leave.
8. Implement: Any matters insufficiently provided for herein shall be subject to the Company Law, Securities Exchange Act, and other laws and regulations concerned. These Rules and any amendments hereof shall be put into enforcement after being resolved at the stockholder meeting.

# Report Item 1

## 2022 Business Report

TGI Stockholders' Meeting June 14, 2023

### Production Report:

Product	Region	Contents	Yearly Output Thousand MT
Flat Glass	Taiwan	<ul style="list-style-type: none"> <li>1 production line of flat glass in Taichung Factory</li> <li>1 production line of flat glass in Lukang Factory</li> <li>1 production line of ultra-thin glass in Taichung Factory</li> <li>Total: 3 production lines</li> </ul>	310 (-2.3%)
	China	<ul style="list-style-type: none"> <li>12 production lines of flat glass in Kunshan, Chengdu, Tianjin, Dongguan, Qingdao, Donghai, Xianyang and Anhui;</li> <li>Total: 12 production lines</li> </ul>	2,648 (-3.8%)
Fiberglass & Fiberglass Fabric	Taiwan	<ul style="list-style-type: none"> <li>1 production line of fiberglass in Taoyuan Factory</li> <li>1 production line of fiberglass fabric in Lukang Factory</li> <li>Total: 2 production lines</li> </ul>	72 (-7.1%)
	China	<ul style="list-style-type: none"> <li>3 production lines of fiberglass fabric in Kunshan Factory</li> <li>1 production line of fiberglass fabric in Chengdu Factory</li> <li>1 production line of fiberglass fabric in Bengbu Factory</li> <li>Total: 5 production lines</li> </ul>	49 (-12.3%)
Container, Tableware Kitchenware	Taiwan	<ul style="list-style-type: none"> <li>6 production lines of container, tableware and kitchenware glass in Hsinchu Factory</li> </ul>	135 (-10.2%)
Autoglass	Taiwan	<ul style="list-style-type: none"> <li>Production line of automotive glass in Taichung Factory</li> </ul>	6 (-12.3%)
	China	<ul style="list-style-type: none"> <li>Production line of automotive glass in Yancheng Factory</li> </ul>	17 (+29.4%)
Total		-	3,237 (-4.1%)

### Sales Report:

Product	Region	Sales Volume		Sales Amount	
		Thousand MT	Compared with 2021	NT\$ Million	Compared with 2021
Flat Glass	Taiwan	299	(-4.8%)	4,681	(+10.2%)
	China	2,593	(-9.9%)	25,814	(-26.7%)
				30,495	(-22.7%)
	Subtotal	2,892	(-9.4%)	= US\$1,023mil	Percentage of Group's Turnover 66.6%
Fiberglass & Fiberglass Fabric	Taiwan	63	(-28.0%)	4,455	(-17.2%)
	China	78	(-13.0%)	6,325	(-36.1%)
				10,780	(-29.4%)
	Subtotal	141	(-20.4%)	= US\$ 362mil	Percentage of Group's Turnover 23.5%
Container, Tableware and Kitchenware	Taiwan	131	(-12.0%)	3,280	(-2.6%)
				= US\$ 110mil	Percentage of Group's Turnover 7.2%

Autoglass	Taiwan	6	(-9.8%)	538	(-9.3%)
	China	17	(+28.3%)	700	(+24.9%)
				1,238	(+7.3%)
	Subtotal	23	(+15.0%)	= US\$ 41mil	Percentage of Group's Turnover 2.7%
Total		3,187	(-9.9%)	45,793	(-22.7%)
				= US\$ 1,536mil	Domestic Export 85% 15%
Merge Reversal		-	-	(1,934)	
Total after Offset		-	-	43,859	(-18.2%)
				= US\$ 1,472mil	

#### Financial Report:

- The decrease in market demand in 2022 resulted in a decrease in product prices and operating profit. Besides, taxes paid for the remittance of overseas subsidiaries' earnings led to an increase in income tax expenses, which further contributed to the net loss after tax.

- Unit: NT\$ thousand

Title	2022	2021	Comparison% 2022/2021
Operating Revenue	43,859,066	53,591,856	-18.2%
Operating Income	(758,724)	11,461,943	-106.6%
Net Income before Tax	479,990	13,931,097	-96.6%
Net Income after Tax	(822,874)	12,231,239	-106.7%
Income after Tax Attributable to Stockholders of the Parent	(720,576)	11,476,678	-106.3%

#### Status of Budget Implementation:

Unit: NT\$ thousand

Title	2022 Budget (*)	2022 Actual Amount	Achievement
Operating Revenue	51,251,000	43,859,066	85.6%
Net Income before Tax	2,028,000	479,990	-
Income after Tax Attributable to Stockholders of the Parent	1,728,000	(720,576)	-

\*Note: This refers to internal budget, with no publication of financial forecast.

#### Analysis of Profitability:

Title	2022	2021
Return on Total Assets (ROA)	-0.41 %	13.34%
Return on Stockholder's Equity (ROE)	-1.50 %	23.39 %
Ratio of Income before Tax to Paid-in Capital	1.65 %	47.91 %
Profit Margin	-1.88 %	22.82 %
EPS (after Retroactive Adjustment)	-0.25	3.95

## 2023 Annual Business Plan Outline:

### Business Operation Strategy, Law Compliance & Economic Impact Analysis:

In 2022, the continued military conflict between Russia and Ukraine, along with pandemic prevention measures, resulted in an unbalanced global supply chain and a sharp increase in the prices of energy and raw materials, leading to inflation problems. In 2023, the lower risk of COVID-19 severity contributed to a gradual return to normal life. However, as the Federal Reserve and other global central banks raise their interest rates actively to curb inflation, the global monetary policies have been tightened, further resulting in high depreciations of other currencies except for US dollars. Higher interest rate will dampen consumer spending, adding risks and challenges to the economic outlook of 2023.

Recently, the Ministry of Commerce of China announced its launch of a trade barrier investigation on Taiwan's trade restrictions against China. If the investigation confirms these restrictions, they may have an impact on Taiwan's exports and imports. It is recommended that the government respond to this by proposing a plan that includes providing electricity and land concessions, granting subsidies for talent cultivation, and reducing or exempting taxes such as profit-seeking enterprise income tax, business tax, and commodity tax.

In terms of ESG, Taiwan Glass has implemented energy-saving resource management to save energy and water. Throughout the year, we have saved nearly 5.2 million kWh of electricity and reduced indirect greenhouse gas emissions by 5% by improving the energy efficiency of various equipment and processes, installing rooftop solar panels and windmill motors, and replacing inefficient lamps. Our fiberglass factory in Taoyuan was recognized as an "Excellent Manufacturer of Energy Conservation and Carbon Reduction" by the Bureau of Industry under the Ministry of Economic Affairs. Taiwan Glass is committed to examining the impacts and influences of our products' value chain on the environment and society and working with supply chain partners to move towards sustainability.

At the beginning of 2023, the Climate Change Response Act was passed, which includes a net-zero emissions target by 2050 and the implementation of a carbon pricing system expected in 2024. Taiwan Glass recognizes that achieving net zero and reducing carbon emissions are essential for enterprises to achieve sustainable development. Carbon inventory and disclosure are also key priorities for our decarbonization efforts in the future. We expect the government to establish carbon inventory standards, guidance, certification standards, and management mechanisms that align with international standards, and provide tax credits and incentives for environmental protection investments, such as carbon reduction in manufacturing processes, pollution prevention, and green facilities. These incentives can encourage companies to voluntarily reduce emissions and guide enterprises towards active low-carbon transformation, ultimately achieving the goal of net zero by 2050.

