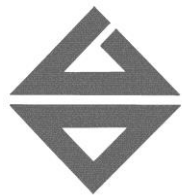


Stock Code: 1802



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

## **Handbook for 2021 Annual Meeting of Stockholders**

June 11, 2021

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.**  
**2021 Annual Meeting of Stockholders**

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# **TAIWAN GLASS IND. CORP.**

## **Procedure for 2021 Annual Meeting of Stockholders**

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Ratification Item
5. Approval Items (I)
6. Election Item
7. Approval Item (II)
8. Motions
9. Adjournment

# **TAIWAN GLASS IND. CORP.**

## **Agenda for 2021 Annual Meeting of Stockholders**

Time: 09:00 a.m. on Friday, June 11, 2021

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. 2020 Business Report
2. 2020 Audit Committee's Review Report and Independent Auditors' Report
3. 2020 Directors' and Employees' Remuneration Distribution Report

Ratification Item

1. 2020 Business Report and Financial Statements Report

Approval Items (I)

1. 2020 Earning Distribution
2. Amendment to the Articles of Incorporation

Election Item

1. Election of Directors of the 20<sup>th</sup> Board of Directors

Approval Item (II)

2. Relief of the Non-compete Limitations of the 20<sup>th</sup> Board of Directors and the Legal Person as Corporate Director Representatives

Motions

Adjournment

## Rules of Procedure for Stockholders' Meeting

TGI Stockholders' Meeting June 11, 2021

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.
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

## 2020 Business Report

TGI Stockholders' Meeting June 11, 2021

### 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 of flat glass</li> </ul>	211 (-23.4%)
	China	<ul style="list-style-type: none"> <li>11 production lines of flat glass in Kunshan, Chengdu, Tianjin, Dongguan, Qingdao, Donghai, Xianyang and Anhui;</li> <li>1 production line of photovoltaic glass in Fujian</li> <li>Total: 12 production lines</li> </ul>	2,530 (-1.5%)
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>	66 (+13.2%)
	China	<ul style="list-style-type: none"> <li>4 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: 6 production lines</li> </ul>	54 (-8.4%)
Container, Tableware Kitchenware	Taiwan	<ul style="list-style-type: none"> <li>7 production lines of container, tableware and kitchenware glass in Hsinchu Factory</li> </ul>	154 (+4.1%)
Autoglass	Taiwan	<ul style="list-style-type: none"> <li>Production line of automotive glass in Taichung Factory</li> </ul>	5 (-6.8%)
	China	<ul style="list-style-type: none"> <li>Production line of automotive glass in Yancheng Factory</li> </ul>	11 (+14.6%)
Total		-	3,031 (-3.0%)

### Sales Report:

Product	Region	Sales Volume		Sales Amount	
		Thousand MT	Compared with 2019	NT\$ Million	Compared with 2019
Flat Glass	Taiwan	252	(-2.6%)	3,665	(-5.6%)
	China	2,885	(+0.1%)	26,478	(+1.3%)
				30,143	(+0.4%)
	Subtotal	3,137	(-0.1%)	<b>= US\$1,020mil</b>	<b>Percentage of Group's Turnover 67.1%</b>
Fiberglass & Fiberglass Fabric	Taiwan	72	(+21.0%)	4,383	(+4.0%)
	China	96	(-5.3%)	5,974	(+2.3%)
				10,357	(+3.0%)
	Subtotal	168	(+4.4%)	<b>= US\$ 351mil</b>	<b>Percentage of Group's Turnover 23.0%</b>
Container, Tableware and Kitchenware	Taiwan	158	(+8.9%)	3,574	(+3.5%)
				<b>= US\$ 121mil</b>	<b>Percentage of Group's Turnover 8.0%</b>

Autoglass	Taiwan	5	(-6.0%)	490	(+0.5%)
	China	10	(+6.3%)	350	(+5.2%)
	Subtotal	15	(+1.6%)	840	(+2.4%)
				= US\$ 28mil	Percentage of Group's Turnover 1.9%
Total		3,478	(+0.5%)	44,914	(+1.3%)
				= US\$ 1,520mil	Domestic 85% Export 15%
Merge Reversal		-	-	(3,006)	
Total after Offset		-	-	41,908	(+0.3%)
				= US\$ 1,418mil	

#### Financial Report:

- Due to the decline in the prices of raw materials purchased in 2020 and the decline in costs, operating profit and net profit after tax increased.

2. Unit: NT\$ thousand

Title	2020	2019	Comparison% 2020/2019
Operating Revenue	41,907,654	41,768,461	0.3%
Operating Income	2,534,105	(917,721)	376.1%
Net Income before Tax	2,991,221	(1,300,423)	330.0%
Net Income after Tax	2,460,548	(1,606,778)	253.1%
Income after Tax Attributable to Stockholders of the Parent	2,468,521	(1,448,450)	270.4%

#### Status of Budget Implementation: Unit: NT\$ thousand

Title	2020 Budget (*)	2020 Actual Amount	Achievement
Operating Revenue	38,369,000	41,907,654	109.2%
Net Income before Tax	1,413,000	2,991,221	-
Income after Tax Attributable to Stockholders of the Parent	1,040,000	2,468,521	-

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

#### Analysis of Profitability:

Title	2020	2019
Return on Total Assets (ROA)	3.38 %	-1.13 %
Return on Stockholder's Equity (ROE)	5.46 %	-3.53 %
Ratio of Income before Tax to Paid-in Capital	10.29 %	-4.47 %
Profit Margin	5.87 %	-3.85 %
EPS (after Retroactive Adjustment)	0.85	-0.50

## 2021 Annual Business Plan Outline:

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

Looking ahead, in terms of business development strategy, Taiwan Glass, the industry leader in the domestic glass industry, will continue to work on the application of energy-saving glass, conduct research and development on forward-looking, high-value-added products and manufacturing technology for fiberglass fabric, while focusing on cost-based optimization, product improvement & enhancement to boost the competitiveness of our company. Meanwhile, we put continuous efforts into of process optimization, energy conservation, reuse of resources, and promoting certification of “Cleaner Production Assessment System” by the Industrial Development Bureau. In addition, our intelligent manufacturing allows timely monitoring of production efficiency and consumption of energy & raw materials. We will strengthen our adaptability in labor safety, environmental safety and human resources management while paying attention to risk awareness management. We will operate steadily based on our glass business, pursue sustainable development & growth and achieve our goal of being awarded excellent factory by the Industrial Development Bureau.