We would like to express our gratitude to all our stockholders for their long-term support, as well as to our directors, management team, and employees for their dedicated efforts. In the face of ever-changing circumstances, Taiwan Glass will continue to innovate in research and development, keeping pace with the times, and prioritize talent cultivation as we strive for steady growth and ESG development.

### Brief of Technology and R&D:

As for the production of flat glass, our factories have continued to implement cost reduction and efficiency enhancement plans in response to the rising prices of raw materials. Besides, in compliance with the government's carbon reduction policy, we have strengthened our cooperation with external research institutions to introduce energy-saving and carbon-reduction technologies. Overall, we have adopted these two approaches to enhance the competitiveness of our flat glass products.

As the age of 5G is approaching, we are living in an era that everything can be connected to the Internet. Due to the characteristics of faster transmission speed, high bandwidth and low delay, the demand for such high-end substrates is increasing day by day. In addition to expanding our current production lines of low dielectric fiberglass fabric, we have developed products with lower dielectric constant and low dielectric loss to meet clients' needs for applications in big data, artificial intelligence, self-driving cars, Internet of Things, etc. To meet the needs for thinner IC substrates and low coefficient of thermal expansion (Low CTE) for insulating materials, we have developed fiberglass with low CTE to avoid warpages or broken traces due to CTE differences between chips and substrates during packaging process. Newly developed high-strength fiberglass yarn can be used in aviation, aerospace and composite materials in military & defense industry. Furthermore, to meet downstream needs for thin FRP products, we developed flat CS fiberglass for high-fiberglass products, which helps to decrease warps substantially. TG also adopts Roving products certified by DNV GL on the application of wind power generation in response to global environmental protection as well as energy saving and carbon reduction.



## Operating Prospects:

Regarding the overall performance of Taiwan Glass in 2022, the demand for raw materials in the first half of the year contributed to a certain amount of profit. However, declining demand, inflation, and exchange losses throughout the year had a negative impact on the overall performance. The group's consolidated revenue for 2022 was NT\$43.9 billion, but unfortunately, the company experienced a net loss after tax of NT\$820 million. The following report provides a breakdown of the performance of each product.

In terms of flat glass, the growth of Taiwan market has slowed down, and related investment, construction and business exchanges have decreased compared to pre-pandemic levels. However, with COVID-19 border restrictions being lifted and related measures gradually opening up, it is expected that domestic demand, consumption, and industry expectations will improve. Taiwan Glass aims to strengthen its innovation and R&D capabilities, optimize the productivity and efficiency of its production lines and equipment, and utilize industry-university resources and foreign technical cooperation. Currently, double-silver Low-E glass has become the mainstream of the market. We are continuously developing new coating colors for tempered double-silver glass and expanding the types of coatings to meet market demand. As for eco-friendly and energy-saving glass, we are committed to researching and developing triple-silver Low-E glass to meet the higher energy-saving standards of exterior walls.

In 2022, China's dynamic zero-COVID policy had a significant impact on all industries, including a significant reduction in new construction projects. However, in 2023, the authorities have lifted restrictions on the real estate industry and are now providing more support to consumers and real estate developers. This is expected to boost domestic demand and help the economy recover. With post-pandemic business opportunities on the horizon, there is hope for a rebound in China's economy.

In fiberglass business, Taiwan Glass is dedicated to reducing costs and speeding up research & development to increase our product value. As for electronic-grade fiberglass fabric, we have successfully developed and supplied the ultra-thin fiberglass fabric #1010 in response to the market needs in the future. Also, we have successfully developed low-dielectric (Low DK, coefficient: 4.58/10GHz) fiberglass fabric for high-speed, high-frequency transmission and remote business, which has been certified and continuously adopted by international terminal manufacturers. For FRP, the new kiln in cooperation with Owens Corning of the United States has improved production capacity and increased efficiency, coupled with advanced fiberglass formulation and production technology to supply clients with more comprehensive, high-performance and eco-friendly products. We will re-evaluate the expansion of production lines once the fiberglass market recovers.

As for container, tableware, kitchenware glass and our private brand, we experienced a slight decrease in overseas shipments due to clients' inventory and high freight rates. To maintain profitability, we strategically increased unit prices and focused on increasing tenders in the domestic market.

In terms of Shihlien Chemical Industrial Jiangsu Co., Ltd. (SCJ, 43.99% of its shareholding held by Taiwan Glass) in 2022, the tight supply-demand balance in the market led to record-high prices of soda ash and ammonium chloride in the middle of the year, which had a positive impact on SCJ's annual operating performance. As a result, Shihlien China Holding Co., Ltd. reported a consolidated operating income of US\$610 million and a net profit of US\$105 million. The industry is expected to continue its boom and maintain its prosperity and profitability.

## Important Sales Policy:

- |                          |                        |                           |
|--------------------------|------------------------|---------------------------|
| 1. Innovative Technology | 2. Excellent Quality   | 3. Cost Efficiency        |
| 4. Reasonable Price      | 5. Product Development | 6. Comprehensive Services |

## Report Item 2

### 2022 Audit Committee's Review Report and Independent Auditors' Report

Audit committee has reviewed 2022 annual business report and financial statements. The audit committee's review report and independent auditors' report are as follows.

#### Audit Committee's Review Report

The 2022 financial statements, reviewed by the Audit Committee and resolved by the Board of Directors, have been audited by Ernest & Young CPAs, along with issuing of auditors' review reports.

The Company's 2022 business report and earning distribution proposed by the Board of Directors have also been reviewed by the Audit Committee and determined to have complied with relevant requirements of the Company Act. According to Article 219 of the Company Act, we hereby submit this report to 2023 Annual Meeting of Stockholders.

Convener of Audit Committee: Lin, Sheng-Chung  
March 6, 2023

## **Independent Auditors' Report Translated from Chinese**

To Taiwan Glass Industrial Corporation

### **Opinion**

We have audited the accompanying balance sheets of Taiwan Glass Industrial Corporation (the "Company") as of December 31, 2022 and 2021, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the financial statements, including the summary of significant accounting policies (collectively "the financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and their financial performance and cash flows for the years ended December 31, 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 Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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. Based on our audits, 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 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Impairment Valuation of Non-financial assets

As of December 31, 2022, the Company's property, plant and equipment amounted to NT\$14,563,014 thousand, which accounted for 20% of its total assets, which is relatively material for the financial statements. Due to the market and economic outlook fluctuations in recent years, some operating units operated in losses which indicated that assets may be impaired. Therefore, the management performed impairment test on related cash-generating units and value in use was adopted for the recoverable amounts of different cash generating units. As the estimation of the recoverable amount of the related cash-generating unit requires significant management judgment, we determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the rationality of recoverable amounts used by management, obtaining underlying data of the recoverable amount provided by management (including cash flow forecast and growth rate) and related assumptions and discussing with management; using the work of internal expert to assist us in considering the discount rate used by management and to account for the recoverable amounts for impairment assessment used by management.

We also assessed the adequacy of disclosures of property, plant and equipment. Please refer to Notes 4, 5 and 6 to the Company's financial statements.

#### Valuation of Inventories

As of December 31, 2022, the Company's net inventories amounted to NT\$4,737,730 thousand, which is relatively material for the financial statements. The Company is engaged in the manufacturing, processing and sale of various glasses which have a wide range of applications in various sectors such as construction, electronics and consumer products industries. Considering the fact that identification of slow-moving inventories and the assessment of the amount of inventory write-downs require significant management judgement based on market demands, we determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policies of evaluating slow-moving and obsolete inventories; understanding and testing the internal controls established by management with respect to the valuation of inventories, including the calculation of net realizable value; sample testing the accuracy of net realizable value used by management; vouching samples to verify accuracy of inventory aging.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's financial statements.



### Revenue Recognition

Operating revenues recognized by the Company amounted to NT\$12,595,543 thousand for the year ended December 31, 2022. Reflecting different market demands, trade terms of different contracts varied, along with the fact that some of the sales orders included delivery services, management needed to review the sales orders or contracts to determine the performance obligations and the time of their satisfaction, there is a significant risk in revenue recognition. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the operating effectiveness of internal controls with respect to revenue recognition; selecting samples to perform tests of details and reviewing related transaction certificates and the significant terms and conditions of contracts to verify the accuracy of the timing of performance obligation satisfaction; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching samples against related certificates and reviewing significant subsequent sales return or discounts transactions to ensure revenue was recognized at appropriate timing.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Company's financial statements.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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, are responsible for overseeing the financial reporting process of the Company.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the accompanying notes, and whether the 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 to express an opinion on the 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 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.

Hsiao, Tsui-Hui

Huang, Chien-Che

Ernst & Young, Taiwan  
March 6, 2023

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the 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.*

*Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

## Independent Auditor's Report Translated from Chinese

To Taiwan Glass Industrial Corporation

### Opinion

We have audited the accompanying consolidated balance sheets of Taiwan Glass Industrial Corporation (the "Company") and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively "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 December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 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 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 *Auditor's 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.



### Impairment Valuation of Non-financial assets

As of December 31, 2022, the Company and its subsidiaries' property, plant and equipment amounted to NT\$42,343,801 thousand, which accounted for 46% of its total assets, which is relatively material for the consolidated financial statements. Due to the market and economic outlook fluctuations in recent years, some operating units operated in losses which indicated that assets may be impaired. Therefore, the management performed impairment test on related cash-generating units and value in use or net fair value were adopted for the recoverable amounts of different cash generating units. As the estimation of the recoverable amount of the related cash-generating unit requires significant management judgment, we determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the rationality of recoverable amounts used by management, obtaining underlying data of the recoverable amount provided by management (including cash flow forecast, growth rate, real estate and equipment valuation report) and related assumptions and discussing with management; assessing the appraiser's professional competency, experience and reputation in the related field; using the work of internal expert to assist us in considering the discount rate used by management and reviewing the appraiser's valuation and its estimation process to assess whether the reasonable value in the current real estate market were evaluated based on reasonable and supported assumptions; verifying that the source of the assessment report is relevant and reliable to account for the recoverable amounts for impairment assessment used by management.

We also assessed the adequacy of disclosures of property, plant and equipment. Please refer to Notes 4, 5 and 6 to the Company's consolidated financial statements.

### Valuation of Inventories

As of December 31, 2022, the Company and its subsidiaries net inventories amounted to NT\$13,555,414 thousand, which is relatively material for the consolidated financial statements. The Company and its subsidiaries are engaged in the manufacturing, processing and sale of various glasses which have a wide range of applications in various sectors such as construction, electronics and consumer products industries. Considering the fact that identification of slow-moving inventories and the assessment of the amount of inventory write-downs require significant management judgement based on market demands, we determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policies of evaluating slow-moving and obsolete inventories, including analyzing slow-moving inventory allowance ratio and the net realizable value adopted; understanding and testing the internal controls established by management with respect to the valuation of inventories, including the calculation of net realizable value; sample testing the accuracy of the net realizable values used by management; vouching samples against related certificates to verify accuracy of inventory aging.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's consolidated financial statements.

### Revenue Recognition

Operating revenues recognized by the Company and its subsidiaries amounted to NT\$43,859,066 thousand for the year ended December 31, 2022. Reflecting different market demands, trade terms of different contracts varied, along with the fact that some of the sales orders included delivery services, management needed to review the sales orders or contracts to determine the performance obligations and the time of their satisfaction, there is a significant risk in revenue recognition. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the operating effectiveness of internal controls with respect to revenue recognition; selecting samples to perform tests of details and reviewing related transaction certificates and the significant terms and conditions of contracts to verify the accuracy of the timing of performance obligation satisfaction; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching samples against related certificates and reviewing significant subsequent sales return or discounts transactions to ensure revenue was recognized at appropriate timing.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Company's consolidated financial statements.

### **Other Matter**

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

### **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, 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.

Hsiao, Tsui-Hui

Huang, Chien-Che

Ernst & Young, Taiwan

March 6, 2023

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the 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.*

*Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

## Report Item 3

### 2022 Directors' and Employees' Remuneration Distribution Report

According to Article 26 of Articles of Incorporation, TGI's 2022 net loss before tax is NT\$486,036,000. The remuneration of directors and employees is not to be distributed.

## Ratification Item 1

( Motion from TGI Board of Directors )

### 2022 Business Report and Financial Statements Report

For Business Report, please refer to Report Item 1.

Financial Statements, including Consolidated and Parent Company Only Balance Sheet, Income Statements, Statement of Changes in Equity and Cash Flow Statement, are attached as follows.

#### **Resolution:**

English Translation of Financial Statements Originally Issued in Chinese  
TAIWAN GLASS INDUSTRIAL CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
31, December 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

ASSETS	NOTE	As of December 31,			LIABILITIES AND EQUITY			NOTE	As of December 31,		
		2022	%	2021	2022	%	2021		2022	%	2021
<b>Current assets</b>					<b>Current liabilities</b>						
Cash and cash equivalents	4, 6(1)	\$1,163,319		\$1,730,072	3			6(12)	\$2,250,000	3	\$900,000
Notes receivable, net	4, 6(2), 6(18)	180,704	-	202,878	-			6(13)	4,087,800	6	3,090,314
Accounts receivable, net	4, 6(3), 6(18), 7, 12(11)	1,415,848	2	1,584,601	2			6(17)	427,122	1	401,338
Other receivables, net	4, 6(4), 6(18)	41,728	-	39,409	-			7	833,998	1	636,947
Other receivables-related parties	4, 6(4), 6(18), 7	2,185,857	3	229,334	-			7	1,201,094	2	1,199,860
Current tax assets	4	-	-	161	-			4	238,247	-	33,351
Inventories, net	4, 6(5)	4,737,730	6	3,290,630	4			4, 6(20), 7	24,993	-	48,613
Prepayments		548,424	1	417,072	1			6(14)	7,736,818	10	3,833,485
Non-current assets or disposal groups classified as held for sale, net	4, 6(6)	-	-	11,862	-				35,598	-	45,292
Other current financial assets	8	90,898	-	1,295	-				16,835,670	23	10,189,200
<b>Total current assets</b>		<b>10,364,508</b>	<b>14</b>	<b>7,507,314</b>	<b>10</b>						
<b>Non-current assets</b>					<b>Non-current liabilities</b>						
Non-current financial assets at fair value through other comprehensive income	4, 6(7)	326,033	1	431,830	1			6(14)	7,411,970	10	11,040,455
Investments accounted for using the equity method	4, 6(8)	46,990,541	64	51,921,578	69			4, 6(24)	393,574	1	352,995
Property, plant and equipment	4, 6(9), 8	14,563,014	20	15,056,945	20			4, 6(20), 7	37,046	-	57,906
Right-of-use assets	4, 6(10), 6(20), 7	65,773	-	109,604	-				2,839	-	1,380
Deferred tax assets	4, 6(24)	300,284	-	219,611	-				7,845,429	11	11,452,736
Net defined benefit non-current assets	4, 6(15)	449,436	1	318,528	-				24,681,099	34	21,641,936
Other non-current assets	4, 6(11), 6(18)	59,684	-	120,638	-						
<b>Total non-current assets</b>		<b>62,754,765</b>	<b>86</b>	<b>68,178,734</b>	<b>90</b>						
					<b>Retained earnings</b>						
					Legal reserve				29,080,608	39	29,080,608
					Special reserve				1,925,218	3	1,925,218
					Unappropriated retained earnings				7,383,663	10	6,207,565
					<b>Total retained earnings</b>				5,102,550	7	5,102,550
									7,965,324	11	15,249,757
					<b>Other components of equity</b>				20,451,537	28	26,559,872
					Exchange differences on translation of foreign operations			4	(2,967,266)	(4)	(3,575,460)
					Unrealized gains and losses on financial assets at fair value through other comprehensive income				(51,923)	-	53,874
					<b>Total other components of equity</b>				(3,019,189)	(4)	(3,521,586)
					<b>Total equity</b>				48,438,174	66	54,044,112
<b>Total assets</b>		<b>\$73,119,273</b>	<b>100</b>	<b>\$75,686,048</b>	<b>100</b>				\$73,119,273	100	\$75,686,048