Facing the critical moment of energy transition, we expect the government to, actively and pragmatically, formulate relevant policies regarding energy conservation and new methods of electricity generation, provide sustainable, stable and abundant energy resources, create an investment-friendly environment and boost investor confidence.

### Brief of Technology and R&D:

In response to the market’s demand for glass with better mechanical strength, in 2020, we continued to develop ultra-thin glass with higher aluminum content to increase the value of glass. As a result, surface compressive stress and ion exchange depth have improved after chemical strengthening. In terms of optical properties, light transmittance has increased and the glass is clearer. The glass is now in stable production. In addition, glass can be deep processed with our privately developed technology, manufacturing high specification & high unit price anti-reflective glass, coated conductive glass, etc., to increase added value of glass.

In the production of raw flat glass, TGI is committed to improving quality, reducing color-change time to lower costs. The cold repair of the 600-ton float glass furnace in the Lukang plant was completed in August 2020, and the furnace has resumed production. We plan to introduce natural gas combustion system in the first half of 2021 as one of the main fuels to form a dual-fuel system to increase production flexibility. Besides, we have researched and adjusted the composition of glass to make glass brighter and clearer, which can be applied to protective covers of display devices to reduce image/color distortion.

As the age of 5G is approaching, the demand for high-speed and high-frequency substrate has increased steadily. TGI continues to expand production lines of low dielectric constant fiberglass fabric and develop products with lower dielectric constant and low dielectric loss to meet customers' needs for high-frequency products in the future. To meet downstream need for thin FRP products, we developed flat CS fiberglass for high-fiberglass products, which helps to decrease warps substantially. TGI 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 & carbon reduction.

### Operating Prospects:

In the first half of 2020, faced with the spread of the COVID-19 pandemic and lockdown measures, many countries launched large-scale monetary policies and stimulus packages, which has led to a slight rebound in global economy and trade. Taiwan and China have started to rebound thanks to effective control of the pandemic. The global economy is expected to recover gradually after the start of vaccinations in 2021. The International Monetary Fund (IMF) upgraded its forecast for 2021 global growth from the original 5.5% to 6%, the largest increase in 40 years. According to the forecast, Taiwan and China will grow by 4.7% and 8.4% respectively. Some central banks have started raising interest rates in response to the advent of inflation. Overall, how the pandemic develops remains uncertain and we hope that imported vaccines are effective enough to stop the spread of the virus.



In terms of the performance of Taiwan Glass in 2020, the COVID-19 pandemic resulted in sluggish demand in the first half of the year. Taiwan Glass Group's annual consolidated net profit before tax is NT\$2.99 billion, which can be attributed to the increased demand from industries in the second half of the year. The following is a report on the business of each product.

For flat glass, the relatively small Taiwan market and price competition with imported glass have resulted in low prices and price drops. Consequently, Taiwan Glass continues to strengthen its production and sales system, increase the added value of products, promote Low-E glass that is in line with environmental protection and energy conservation, and provide a variety of products to meet diversified needs of domestic construction projects, interior design and consumption habits, which will hopefully increase demand and boost our growth.

The flat glass market of China was also affected by the pandemic in the first half of the year. Delayed real estate constructions caused a backlog of orders, prompting manufacturers to shut down collectively for cold repair when they were faced with inventory and financial pressure. In the second half of the year, the supply shortage can be attributed to gradual resumption of work & production, quick recovery of demand, new production capacity under supervision & control as policy requires, and outdated production capacity gradually withdrawn under the pressure of pollutant discharge permits. Meanwhile, a sudden surge of demand for photovoltaic glass and shortage of supply prompted some profit-driven manufacturers to produce photovoltaic glass, causing an even tighter supply and a price hike in float glass. Overall, this year has seen a boom in the flat glass market of China.

As for new material glass, in response to the increased demand for screen protectors in China and India markets, we will produce 0.33mm and 0.44mm screen protectors, improve quality, increase aluminum content and achieve the goal of full production and sales.

In fiberglass business, Taiwan Glass is dedicated to reducing costs and speeding up research & development to increase our product value. 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.

As for electronic-grade fiberglass fabric, in response to the market needs in the future, other than the ultra-thin fiberglass fabric #1010 which we have successfully developed and supplied, we have tailored our products to clients' specific needs. To meet the needs for 5G deployment, remote business and new electronic products, we have also successfully developed low-dielectric (Low DK) fiberglass fabric, which has been certified and continuously adopted by international terminal manufacturers.

Production and sales have increased in terms of container, tableware and kitchenware glass. Containers are especially popular among domestic and foreign clients, which leads to a gradual increase in price and orders. The flagship store of our private brand—TG—opened on the first floor of Taiwan Glass Building in December 2020. The flagship store aided the promotion of our products a lot and boosted sales. In addition, the products and packaging design of TG won the 2021 Red Dot Design Award.

Shihlien Chemical Industrial Jiangsu Co., Ltd. (SCJ), with 44% of its shareholding held by Taiwan Glass, has reached full production and sales every year since its start of production in 2014. In the first half of 2020, high inventory resulted from the pandemic led to supply and demand imbalance, while in the second half of the year, the price of soda ash soared as demand increased, which helped to maintain SCJ's slight profit growth throughout the year. With an expected economic recovery in 2021 and rising prices of raw materials, this will be a promising year for SCJ.

#### Important Sales Policy:

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

## Report Item 2

### 2020 Audit Committee's Review Report and Independent Auditors' Report

Audit committee has reviewed 2020 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 2020 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 2020 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 2021 Annual Meeting of Stockholders.