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

English Translation of Financial Statements Originally Issued in Chinese  
TAIWAN GLASS INDUSTRIAL CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

	Note	For the years ended December 31,			
		2022		2021	
		Amount	%	Amount	%
<b>Operating revenues</b>	4, 6(17), 7	\$12,595,543	100	\$13,152,625	100
<b>Operating costs</b>	6(5), 6(11), 6(15), 6(20), 6(21), 7	(10,611,170)	(84)	(10,481,615)	(80)
<b>Gross profit</b>		1,984,373	16	2,671,010	20
Unrealized intercompany profit		(10,390)	-	(12,780)	-
Realized intercompany profit		12,780	-	1,264	-
<b>Net gross profit</b>		1,986,763	16	2,659,494	20
<b>Operating expenses</b>	6(11), 6(15), 6(18), 6(20), 6(21), 7				
Selling and marketing expenses		(1,772,514)	(14)	(2,005,704)	(15)
General and administrative expenses		(268,908)	(2)	(495,815)	(4)
Research and development expenses		(42,068)	-	(53,072)	-
Expected credit losses and gains		(549)	-	(340)	-
Subtotal		(2,084,039)	(16)	(2,554,931)	(19)
Net amount of other revenues and gains and expenses and losses	6(19), 7	77,707	-	1,760	-
<b>Operating (loss) income</b>		(19,569)	-	106,323	1
<b>Non-operating income and expenses</b>					
Interest income	6(22)	4,580	-	2,183	-
Other income	6(22), 7	197,812	2	192,579	1
Other gains and losses	6(22), 7	185,782	1	(129,811)	(1)
Finance costs	4, 6(22), 7	(351,014)	(3)	(272,263)	(2)
Share of (loss) income of subsidiaries, associates and joint ventures for under equity method	4	(503,627)	(4)	11,652,287	89
Subtotal		(466,467)	(4)	11,444,975	87
<b>(Loss) income from continuing operations before income tax</b>		(486,036)	(4)	11,551,298	88
<b>Income tax (expense)</b>	4, 6(24)	(234,540)	(2)	(74,620)	(1)
<b>Net (Loss) income from continuing operations</b>		(720,576)	(6)	11,476,678	87
<b>Other comprehensive income</b>	4, 6(23), 6(24)				
<b>Other comprehensive income that will not be reclassified subsequently:</b>					
Remeasurement of defined benefit obligation		(119,102)	(1)	349,216	3
Unrealized (losses) gains on equity instruments investments at fair value through other comprehensive income		(105,797)	(1)	179,705	2
Share of other comprehensive income of subsidiaries, associates and joint ventures for under equity method		193	-	4,924	-
Income tax related to components of other comprehensive income that will not be reclassified subsequently		23,821	-	(69,843)	(1)
<b>Other comprehensive income that will be reclassified subsequently:</b>					
Share of other comprehensive gains (losses) of subsidiaries, associates and joint ventures for under equity method		608,194	5	(250,101)	(2)
Income tax related to components of other comprehensive income that will be reclassified subsequently		-	-	-	-
<b>Total other comprehensive income, net of tax</b>		407,309	3	213,901	2
<b>Total comprehensive (loss) income</b>		<u>\$(313,267)</u>	<u>(3)</u>	<u>\$11,690,579</u>	<u>89</u>
<b>Earnings per share (NT\$)</b>	6(25)				
Earnings per share-basic		<u>\$(0.25)</u>		<u>\$3.95</u>	
Diluted earnings per share				<u>\$3.94</u>	

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



English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

	Capital	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
Balance as of January 1, 2021	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$5,214,614	\$ (3,325,359)	\$ (125,831)	\$43,807,564
Appropriations and distributions of 2020 earnings:								
Legal reserve			271,801		(271,801)			-
Cash dividends					(1,454,031)			(1,454,031)
Net income in 2021					11,476,678			11,476,678
Other comprehensive income, net of tax in 2021					284,297	(250,101)	179,705	213,901
Total comprehensive income					11,760,975	(250,101)	179,705	11,690,579
Balance as of December 31, 2021	\$29,080,608	\$1,925,218	\$6,207,565	\$5,102,550	\$15,249,757	\$ (3,575,460)	\$53,874	\$54,044,112
Balance as of January 1, 2022	\$29,080,608	\$1,925,218	\$6,207,565	\$5,102,550	\$15,249,757	\$ (3,575,460)	\$53,874	\$54,044,112
Appropriations and distributions of 2021 earnings:								
Legal reserve			1,176,098		(1,176,098)			-
Cash dividends					(5,292,671)			(5,292,671)
Net loss in 2022					(720,576)			(720,576)
Other comprehensive income, net of tax in 2022					(95,088)	608,194	(105,797)	407,309
Total comprehensive income					(815,664)	608,194	(105,797)	(313,267)
Balance as of December 31, 2022	\$29,080,608	\$1,925,218	\$7,383,663	\$5,102,550	\$7,965,324	\$ (2,967,266)	\$ (51,923)	\$48,438,174

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

English Translation of Financial Statements Originally Issued in Chinese  
TAIWAN GLASS INDUSTRIAL CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2022	2021
Cash flows from operating activities:		
(Loss) Income before income tax	\$(486,036)	\$11,551,298
Adjustments:		
Depreciation (including investment property)	1,262,426	1,278,406
Amortization	1,536	2,496
Expected credit losses and gains	549	340
Interest expense	351,014	272,263
Interest income	(4,580)	(2,183)
Dividend income	(23,001)	(12,908)
Share of loss (income) of subsidiaries, associates and joint ventures	503,627	(11,652,287)
Gains on disposal of property, plant and equipment	(77,707)	(1,747)
Gains on disposal of investment	-	(13)
Unrealized intercompany loss	10,390	12,780
Realized intercompany (profit)	(12,780)	(1,264)
Changes in assets and liabilities:		
Notes receivable	22,174	(50,633)
Accounts receivable	168,204	7,626
Other receivables	(28,512)	428,539
Inventories	(1,447,100)	(131,998)
Prepayments	(131,352)	(30,921)
Other current assets	(89,603)	5,322
Contract liabilities	25,784	127,781
Accounts payable	197,051	(30,091)
Other payable	(502,499)	464,537
Advanced receipts	266	276
Other current liabilities	1,902	26,359
Net defined benefit liability	(250,010)	(96,422)
Cash (outflow) inflow generated from operations	(508,257)	2,167,556
Interests received	4,580	2,183
Dividends received	23,001	12,908
Interests paid	(350,280)	(275,966)
Income tax paid	(45,756)	(4,237)
Net cash flows (used in) provided by operating activities	(876,712)	1,902,444
Cash flows from investing activities:		
Proceeds from capital reduction of investments accounted for using equity method	3,116,779	-
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(652,056)	(682,727)
Capitalized borrowing costs from self-constructed assets	(14,889)	(13,017)
Proceeds from disposal of property, plant and equipment	75,094	5,749
Increase in refundable deposits	(6,933)	-
Decrease in refundable deposits	-	2,389
Acquisition of intangible assets	(1,543)	(880)
Decrease in other non-current assets	-	462
Net cash flows provided by (used in) investing activities	2,516,452	(688,024)
Cash flows from financing activities:		
Increase in short-term loans	4,450,000	8,297,000
Decrease in short-term loans	(3,100,000)	(9,397,000)
Increase in short-term bills payable	17,400,000	16,700,000
Decrease in short-term bills payable	(16,400,000)	(16,800,000)
Proceeds from long-term loans	2,900,000	4,260,000
Repayments of long-term loans	(2,625,152)	(2,325,151)
Increase in deposits-in	1,459	391
Payments of lease liabilities	(49,858)	(47,291)
Cash dividends paid	(4,782,942)	(1,454,149)
Net cash flows (used in) financing activities	(2,206,493)	(766,200)
Net (decrease) increase in cash and cash equivalents	(566,753)	448,220
Cash and cash equivalents at the beginning of the year	1,730,072	1,281,852
Cash and cash equivalents at the end of the year	\$1,163,319	\$1,730,072

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

ASSETS		As of December 31,			LIABILITIES AND EQUITY			As of December 31,				
		2022	%	2021	%	NOTE	2022	%	2021			
<b>Current assets</b>							<b>Current liabilities</b>					
Cash and cash equivalents	4, 6(1)	\$8,374,101	9	\$8,173,805	8		Short-term loans	6(15), 7, 8	\$4,225,885	5	\$2,529,627	3
Current Financial assets at fair value through profit or loss	4, 6(2)	3,483,459	4	7,109,379	7		Short-term bills payable	6(16)	4,087,800	4	3,090,314	3
Current Financial assets at amortized cost	4, 6(3)	-	-	575,414	1		Current contract liabilities	4, 6(22)	1,109,130	1	1,126,405	1
Current contract assets	4, 6(22), 6(23)	117,767	-	201,217	-		Notes payable	7	1,158,188	1	874,654	1
Notes receivable, net	4, 6(4), 6(15), 6(23), 7, 8	7,409,421	8	11,339,577	11		Accounts payable		6,995,444	8	7,330,144	8
Accounts receivable, net	4, 6(5), 6(23), 7, 12(11)	4,493,995	5	5,523,348	6		Accounts payable to related parties	7	1,517,252	2	1,205,676	1
Other receivables, net	4, 6(6), 6(23), 7	353,998	-	187,554	-		Other payables	6(17)	2,797,641	3	3,774,555	4
Current tax assets	4	60,270	-	13,576	-		Other payables to related parties	6(17), 7	782,520	1	393,097	-
Inventories, net	4, 6(7)	13,555,414	15	10,297,779	10		Current income tax liabilities	4	273,159	-	438,007	-
Prepayments	6(8), 7	1,156,686	1	1,236,240	2		Current lease liabilities	4, 6(25), 7	29,089	-	50,950	-
Non-current assets or disposal groups classified as held for sale, net	4, 6(9), 6(31)	-	-	11,862	-		Current portion of long-term loans	6(18), 7	8,188,327	9	6,103,826	6
Other current financial assets	8	782,038	1	985,447	1		Other current liabilities, others	7	120,793	-	57,977	-
Other current assets, others		94,696	-	2,639	-		<b>Total current liabilities</b>		31,285,228	34	26,975,232	27
<b>Total current assets</b>		<b>39,881,845</b>	<b>43</b>	<b>45,637,837</b>	<b>46</b>		<b>Non-current liabilities</b>					
<b>Non-current assets</b>							Long-term loans	6(18), 7	8,070,172	9	12,581,798	13
Non-current financial assets at fair value through other comprehensive income	4, 6(10)	326,033	-	431,830	-		Deferred tax liabilities	4, 6(29)	758,756	1	754,618	1
Investments accounted for using the equity method	4, 6(11)	6,639,524	7	5,482,791	6		Non-current lease liabilities	4, 6(25), 7	44,245	-	63,439	-
Property, plant and equipment	4, 6(12), 7, 8	42,343,801	46	43,948,199	45		Long-term deferred revenue	4, 6(19)	1,061,475	1	1,062,698	1
Right-of-use assets	4, 6(25), 7	2,497,446	3	2,704,809	3		Accrued pension liabilities	4, 6(20)	1,025	-	7,039	-
Intangible assets	4, 6(13)	34,657	-	35,347	-		Deposits-in	7	148,066	-	236,010	-
Deferred tax assets	4, 6(29)	404,428	-	464,492	-		<b>Total non-current liabilities</b>		10,083,739	11	14,705,602	15
Refundable deposits	7	242,154	-	194,303	-		<b>Total liabilities</b>		41,368,967	45	41,680,834	42
Other net defined benefit assets	4, 6(20)	449,436	1	318,528	-							
Other non-current assets	4, 6(14), 6(23)	210,694	-	217,193	-		<b>Capital</b>	6(21)	29,080,608	31	29,080,608	30
<b>Total non-current assets</b>		<b>53,148,173</b>	<b>57</b>	<b>53,797,492</b>	<b>54</b>		Common stock		1,925,218	2	1,925,218	2
							<b>Additional paid-in capital</b>	4, 6(21)				
							<b>Retained earnings</b>	6(21)				
							Legal reserve		7,383,663	8	6,207,565	6
							Special reserve		5,102,550	5	5,102,550	5
							Unappropriated retained earnings		7,965,324	9	15,249,757	15
							<b>Total retained earnings</b>		20,451,537	22	26,559,872	26
							<b>Other components of equity</b>					
							Exchange differences on translation of foreign operations	4	(2,967,266)	(3)	(3,575,460)	(4)
							Unrealized gains and losses on financial assets at fair value through other comprehensive income		(51,923)	-	53,874	-
							<b>Total other components of equity</b>					
							<b>Total equity attributable to stockholders of the parent</b>		(3,019,189)	(3)	(3,521,586)	(4)
							<b>Non-controlling interests</b>		48,438,174	52	54,044,112	54
							<b>Total equity</b>	6(21)	3,222,877	3	3,730,383	4
									51,661,051	55	57,774,495	58
									\$93,030,018	100	\$99,455,329	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