Convener of Audit Committee: Lin, Fong-Cheng  
March 15, 2021

## **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, 2020 and 2019, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, and their financial performance and cash flows for the years ended December 31, 2020 and 2019, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audit of 2020 financial statements in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China; we conducted our audits of 2019 financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Order No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 2020 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, 2020, the Company's property, plant and equipment amounted to NT\$15,681,046 thousand, which accounted for 25% 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, 2020, the Company's net inventories amounted to NT\$ 3,158,632 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\$11,758,874 thousand for the year ended December 31, 2020. 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 significant terms and conditions of contracts to verify reasonableness of the timing of revenue recognition; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching them to supporting evidences and reviewing significant subsequent sales return or discounts transactions to ensure the reasonableness of the timing of revenue recognition.

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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 2020 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  
Fuh, Wen-Fang

Ernst & Young, Taiwan  
March 15, 2021

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 auditing standards generally accepted in 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, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, and their consolidated financial performance and cash flows for the years ended December 31, 2020 and 2019, 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 audit of 2020 consolidated financial statements in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China; we conducted our audits of 2019 consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Order No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on 25 February 2021, and the auditing standards generally accepted in 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 2020 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, 2020, the Company and its subsidiaries' property, plant and equipment amounted to NT\$46,050,857 thousand, which accounted for 52% 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, 2020, the Company and its subsidiaries net inventories amounted to NT\$8,160,813 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, 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 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\$41,907,654 thousand for the year ended December 31, 2020. 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 significant terms and conditions of contracts to verify reasonableness of the timing of revenue recognition; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching them to supporting evidences and reviewing significant subsequent sales return or discounts transactions to ensure the reasonableness of the timing of revenue recognition.

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, and an unqualified opinion with emphasis of matter, respectively, on the parent company only financial statements of the Company as of and for the years ended December 31, 2020 and 2019.

## **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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2020 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  
Fuh, Wen-Fang

Ernst & Young, Taiwan  
March 15, 2021

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 auditing standards generally accepted in 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

### 2020 Directors' and Employees' Remuneration Distribution Report

TGI's net income before tax of 2020 is NT\$ 2,528,835,000. According to Article 26 of Articles of Incorporation, the remuneration of directors and employees is distributed as follows:

Remuneration of Directors = NT\$ 39,106,000 to be divided into 15 points; NT\$ 2,607,000/point.

Remuneration of Employees = NT\$ 39,106,000 by cash.

## Ratification Item 1

( Motion from TGI Board of Directors )

### 2020 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 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars)

	ASSETS	As of December 31, 2020			NOTE	LIABILITIES AND EQUITY			NOTE	As of December 31, 2020		
		2020	%	2019		2020	%	2019		2020	%	2019
<b>Current assets</b>						<b>Current liabilities</b>						
Cash and cash equivalents		\$1,281,852	2	\$507,190	1	Short-term loans			6(11)	\$2,000,000	3	\$2,000,000
Notes receivable, net		152,245	-	138,109	-	Short-term bills payable			6(12)	3,194,683	5	3,741,006
Accounts receivable, net		1,593,029	2	1,369,794	2	Current contract liabilities			6(16)	273,557	1	415,347
Other receivables, net		697,282	1	150,155	-	Accounts payable			7	667,038	1	1,159,372
Current tax assets		303	-	142	-	Other payables				747,953	1	845,979
Inventories, net		3,158,632	5	3,633,098	6	Other payables to related parties			7	3,584	-	1,595,821
Prepayments		386,151	1	485,581	1	Current lease liabilities			4, 6(19), 7	41,499	-	37,051
Other current financial assets		6,617	-	4,864	-	Advance receipts			7	543	-	1,090
<b>Total current assets</b>		<b>7,276,111</b>	<b>11</b>	<b>6,288,933</b>	<b>10</b>	Current portion of long-term loans			6(13)	4,715,152	7	4,014,242
						Other current liabilities				18,114	-	17,493
						<b>Total current liabilities</b>				<b>11,662,123</b>	<b>18</b>	<b>13,827,401</b>
<b>Non-current assets</b>						<b>Non-current liabilities</b>						
Non-current financial assets at fair value through		252,125	-	257,667	-	Long-term loans			6(13), 7, 8	8,223,939	13	8,119,091
other comprehensive income						Deferred tax liabilities			4, 6(23)	288,825	1	288,170
Investments accounted for using the equity method		40,517,271	63	40,221,358	64	Non-current lease liabilities			4, 6(19), 7	76,431	-	65,302
Property, plant and equipment		15,681,046	25	15,619,637	25	Accrued pension liabilities			4, 6(14)	127,110	-	459,072
Right-of-use assets		120,729	-	105,383	-	Deposits-in				989	-	759
Deferred tax assets		262,174	1	382,396	1	<b>Total non-current liabilities</b>				<b>8,717,294</b>	<b>14</b>	<b>8,932,394</b>
Other non-current assets		77,525	-	48,502	-	<b>Total liabilities</b>				<b>20,379,417</b>	<b>32</b>	<b>22,759,795</b>
<b>Total non-current assets</b>		<b>56,910,870</b>	<b>89</b>	<b>56,634,943</b>	<b>90</b>							
						<b>Capital</b>			6(15)			
						Common stock				29,080,608	45	29,080,608
						<b>Additional paid-in capital</b>			6(15)	1,925,218	3	1,925,218
						<b>Retained earnings</b>			6(15)	-	-	-
						Legal reserve				5,935,764	9	5,935,764
						Special reserve				5,102,550	8	5,102,550
						Unappropriated retained earnings				5,214,614	8	2,496,601
						<b>Total retained earnings</b>				<b>16,252,928</b>	<b>25</b>	<b>13,534,915</b>
						<b>Other components of equity</b>			4			
						Exchange differences on translation of foreign operations				(3,325,359)	(5)	(4,256,371)
						Unrealized gains and losses on financial assets at fair value through other comprehensive income				(125,831)	-	(120,289)
						<b>Total other components of equity</b>						
						<b>Total equity</b>				(3,451,190)	(5)	(4,376,660)
						<b>Total liabilities and equity</b>				43,807,564	68	40,164,081
<b>Total assets</b>		<b>\$64,186,981</b>	<b>100</b>	<b>\$62,923,876</b>	<b>100</b>					<b>\$64,186,981</b>	<b>100</b>	<b>\$62,923,876</b>