	Note	For the years ended December 31,			
		2022		2021	
		Amount	%	Amount	%
Operating revenues	4, 6(22), 7	\$43,859,066	100	\$53,591,856	100
Operating costs	6(7), 6(13), 6(20), 6(25), 6(26), 7	(39,390,738)	(90)	(36,327,707)	(68)
Gross profit		4,468,328	10	17,264,149	32
Operating expenses	6(13), 6(20), 6(23), 6(25), 6(26), 7				
Selling and marketing expenses		(2,888,004)	(7)	(3,211,503)	(6)
General and administrative expenses		(1,406,649)	(3)	(1,515,990)	(3)
Research and development expenses		(1,030,615)	(2)	(1,028,050)	(2)
Expected credit losses and gains		(49,818)	-	(36,262)	-
Subtotal		(5,375,086)	(12)	(5,791,805)	(11)
Net amount of other revenues and gains and expenses and losses	6(24), 7	148,034	-	(10,401)	-
Operating (loss) income		(758,724)	(2)	11,461,943	21
Non-operating income and expenses	6(11), 6(23), 6(27), 6(31), 7				
Interest income		73,139	-	64,059	-
Other income		825,377	2	701,206	1
Other gains and losses		(369,495)	(1)	1,017,294	2
Finance costs		(538,552)	(1)	(495,047)	(1)
Share of income of associates and joint ventures		1,387,013	3	904,488	2
Expected credit losses and gains		(17,552)	-	12,558	-
Subtotal		1,359,930	3	2,204,558	4
Income from continuing operations before income tax		601,206	1	13,666,501	25
Income tax expense	4, 6(29)	(1,302,864)	(3)	(1,667,091)	(3)
Net (loss) profit from continuing operations		(701,658)	(2)	11,999,410	22
(Loss) profit from discontinued operations	4, 6(9)	(121,216)	-	231,829	-
(Loss) profit		(822,874)	(2)	12,231,239	22
Other comprehensive income	4, 6(11), 6(20), 6(28)				
Other comprehensive income that will not be reclassified subsequently:					
Remeasurement of defined benefit obligation		(118,825)	-	356,291	1
Unrealized (losses) gains on equity instruments investment at fair value		(105,797)	-	179,705	-
• through other comprehensive income					
Income tax related to components of other comprehensive income		23,765	-	(71,258)	-
• that will not be reclassified subsequently					
Other comprehensive income that will be reclassified subsequently:					
Exchange differences on translation of foreign operations		876,862	2	(229,509)	-
Share of other comprehensive income of associates and joint ventures		(230,280)	(1)	(38,139)	-
Income tax related to components of other comprehensive income		-	-	-	-
• that will be reclassified subsequently					
Total other comprehensive income, net of tax		445,725	1	197,090	1
Total comprehensive income		\$(377,149)	(1)	\$12,428,329	23
Net income attributable to:					
Stockholders of the parent					
(Loss) profit from continuing operations		\$(594,781)	(2)	\$11,302,035	21
(Loss) profit from discontinued operations		(125,795)	-	174,643	-
Net (loss) income attributable to Stockholders of the parent		(720,576)	(2)	11,476,678	21
Non-controlling interests					
(Loss) profit from continuing operations		(106,877)	-	697,375	1
Profit from discontinued operations		4,579	-	57,186	-
Net (loss) income attributable to Non-controlling interests		(102,298)	-	754,561	1
Comprehensive income attributable to:					
Stockholders of the parent		\$(313,267)	(1)	\$11,690,579	22
Non-controlling interests		(63,882)	-	737,750	1
		\$(377,149)	(1)	\$12,428,329	23
Earnings per share (NT\$)	6(30)				
Earnings per share-basic					
(Loss) profit from continuing operations		\$(0.21)		\$3.89	
(Loss) profit from discontinued operations		(0.04)		0.06	
Earnings per share-basic		\$(0.25)		\$3.95	
Diluted earnings per share					
Profit from continuing operations				\$3.88	
Profit from discontinued operations				\$0.06	
Earnings per share-diluted				\$3.94	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Capital	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
Balance as of 1 January 2021	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$5,214,614	\$ (3,325,359)	\$ (125,831)	\$43,807,564	\$2,992,633	\$46,800,197
Appropriations and distributions of 2020 earnings:										
Legal reserve			271,801		(271,801)			-		-
Cash dividends					(1,454,031)			(1,454,031)		(1,454,031)
Net income in 2021					11,476,678			11,476,678	754,561	12,231,239
Other comprehensive income, net of tax in 2021					284,297	(250,101)	179,705	213,901	(16,811)	197,090
Total comprehensive income	-	-	-	-	11,760,975	(250,101)	179,705	11,690,579	737,750	12,428,329
Balance as of December 31, 2021	\$29,080,608	\$1,925,218	\$6,207,565	\$5,102,550	\$15,249,757	\$ (3,575,460)	\$53,874	\$54,044,112	\$3,730,383	\$57,774,495
Balance as of January 1, 2022	\$29,080,608	\$1,925,218	\$6,207,565	\$5,102,550	\$15,249,757	\$ (3,575,460)	\$53,874	\$54,044,112	\$3,730,383	\$57,774,495
Appropriations and distributions of 2021 earnings:										
Legal reserve			1,176,098		(1,176,098)			-		-
Cash dividends					(5,292,671)			(5,292,671)		(5,292,671)
Net loss in 2022					(720,576)			(720,576)	(102,298)	(822,874)
Other comprehensive income, net of tax in 2022					(95,088)	608,194	(105,797)	407,309	38,416	445,725
Total comprehensive income	-	-	-	-	(815,664)	608,194	(105,797)	(313,267)	(63,882)	(377,149)
Changes in ownership interests in subsidiaries									(5,306)	(5,306)
Changes in non-controlling interests									(438,318)	(438,318)
Balance as of December 31, 2022	\$29,080,608	\$1,925,218	\$7,383,663	\$5,102,550	\$7,965,324	\$ (2,967,266)	\$ (51,923)	\$48,438,174	\$3,222,877	\$51,661,051

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2022	2021
Cash flows from operating activities:		
Income before income tax	\$601,206	\$13,666,501
(Loss) gain from discontinued operations before tax	(121,216)	264,596
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation (including investment property)	5,000,301	4,976,370
Amortization	2,602	3,623
Expected credit losses	51,134	376
(Gains) on financial liabilities at fair value through profit	(237,927)	(130,001)
Interest expenses	539,831	497,089
Interest income	(74,403)	(65,991)
Dividend income	(23,001)	(12,908)
Share of profit or loss of associates and joint ventures accounted for using equity method	(1,387,013)	(904,488)
(Gains) losses on disposal of property, plant and equipment	(146,233)	19,298
(Gains) on disposal of other assets	-	(30)
(Gains) on disposal of investments accounted for using equity method	(208,937)	(1,279,159)
Reversal of gain on impairment of non-financial assets	-	(14,208)
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	3,996,573	(5,104,954)
Contract assets	91,732	68,049
Notes receivable	2,841,169	(21,783)
Accounts receivable	591,884	(988,131)
Other receivables	(260,430)	14,698
Inventories	(3,667,610)	(2,139,431)
Prepayments	62,134	185,802
Other current assets	(92,057)	4,022
Current other financial assets	203,409	(784,165)
Other operating assets	(12,866)	413
Contract liabilities	3,254	1,122,514
Notes payable	283,534	496,773
Accounts payable	1,041,813	1,393,774
Other payable	(367,508)	784,584
Other current liabilities	74,678	578,094
Net accrued pension liability	(255,682)	(104,845)
Long-term deferred revenue	47,408	(116,735)
• Cash inflow generated from operations	8,577,779	12,409,747
Interests received	74,403	65,991
Dividends received	23,001	12,908
Interests paid	(538,647)	(514,555)
Income tax paid	(1,426,439)	(1,487,965)
• Net cash flows provided by operating activities	6,710,097	10,486,126
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	-	(410,367)
Disposal of financial assets at amortized cost	575,414	-
Disposal of subsidiaries	1,698,814	1,425,681
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(4,327,428)	(3,043,048)
Proceeds from disposal of property, plant and equipment	212,139	102,103
Decrease in receipts in advance due to disposal of assets	-	(857,841)
Increase in refundable deposits	(47,908)	(13,033)
Acquisition of intangible assets	(2,062)	(1,038,031)
Acquisition of right-of-use assets	-	(86,843)
Decrease in other non-current assets	-	462
Interest paid for constructing plant	(14,889)	(13,017)
Net cash flows (used in) investing activities	(1,905,920)	(3,933,934)
Cash flows from financing activities:		
Increase in short-term loans	7,650,160	8,911,702
Decrease in short-term loans	(5,761,744)	(13,608,704)
Increase in short-term bills payable	17,400,000	16,700,000
Decrease in short-term bills payable	(16,400,000)	(16,800,000)
Proceeds from long-term loans	3,268,638	5,510,298
Repayments of long-term loans	(5,996,442)	(4,159,695)
Increase in deposits-in	-	19,450
Decrease in deposits-in	(78,379)	-
Increase in other payables to related parties	48,782	86,812
Decrease in other payable to related parties	(22,174)	-
Payments of lease liabilities	(52,761)	(49,862)
Cash dividends paid	(4,782,942)	(1,454,149)
Changes in non-controlling interests	(438,318)	-
Net cash flows (used in) financing activities	(5,165,180)	(4,844,148)
Effects of exchange rate changes on cash and cash equivalents	561,299	(242,830)
Net increase in cash and cash equivalents	200,296	1,465,214
Cash and cash equivalents at the beginning of the year	8,173,805	6,708,591
Cash and cash equivalents at the end of the year	\$8,374,101	\$8,173,805

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

## Ratification Item 2

( Motion from TGI Board of Directors )

### 2022 Earning Distribution

Explanation: The Earning Distribution is as follows.

Resolution:

TGI Stockholders' Meeting June 14, 2023

### TGI 2022 Earning Distribution

Unit: NT\$

Item	Amount	
	Subtotal	Total
Un-appropriated Retained Earnings at Beginning		8,780,989,109
Add: Consolidated Income and Loss (The Actuarial Income and Loss after Determining Welfare Plan (2022))	(95,089,436)	
2022 Net Loss After Tax	(720,575,588)	(815,665,024)
Allowance Items:		
Legal Reserve 10%	0	0
Subtotal of Distributable Net Profit		7,965,324,085
Dividends Distribution 2,908,060,800 shares NT\$0/@ share		
Bonus of Stockholders – Stock NT\$ 0/@ share	0	
–Cash NT\$0/@ share	0	0
Un-appropriated Retained Earnings		7,965,324,085

Motions:



Appendix I:  
Number of Shares Held by All Directors

TGI Stockholders' Meeting June 14, 2023

Title	Corporate Representative	Appointment Date	Term	Number of Shares Held on Appointment Date		Number of Shares Held Up to the Date of Book Closure	
				Shares	Rate (%)	Shares	Rate (%)
Chairman	Lin, P. F.	July 2, 2021 to July 1, 2024	3 years	20,603,512	0. <u>71</u> %	20,603,512	0. <u>71</u> %
Director	Lin, P. S.			14,897,934	0. <u>51</u> %	14,897,934	0. <u>51</u> %
	Lin, P. C.			6,191,002	0. <u>21</u> %	6,191,002	0. <u>21</u> %
	Lim, H. T.			10,337,628	0. <u>36</u> %	10,337,628	0. <u>36</u> %
	Peng, C. H.			10,000	0. <u>00034</u> %	10,000	0. <u>00034</u> %
	Tai Hong Investment Corp. Hsu, L. L.			420,137,922	14. <u>44</u> %	420,137,922	14. <u>44</u> %
	Tai Hong Investment Corp. Lin, C. H.						
	Tai Hong Investment Corp. Su, Y. T.						
	Tai Hong Investment Corp. Lin, C. Y.						
	Ho Ho Investment Corp. Lin, C. M.			402,748,231	13. <u>84</u> %	402,748,231	13. <u>84</u> %
	Ho Ho Investment Corp. Tsai, T. M.						
				Lien, S. W.	25,000	0. <u>00086</u> %	25,000
Independent Director	Lin, S. C.			0	0%	0	0%
	Lin, Z. Y.			0	0%	0	0%
	Wang, Y. C.			0	0%	0	0%
Total Number of Shares Held by 15 Directors				874,951,229	30. <u>09</u> %	874,951,229	30. <u>09</u> %

Note: 1. Total Issued Shares:

2,908,060,800 shares (100.0%)

2. Legal Shares of Directors:

87,241,824 shares (3.0%)

Appendix II:  
Earning Distribution Approved by the Board of Directors

Not applicable since no earning distribution will be made for 2022.

### Appendix III:

#### The Impact of Stock Dividend Issuance on Business Performance and EPS

The 2022 financial forecast of the Company is still not necessary to be disclosed up to the date of Stockholders' Meeting.

## Appendix IV:

### Articles of Incorporation of Taiwan Glass Industry Corporation

Amended on June 9, 2022

#### Chapter I. General Provisions

- Article 1           The Company is named Taiwan Glass Industry Corporation and is incorporated under the provisions on joint stock company limited set forth in the Republic of China (ROC) Company Law.
- Article 2           The business scope of the Company is as follows:
1.   C901020 Glass and Glass Made Products Manufacturing
  2.   F106050 Wholesale of Pottery, Porcelain and Glassware
  3.   F107990 Wholesale of Other Chemical Products
  4.   F207990 Retail Sale of Other Chemical Products
  5.   CB01010 Machinery and Equipment Manufacturing
  6.   F401010 International Trade
  7.   E801040 Glass Construction
  8.   F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures
  9.   F205040 Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures
  10.  F106020 Wholesale of Articles for Daily Use
  11.  F206020 Retail Sale of Articles for Daily Use
  12.  I501010 Product Designing
  13.  F213050 Retail Sale of Metrological Instruments
  14.  F213010 Retail Sale of Household Appliance
  15.  F501060 Restaurants
  16.  ZZ99999 -- besides permitted business, the Company is allowed to operate business that is not prohibited by any laws.
- Article 2-1        The Company may provide endorsement and guarantee and act as a guarantor.
- Article 3           The Company's overseas investment is not subject to the limitation stipulated in Article 13 of R.O.C Company Law.
- Article 4           The Company is located in Taipei City and sets its factory in Hsinchu City, Taichung City, Taoyuan City and Changhua County, and sets its sand quarry and sand washing factory in Miaoli County, and may form either domestic or foreign branches if necessary.
- Article 5           (Delete)

#### Chapter II. Shares

- Article 6           The total capital of the Company amounts to NT\$30 billion, which is represented by 3 billion shares of NT\$10 par value per share. The shares are to be issued in several times authorized by the Board of Directors.
- Article 7           The share certificates issued by the Company are in registered form and are issued in accordance with the Company Act and other relevant laws and regulations. Shares issued in accordance with the preceding paragraph are exempt from printing of stock certificates, but the shares should be registered with a centralized securities depository.

- Article 8 The stockholders shall inform the Company about their true names and addresses, and submit their signature cards to the Company for recordation. All claims for dividends and bonuses, exercising of stockholders rights or contacts in writing with the Company shall be authenticated by the said seals.
- Article 9 All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, and similar stock transaction conducted by stockholders of the Company shall follow the “Guidelines for Stock Operations for Public Companies” unless specified otherwise by law and securities regulations.
- Article 10 (Delete)
- Article 11 Stock transfer registrations shall be suspended sixty days preceding each regular stockholders’ meeting, thirty days preceding a temporary stockholders’ meeting, or five days preceding the base day for distribution to stockholders of dividends, bonuses, or other privileges as determined by the Company.

### **Chapter III. Stockholders’ Meetings**

- Article 12 The regular meeting is to be called once every year and summoned by the Board of Directors in the Company within six months of the close of each fiscal year. If necessary, a temporary meeting may be summoned in accordance with the laws.
- Article 12-1 The Company’s stockholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 13 The chairman of the Board of Directors in the Company shall be the chairperson of a stockholders' meeting. In case that the chairman of the Board asks for leave or fails to perform his duty due to certain reason, the chairperson may designate one of the directors to represent him; in the event he has not designated any representative, the directors shall elect one from among themselves to represent him.
- Article 14 Stockholders shall have one vote for each share they hold. The Company owns shares held by law, but no voting rights. When a stockholder is unable to attend a stockholders’ meeting, he/she may delegate a proxy to attend it on behalf of him by completing a power-of-attorney, specifying the scope of authorization.
- Article 15 The meeting of the stockholders may be held if attended by more than one-half of total stockholders. Unless otherwise provided by law, resolutions of stockholders’ meeting require the presence of stockholders who represent more than one-half of the totals issued shares of the Company and shall be adopted by a majority vote of the stockholders present.