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, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

	Note	For the years ended December 31,			
		2020		2019	
		Amount	%	Amount	%
<b>Operating revenues</b>	4, 6(16), 7	\$11,758,874	100	\$11,702,108	100
<b>Operating costs</b>	6(5), 6(14), 6(19), 6(20), 7	(10,314,282)	(88)	(10,695,337)	(92)
<b>Gross profit</b>		1,444,592	12	1,006,771	8
Unrealized intercompany profit		(1,264)	-	11,382	-
Realized intercompany profit		(11,382)	-	(24,547)	-
<b>Net gross profit</b>		1,431,946	12	993,606	8
<b>Operating expenses</b>	6(14), 6(17), 6(19), 6(20), 7				
Selling and marketing expenses		(1,602,516)	(14)	(1,615,838)	(14)
General and administrative expenses		(281,945)	(2)	(251,336)	(2)
Research and development expenses		(51,871)	-	(51,691)	-
Expected credit losses and gains		(505)	-	85	-
Subtotal		(1,936,837)	(16)	(1,918,780)	(16)
Net amount of other revenues and gains and expenses and losses	6(18)	10,300	-	2,957	-
<b>Operating loss</b>		(494,591)	(4)	(922,217)	(8)
<b>Non-operating income and expenses</b>					
Interest income	6(21)	1,849	-	1,624	-
Other income	6(21), 7	187,914	2	222,749	2
Other gains and losses	6(21), 7	(108,071)	(1)	(98,908)	(1)
Finance costs	4, 6(21), 7	(315,647)	(3)	(270,275)	(2)
Share of income (loss) of subsidiaries, associates and joint ventures for under equity method	4	3,257,381	28	(400,980)	(3)
Subtotal		3,023,426	26	(545,790)	(4)
<b>Income (loss) from continuing operations before income tax</b>		2,528,835	22	(1,468,007)	(12)
<b>Income tax (expense) benefit</b>	4, 6(23)	(60,314)	(1)	19,557	-
<b>Net income (loss) from continuing operations</b>		2,468,521	21	(1,448,450)	(12)
<b>Other comprehensive income</b>	4, 6(22), 6(23)				
<b>Other comprehensive income that will not be reclassified subsequently:</b>					
Remeasurement of defined benefit obligation		312,809	3	(63,970)	-
Unrealized losses on equity instruments investments at fair value through other comprehensive income		(5,542)	-	(5,665)	-
Share of other comprehensive loss of subsidiaries, associates and joint ventures for under equity method		(755)	-	(701)	-
Income tax related to components of other comprehensive income that will not be reclassified subsequently		(62,562)	(1)	12,794	-
<b>Other comprehensive income that will be reclassified subsequently:</b>					
Share of other comprehensive loss of subsidiaries, associates and joint ventures for under equity method		931,012	8	(1,705,017)	(15)
Income tax related to components of other comprehensive income that will be reclassified subsequently		-	-	-	-
<b>Total other comprehensive income, net of tax</b>		1,174,962	10	(1,762,559)	(15)
<b>Total comprehensive income</b>		\$3,643,483	31	\$ (3,211,009)	(27)
<b>Earnings per share (NT\$)</b>	6(24)				
Earnings per share-basic		\$0.85		\$ (0.50)	
Diluted earnings per share		\$0.85			

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, 2020 and 2019

(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
Adjusted balance as of January 1, 2019	\$29,080,608	\$1,925,218	\$5,829,135	\$5,102,550	\$4,975,975	\$ (2,551,354)	\$ (114,624)	\$44,247,508
Appropriations and distributions of 2018 earnings:								
Legal reserve	-	-	106,629	-	(106,629)	-	-	-
Cash dividends	-	-	-	-	(872,418)	-	-	(872,418)
Net income in 2019	-	-	-	-	(1,448,450)	-	-	(1,448,450)
Other comprehensive income, net of tax in 2019	-	-	-	-	(51,877)	(1,705,017)	(5,665)	(1,762,559)
Total comprehensive income	-	-	-	-	(1,500,327)	(1,705,017)	(5,665)	(3,211,009)
Balance as of December 31, 2019	29,080,608	1,925,218	5,935,764	5,102,550	2,496,601	(4,256,371)	(120,289)	40,164,081
Adjusted balance as of January 1, 2020	29,080,608	1,925,218	5,935,764	5,102,550	2,496,601	(4,256,371)	(120,289)	40,164,081
Net income in 2020					2,468,521			2,468,521
Other comprehensive income, net of tax in 2020					249,492	931,012	(5,542)	1,174,962
Total comprehensive income					2,718,013	931,012	(5,542)	3,643,483
Balance as of December 31, 2020	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$5,214,614	\$ (3,325,359)	\$ (125,831)	\$43,807,564