## **Chapter IV. Directors**

- Article 16            The Company shall have fifteen directors, including three independent directors to be elected by the stockholders' meeting from among stockholders with disposing capacity.  
However, the total ratio of the name-bearing shares held by all directors shall not be less than five percentage of paid-in capital of the Company.  
Directors shall be elected by adopting candidates' nomination system, the nomination of directors and related announcement shall comply with the relevant regulations of the law  
The stockholders who held more than one percent of the total number of issued shares could submit the nomination of the candidates and necessary documents comply with relevant regulations in writing during the public announcement of the Company, and the number of the director nomination shall not exceed the number of directors to be elected; likewise, the number of candidates nominated by the Board of Directors shall not exceed the number of directors to be elected.
- Article 17            The term of office for directors shall be three years, and all directors shall be eligible for re-election.
- Article 18            The chairman shall be elected among the directors and on behalf of the Company presided over all the business.
- Article 19            The Board of Directors shall be established at least quarterly and convened by the chairman of the Board of Directors. The convened notice of the Board of Directors shall be in the written notice, fax, or e-mail. When a director is unable to attend the meeting of the Board of Directors, he may appoint another director to attend on his behalf of the meeting of the Board of Directors. The chairman shall have the right to execute documents in accordance with the resolutions of the Board of Directors when the Board is not in session. Except as provided in Article 185 of the Company Law, other matters related to the sale, setting, creation of mortgage, and cancellation of real estates shall be decided by the Board of Directors.
- Article 20            In compliance with laws and regulations, the Company shall establish an Audit Committee, which shall consist of all independent directors.
- Article 21            (Delete)
- Article 22            (Delete)
- Article 23            The Board of Directors is authorized to prescribe remuneration to chairman and directors according to the extent of their contribution and participation to the Company.

## **Chapter V. Managers**

- Article24            The Company shall have one president and several vice presidents according to the organization and the need of business of the Company. The appointment, dismissal and remuneration of president and vice presidents shall be authorized by the Board of Directors.

## **Chapter VI. Final accounts of revenue and earnings distribution**

- Article 25            At the end of a fiscal year, the Board of Directors shall prepare and deliver the following statements and reports to Audit Committee for auditing purposes and submit to the general stockholders meeting for recognition.
1. The business report.
  2. The financial statements.
  3. Motions relating to the earnings distribution or appropriation to cover loss.
- Article 26            If there is any profit of annual revenue, the Company shall allocate one point five percent (1.5%) of net profit to the employees as remuneration, and less than one point five percent (1.5%) of net profit to the directors as remuneration. If there is any accumulated deficit, the amount of restitution shall be remained first.
- Article 26-1          If there is any profit after annual accounting, it shall be allocated with the following order.
1. To reconstitute deficits.
  2. To allocate ten percent (10%) of net profits to a legal reserve. if the legal reserve has reached the amount of Capital, it is no limitation.
  3. To allocate special reserve.
  4. After allocation of Item 1~3 above mentioned, If there is any net profit remaining, the Board of Directors shall prepare a distribution proposal and submit to the stockholders' meeting for resolution.
- For sound financial planning, appropriate dividend strategies shall be made according to the annual actual operating situation, Capital budget of next annual, and the necessary of supporting capital by profits for sustainable operation and development. After deducted Item 1 to 3 above from Income, the dividends and bonuses above mentioned shall not be lower than 50% of the earnings. Only when the dividends and bonuses is lower than 1% of capital, it can be resolved to transfer all of them to retained earnings and not to be distributed. The rate of distributing cash dividends shall not be lower than 20% of total dividends.
- Article 27            Until the accumulated legal capital reserve has equaled the total share of capital, may stop appropriating by the resolution in the stockholders' meeting.

## **Chapter VII. Appendix**

- Article 28            The internal organization of the Company and the detailed procedures of business operation were adopted separately.
- Article 28-1          The rules of stockholders' meeting in the Company comply with regulations of Financial Supervisory Commission, Executive Yuan, R.O.C.
- Article 29            In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.
- Article 30            The present Articles of Incorporation was adopted on August 25, 1964.  
The first Amendment was on August 25, 1966.  
The second Amendment was on October 29, 1966.  
The third Amendment was on September 16, 1967.  
The fourth Amendment was on February 29, 1968.  
The fifth Amendment was on July 5, 1968.  
The sixth Amendment was on April 5, 1969.  
The seventh Amendment was on April 14, 1970.  
The eighth Amendment was on May 8, 1971.  
The ninth Amendment was on March 31, 1973.  
The tenth Amendment was on April 27, 1974.  
The eleventh Amendment was on February 1, 1975.

The twelfth Amendment was on April 30, 1975.  
The thirteenth Amendment was on April 21, 1976.  
The fourteenth Amendment was on March 31, 1977.  
The fifth Amendment was on March 18, 1978.  
The sixteenth Amendment was on March 28, 1979.  
The seventeenth Amendment was on March 1, 1980.  
The eighteenth Amendment was on August 15, 1980.  
The nineteenth Amendment was on March 28, 1981.  
The twentieth Amendment was on March 27, 1982.  
The twenty-first Amendment was on March 19, 1983.  
The twenty-second Amendment was on March 17, 1984.  
The twenty-third Amendment was on March 28, 1985.  
The twenty-fourth Amendment was on September 7, 1985.  
The twenty-fifth Amendment was on March 21, 1986.  
The twenty-sixth Amendment was on March 14, 1987.  
The twenty-seventh Amendment was on July 6, 1987.  
The twenty-eighth Amendment was on March 19, 1988.  
The twenty-ninth Amendment was on March 18, 1989.  
The thirtieth Amendment was on March 17, 1990.  
The thirty-first Amendment was on March 12, 1991.  
The thirty-second Amendment was on March 25, 1992.  
The thirty-third Amendment was on March 26, 1993.  
The thirty-fourth Amendment was on April 1, 1994.  
The thirty-fifth Amendment was on March 31, 1995.  
The thirty-sixth Amendment was on March 28, 1996.  
The thirty-seventh Amendment was on March 28, 1997.  
The thirty-eighth Amendment was on May 8, 1998.  
The thirty-ninth Amendment was on April 28, 2000.  
The fortieth Amendment was on March 30, 2001.  
The forty-first Amendment was on May 31, 2002.  
The forty-second Amendment was on May 28, 2003.  
The forty-third Amendment was on May 13, 2004.  
The forty-fourth Amendment was on April 29, 2005.  
The forty-fifth Amendment was on June 9, 2006.  
The forty-sixth Amendment was on June 8, 2007.  
The forty-seventh Amendment was on June 11, 2008.  
The forty-eighth Amendment was on June 10, 2009.  
The forty-ninth Amendment was on May 26, 2010.  
The fiftieth Amendment was on May 25, 2011.  
The fifty-first Amendment was on June 5, 2012.  
The fifty-second Amendment was on June 10, 2013.  
The fifty-third Amendment was on June 9, 2014.  
The fifty-fourth Amendment was on June 9, 2015.  
The fifty-fifth Amendment was on June 17, 2016.  
The fifty-sixth Amendment was on June 5, 2020.  
The fifty-seventh Amendment was on July 2, 2021.  
The fifty-eighth amendment on June 9, 2022.