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, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2020	2019
Cash flows from operating activities:		
Income (loss) before income tax	\$2,528,835	\$(1,468,007)
Adjustments:		
Depreciation (including investment property)	1,275,464	1,210,620
Amortization	4,187	4,258
Expected credit losses and gains	505	(85)
Interest expense	315,647	270,275
Interest income	(1,849)	(1,624)
Dividend income	(13,998)	(7,493)
Share of (income) loss of subsidiaries, associates and joint ventures	(3,257,381)	400,980
Gains on disposal of property, plant and equipment	(10,283)	(2,957)
Loss on disposal of investment	(17)	-
Unrealized intercompany profit	1,264	(11,382)
Realized intercompany profit	11,382	24,547
Changes in assets and liabilities:		
Notes receivable	(14,136)	29,268
Accounts receivable	(223,278)	(224,187)
Other receivables	(547,127)	54,831
Inventories	474,466	(489,451)
Prepayments	99,430	145,591
Other current assets	(1,753)	(305)
Contract liabilities	(141,790)	(307,433)
Accounts payable	(492,334)	356,105
Other payable	73,392	(39,357)
Advanced receipts	(547)	(363)
Other current liabilities	621	(344)
Net defined benefit liability	(19,153)	(18,163)
Cash inflow generated from operations	61,547	(74,676)
Interests received	1,849	1,624
Dividends received	13,998	7,493
Interests paid	(317,436)	(268,712)
Income tax paid	(2,160)	(67,908)
Net cash flows (used in) operating activities	(242,202)	(402,179)
Cash flows from investing activities:		
Proceeds from capital reduction of investments accounted for using equity method	3,884,769	-
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(1,496,814)	(1,528,626)
Capitalized borrowing costs from self-constructed assets	(11,248)	(18,966)
Proceeds from disposal of property, plant and equipment	8,811	5,662
Increase in refundable deposits	1,028	4,324
Acquisition of intangible assets	(2,644)	(799)
Increase in other non-current assets	(462)	-
Net cash flows provided by (used in) investing activities	2,383,440	(1,538,405)
Cash flows from financing activities:		
Increase in short-term loans	5,045,000	1,000,000
Decrease in short-term loans	(5,045,000)	(900,000)
Increase in short-term bills payable	13,100,000	16,400,000
Decrease in short-term bills payable	(13,650,000)	(15,950,000)
Proceeds from long-term loans	3,170,000	1,740,000
Repayments of long-term loans	(2,364,242)	(1,091,607)
Increase in deposits-in	230	-
Decrease in deposits-in	-	(32)
Increase in other payables to related parties	-	1,580,000
Decrease in other payables to related parties	(1,580,000)	-
Payments of lease liabilities	(42,477)	(55,892)
Cash dividends paid	(87)	(859,026)
Net cash flows (used in) provided by financing activities	(1,366,576)	1,863,443
Net decrease in cash and cash equivalents	774,662	(77,141)
Cash and cash equivalents at the beginning of the year	507,190	584,331
Cash and cash equivalents at the end of the year	\$1,281,852	\$507,190

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, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars)

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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, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

	Note	For the years ended December 31,			
		2020		2019	
		Amount	%	Amount	%
<b>Operating revenues</b>	4, 6(21), 7	\$41,907,654	100	\$41,768,461	100
<b>Operating costs</b>	6(7), 6(12), 6(19), 6(24), 6(25), 7	(34,827,749)	(83)	(38,262,999)	(92)
<b>Gross profit</b>		7,079,905	17	3,502,462	8
<b>Operating expenses</b>	6(12), 6(19), 6(22), 6(24), 6(25), 7				
Selling and marketing expenses		(2,602,445)	(6)	(2,674,682)	(6)
General and administrative expenses		(1,230,651)	(4)	(1,361,010)	(3)
Research and development expenses		(601,989)	(1)	(376,258)	(1)
Expected credit losses and gains		(89,350)	-	(8,215)	-
Subtotal		(4,524,435)	(11)	(4,420,165)	(10)
<b>Net amount of other revenues and gains and expenses and losses</b>	6(23), 7	(21,365)	-	(3,018)	-
<b>Operating (loss) income</b>		2,534,105	6	(917,721)	(2)
<b>Non-operating income and expenses</b>	6(10), 6(11), 6(12), 6(17), 6(22), 6(26), 6(30), 7				
Interest income		47,427	-	94,070	-
Other income		770,536	2	604,098	1
Other gains and losses		447,314	1	(390,448)	(1)
Finance costs		(673,795)	(2)	(788,827)	(2)
Share of income of associates and joint ventures		23,472	-	351,565	1
Impairment loss		(2,570)	-	-	-
Subtotal		612,384	1	(129,542)	(1)
<b>Income (Loss) from continuing operations before income tax</b>		3,146,489	7	(1,047,263)	(3)
<b>Income tax expense</b>	4, 6(28)	(530,673)	(1)	(305,902)	(1)
<b>Net income (loss) from continuing operations</b>		2,615,816	6	(1,353,165)	(4)
<b>Profit (loss) from discontinued operations</b>	4, 6(8)	(155,268)	-	(253,613)	-
<b>Profit (loss)</b>		2,460,548	6	(1,606,778)	(4)
<b>Other comprehensive income</b>	4, 6(10), 6(27)				
<b>Other comprehensive income that will not be reclassified subsequently:</b>					
Remeasurement of defined benefit obligation		311,724	1	(65,265)	-
Unrealized losses on equity instruments investment at fair value through other comprehensive income		(5,542)	-	(5,665)	-
Income tax related to components of other comprehensive income that will not be reclassified subsequently		(62,345)	-	13,283	-
<b>Other comprehensive income that will be reclassified subsequently:</b>					
Exchange differences on translation of foreign operations		636,938	1	(1,580,000)	(4)
Share of other comprehensive income of associates and joint ventures		361,419	1	(256,326)	-
Income tax related to components of other comprehensive income that will be reclassified subsequently		-	-	-	-
<b>Total other comprehensive income, net of tax</b>		1,242,194	3	(1,893,973)	(4)
<b>Total comprehensive income</b>		\$3,702,742	9	\$(3,500,751)	(8)
<b>Net income attributable to:</b>					
Stockholders of the parent					
Profit (loss) from continuing operations		\$2,582,807	6	\$(1,272,325)	(4)
Loss from discontinued operations		(114,286)	-	(176,125)	-
Net income (loss) attributable to Stockholders of the parent		2,468,521	6	(1,448,450)	(4)
Non-controlling interests					
Profit (loss) from continuing operations		33,009	-	(80,840)	-
Loss from discontinued operations		(40,982)	-	(77,488)	-
Net income (loss) attributable to Non-controlling interests		(7,973)	-	(158,328)	-
		\$2,460,548	6	\$(1,606,778)	(4)
<b>Comprehensive income attributable to:</b>					
Stockholders of the parent		\$3,643,483	9	\$(3,211,009)	(8)
Non-controlling interests		59,259	-	(289,742)	-
		\$3,702,742	9	\$(3,500,751)	(8)
<b>Earnings per share (NT\$)</b>	6(29)				
Earnings per share-basic					
Profit (loss) from continuing operations		\$0.89		\$(0.44)	
Loss from discontinued operations		(0.04)		(0.06)	
Earnings per share-basic		\$0.85		\$(0.50)	
Diluted earning per share	6(29)				
Profit (loss) from continuing operations		\$0.89			
Loss from discontinued operations		(0.04)			
Earnings per share-diluted		\$0.85			

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY									
						Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income				
	Capital	Additional Paid- in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations		Total	Non-controlling Interests	Total Equity
Adjusted balance as of 1 January 2019	\$29,080,608	\$1,925,218	\$5,829,135	\$5,102,550	\$4,975,975	(\$2,551,354)	(\$114,624)	\$44,247,508	\$3,486,872	\$47,734,380
Appropriations and distributions of 2018 earnings:										
Legal reserve			106,629		(106,629)			-		-
Cash dividends					(872,418)			(872,418)		(872,418)
Net loss in 2019					(1,448,450)			(1,448,450)	(158,328)	(1,606,778)
Other comprehensive income, net of tax in 2019					(51,877)	(1,705,017)	(5,665)	(1,762,559)	(131,414)	(1,893,973)
Total comprehensive income	-	-	-	-	(1,500,327)	(1,705,017)	(5,665)	(3,211,009)	(289,742)	(3,500,751)
Balance as of December 31, 2019	29,080,608	1,925,218	5,935,764	5,102,550	2,496,601	(4,256,371)	(120,289)	40,164,081	3,197,130	43,361,211
Balance as of January 1, 2020	29,080,608	1,925,218	5,935,764	5,102,550	2,496,601	(4,256,371)	(120,289)	40,164,081	3,197,130	43,361,211
Net income in 2020					2,468,521			2,468,521	(7,973)	2,460,548
Other comprehensive income, net of tax in 2020					249,492	931,012	(5,542)	1,174,962	67,232	1,242,194
Total comprehensive income	-	-	-	-	2,718,013	931,012	(5,542)	3,643,483	59,259	3,702,742
Changes in non-controlling interests									(263,756)	(263,756)
Balance as of December 31, 2020	\$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

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, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2020	2019
Cash flows from operating activities:		
Income (Loss) before income tax	\$3,146,489	\$(1,047,263)
(Loss) from discontinued operations before tax	(155,268)	(253,160)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation (including investment property)	4,940,213	5,343,041
Amortization	11,473	14,916
Expected credit losses and gains	118,270	49,282
Gains on financial liabilities at fair value through profit or loss	(48,103)	-
Interest expenses	678,633	797,768
Interest income	(47,974)	(94,408)
Dividend income	(13,998)	(7,493)
Share of profit or loss of associates and joint ventures accounted for using equity method	(23,472)	(351,565)
Loss on disposal of property, plant and equipment	21,410	23,349
Gain on disposal of investments accounted for using equity method	(697,970)	-
Loss on impairment of non-financial assets	347,018	-
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(1,235,975)	(129,964)
Contract assets	34,939	96,109
Notes receivable	(2,782,061)	(3,706,529)
Accounts receivable	(313,472)	184,184
Other receivables	(13,177)	34,637
Inventories	873,397	(193,849)
Prepayments	244,770	(33,988)
Other current assets	(1,820)	1,458
Current other financial assets	(83,932)	(2,168)
Other operating assets	6,266	(3,243)
Contract liabilities	231,325	(148,232)
Notes payable	213,253	95,199
Accounts payable	229,861	3,892,992
Other payable	62,368	(131,007)
Other current liabilities	4,153	4,775
Net accrued pension liability	(28,959)	(42,196)
Long-term deferred revenue	(75,820)	45,526
Cash inflow generated from operations	5,641,837	4,438,171
Interests received	47,974	94,408
Dividends received	13,998	7,493
Interests paid	(699,524)	(839,129)
Income tax paid	(450,822)	(358,489)
Net cash flows provided by operating activities	4,553,463	3,342,454
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(59,817)	(74,516)
Disposal of subsidiaries	1,153,827	-
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(3,445,279)	(3,755,492)
Proceeds from disposal of property, plant and equipment	81,245	64,379
Increase in receipts in advance due to disposal of assets	857,841	-
Increase in refundable deposits	(43,698)	-
Decrease in refundable deposits	-	38,164
Acquisition of intangible assets	(4,454)	(2,188)
Acquisition of right-of-use assets	(256)	(163,708)
Proceeds from disposal of investment property	(462)	-
Interest paid for constructing plant	(17,430)	(27,170)
Net cash flows used in investing activities	(1,478,483)	(3,920,531)
Cash flows from financing activities:		
Increase in short-term loans	7,659,277	4,963,555
Decrease in short-term loans	(8,256,175)	(3,858,802)
Increase in short-term bills payable	13,100,000	16,400,000
Decrease in short-term bills payable	(13,650,000)	(15,950,000)
Proceeds from long-term loans	4,588,352	2,313,044
Repayments of long-term loans	(4,297,279)	(1,931,154)
Increase in deposits-in	13,596	20,776
Increase in other payables to related parties	284,157	1,624,821
Decrease in other payable to related parties	(1,817,903)	(44,821)
Payments of lease liabilities	(41,809)	(43,941)
Cash dividends paid	(87)	(859,027)
Changes in non-controlling interests	31,869	-
Net cash flows (used in) provided by financing activities	(2,386,002)	2,634,451
Effects of exchange rate changes on cash and cash equivalents	(225,510)	(518,498)
Net increase in cash and cash equivalents	463,468	1,537,876
Cash and cash equivalents at the beginning of the year	6,245,123	4,707,247
Cash and cash equivalents at the end of the year	\$6,708,591	\$6,245,123

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

# Approval Item 1

( Motion from TGI Board of Directors )

## 2020 Earning Distribution

Explanation: The Earning Distribution is as follows.

Resolution:

TGI Stockholders' Meeting June 11, 2021

### TGI 2020 Earning Distribution

Unit: NT\$

Item	Amount	
	Subtotal	Total
Un-appropriated Retained Earnings at Beginning		2,496,600,407
Add: Consolidated Income and Loss (The Actuarial Income and Loss after Determining Welfare Plan (2020))	249,492,173	
2020 Net Income After Tax	2,468,520,870	2,718,013,043
Allowance Items:		
Legal Reserve 10%	(271,801,304)	(271,801,304)
Subtotal of Distributable Net Profit		4,942,812,146
Dividends Distribution 2,908,060,800 shares NT\$ 0.5/@ share		
Bonus of Stockholders – Stock NT\$ 0/@ share	0	
–Cash NT\$ 0.5/@ share	(1,454,030,400)	(1,454,030,400)
Un-appropriated Retained Earnings		3,488,781,746

## Approval Item 2

( Motion from TGI Board of Directors )

### Amendment to the Articles of Incorporation

2.1. To meet Financial Supervisory Commission's request of declaration of beneficial owner, partial Articles of Incorporation are amended due to the fact that the original Articles of Incorporation did not state clearly that the Company shall not issue bearer stock.

2.2. For the articles before and after the amendment, please see the comparison table below.

Resolution:

### Comparison Table of Amendment to the Articles of Incorporation

TGI Stockholders' Meeting June 11, 2021

Before	After	Remarks
<p>Article 7:</p> <p>For the share certificates of the Company to be issued, they must each bear the name of the owner, must be signed by not less than three directors, and must be duly certified in accordance with relevant regulations.</p> <p>The registered shares of the Company under previous way may be without printing certificates, but shall register in centralized securities depository enterprise agency.</p>	<p>Article 7:</p> <p><u>The share certificates issued by the Company are in registered form. The share certificates are issued after being signed or sealed by not less than three directors, coded with serial numbers, and certified by the competent authority or its authorized agency. Shares issued by the Company are exempt from printing of stock certificates, but the shares should be registered with a centralized securities depository.</u></p>	<p>To meet Financial Supervisory Commission's request of declaration of beneficial owner, partial Articles of Incorporation are amended due to the fact that the original Articles of Incorporation did not state clearly that the Company shall not issue bearer stock.</p>
<p>Article 30:</p> <p>The present Articles of Incorporation was adopted on August 25, 1964. (The rest omitted)</p> <p>The fifty-sixth amendment on June 5, 2020.</p>	<p>Article 30:</p> <p>The present Articles of Incorporation was adopted on August 25, 1964. (The rest omitted)</p> <p><u>The fifty-seventh amendment on June 11, 2021.</u></p>	<p>The fifty-seventh amendment</p>



## Election Item I

(Motion from TGI Board of Directors)

### Election of Directors of the 20<sup>th</sup> Board of Directors

- 1.1. The 19<sup>th</sup> Board of Directors was elected on June 13, 2018, and the 3-year term has expired.
- 1.2. 15 directors for 20<sup>th</sup> Board of Directors (including 3 independent directors) are to be elected, with 3-year term from June 11, 2021 to June 10, 2024.
- 1.3. For the Procedures for Election of Directors, please refer to Appendix V.
- 1.4. Director candidates are listed below.

#### Resolution:

Title	Candidate & Corporate Representative	Education	Current Position	Experience	Shareholding (share)
Director	Lin, P. F.	Shih Hsin University	Chairman of Tai Hong Investment Corp./ Tai Cheng Investment Corp./ TGF/ TCD /TBF /TGCH	GM of TGI	20,603,512
	Lin, P. S.	Chinese Culture University	President of TGI Chairman of Ho Ho Investment Corp./Tai Yu Investment Corp./ Lim Ken Seng Kah Kih Corp./ Taifong Enterprise Co., Pte./ FPG/ QFG/ DHG/ QRG / SCH /SCJ/ TVIG Deputy Chairman of TGCH	ED of TGI	14,897,934
	Lin, P. C.	Pasadena City College	Chairman of Tai Chien Investment Corp./ Tai Chia Investment Corp./ TJG/ TGUS/ HNG	ED of TGI	6,191,002
	Lim, H. T.	Hong Kong Baptist University	Director of The Ambassador Hotel Co., Ltd. & Chiyeh Chemical Co., Ltd. Supervisor of Feature Integration Technology Inc.	Chairman of Bo Chi Investment Co., Ltd.	10,337,628
	Peng, C. H.	Chinese Culture University	CEO of Meifu Group Vice President of WBSC President of Baseball Federation of Asia	Director of Importers and Exporters Association of Taipei	10,000
	Tai Hong Investment Corp. Hsu, L. L.	Stanford University	Vice Chairman of Xue Xue Int'l Culture Creative Co. Vice Chairman of Xue Xue Foundation	GM of Sunrise Department Store	136,904,500
	Tai Hong Investment Corp. Lin, C. H.	University of Bridgeport	COO of TGI Flat Glass Business & China Prod. Independent Director of WUS Printed Circuit Co., Ltd. & Chairman of TAGC/ CFG/ CDG/ TXY/ TAH/ TTAR/ TWAR/ TAGH/ TYSM/ TYAU/ FYSS/ HZSS/ XYES	GM of TG China Prod.	420,137,922
	Tai Hong Investment Corp. Su, Y. T.	National Cheng Kung University	COO of TG Fiberglass Business	GM of TG Fiberglass Business	
	Tai Hong Investment Corp. Lin, C. Y.	Cornell University	GM of TG Fiberglass Business/ TCD Vice Chairman of TAGH	VGM of TG Fiberglass Business	
	Ho Ho Investment Corp. Lin, C. M.	Stanford University	GM of TG Finance Div. Director of TGCH/ TYSM/ TYAU /TAGH /SCH	VGM of TG Finance Div.	402,748,231
	Ho Ho Investment Corp. Tsai, T. M.	Shih Hsin University	VGM of TG Purchasing Div.	AGM of TG Purchasing Div.	
	Lien, S. W.	Stanford University	Director of SinoPac Securities Chairman of Chu Mao Business Consulting Chairman of Sin Sheng Li investment	Vice President of the Investment Dept., DBS Bank Hong Kong	18,000
Independent Director	Lin, S. C.	University of Arizona	Emeritus Professor of CYCU Consultant of CNAIC Independent Director of Swancor/ Kenda Rubber/ Formosa Taffeta Co., Ltd.	Visiting Professor of Dept. of International Business, CYCU Chairman of CPC	0
	Lin, Z. Y.	Baker University	Chairman of Tex-Ray Industrial Co., Ltd. Honorary Consul of Embassy of the Kingdom of Eswatini in the Republic of China (Taiwan)	Chairman of Taiwan Garment Industry Association	0
	Wang, Y. C.	University of Missouri Columbia	Associate Professor of Dept. of Business Administration, Chung Hua Univ. Director of Chung Hua Univ. & World Senior High School Independent Director of Lou Lih Fen Holding	Researcher of National Policy Foundation Policy Consultant of Hsinchu City Gov.	0

## Approval Item 3

(Motion from TGI Board of Directors)

### Relief of the Non-compete Limitations of the 20<sup>th</sup> Board of Directors and the Legal Person as Corporate Director Representatives

- 3.1. According to Article 209 of Company 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 stockholders the essential contents of such an act and secure its approval.
- 3.2. For the consideration of operation or investment business, under the premise without acting against the interest of company, it is proposed to relieve non-compete limitations of the 20<sup>th</sup> board of directors and the legal person as corporate director representatives.
- 3.3. The table below lists TGI's directors who serve concurrently as directors, supervisors or managers in other companies involved in activities within the scope of TGI's business.

Resolution:

Chairman◎ Vice Chairman# Executive Director◇ Director○ Supervisor□  
Chief Operating Officer⊕ General Manager\* Independent Director◆

Company Name	Lin, P. F.	Lin, P. S.	Lin, P. C.	Hsu, L. L.	Lin, C. H.	Lin, C. Y.	Su, Y. T.	Lin, C. M.	Lin, S. C.
Taiwan Autoglass Ind. Corp.					◎	○		□	
TG TECO V-Glass Corp.	○	◎*				○		□	
Taiwan Glass USA Sales Corp.	○	○	◎*						
Taiwan Glass China Holding Ltd.	◎	#	○		○	○		○	
TAG China Holding Ltd.					◎	#		○	
TG Changjiang Glass Co., Ltd.	○	○	○		◎	○		□	
TG Chengdu Glass Co., Ltd.	○	○	○		◎	○		□	
TG Xianyang Glass Co., Ltd.	○	○	○		◎	○		□	
TG Anhui Glass Co., Ltd.	○	○	○		◎	○		□	
TG Taicang Architectural Glass Co., Ltd.	○	○	○		◎	○		□	
TG Wuhan Architectural Glass Co., Ltd.	○	○	○		◎	○		□	
TG Yueda Solar Mirror Co., Ltd.					◎	○		○	
TG Yueda Autoglass Co., Ltd.					◎	○		○	
Taichia Glass Fiber Co., Ltd.	◎	○	○		○	○	⊕	□	
Taichia Chengdu Glass Fiber Co., Ltd.	◎	○	○		○	○*	⊕	□	
Taichia Bengbu Glass Fiber Co., Ltd.	◎	○	○		○	○	⊕	□	
TG Qingdao Glass Co., Ltd.	○	◎	○		○	○		□	
Qingdao Rolled Glass Co., Ltd.	○	◎	○		○	○		□	
TG Donghai Glass Co., Ltd.	○	◎	○		○	○		□	
TG Fujian Photovoltaic Glass Co., Ltd.	○	◎	○		○	○		□	
TG Huanan Glass Co., Ltd.	○	○	◎		○	○		□	
TG Tianjin Glass Co., Ltd.	○	○	◎*		○	○		□	
TG (Qingdao) Photoelectric Glass Co., Ltd.		◇							
TG Fengyang Silica Sand Co., Ltd.	○	○	○		◎	○		□	
TG Hanzhong Silica Sand Co., Ltd.	○	○	○		◎	○		□	
Shihlien China Holding Co., Ltd.	○	◎		○				○	
Shihlien Chemical Industrial Jiangsu Co., Ltd.	○	◎		□					
Huaian Shihyuan Brine Co., Ltd.	□	◇							
Xianyang Jienengdun Glass Co., Ltd.					◎*	□			
Wuhan Jienengzhixing Glass Co., Ltd.					◇*	□			
Kunshan Energy Star Glass Co., Ltd.					◇*	□			
TG Fengyang Holding Co., Ltd.	○								
TG Changjiang Holding Co., Ltd.	○								
TG Anhui Energy Co., Ltd.					□				
WUS Printed Circuit Co., Ltd.					◆				
Swancor Holding Co., Ltd.									◆

Motions:

Appendix I:  
Number of Shares Held by All Directors

TGI Stockholders' Meeting June 11, 2021

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.	Jun. 13, 2018 to Jun. 12, 2021	3 years	20,603,512	0.71%	20,603,512	0.71%
Director	Lin, P. S.			14,897,934	0.51%	14,897,934	0.51%
	Lin, P. C.			6,181,002	0.21%	6,191,002	0.21%
	Lim, H. T.			10,337,628	0.36%	10,337,628	0.36%
	Lim Ken Seng Kah Kih Corp. Hsu, L. L.			136,904,500	4.70%	136,904,500	4.70%
	Peng, C. H.			10,000	0.00034%	10,000	0.00034%
	Tai Hong Investment Corp. Lin, C. H.			420,137,922	14.45%	420,137,922	14.45%
	Tai Hong Investment Corp. Su, Y. T.						
	Tai Hong Investment Corp. Lin, C. Y.						
	Tai Chien Investment Corp. Lin, C. M.			249,002,246	8.56%	249,002,246	8.56%
	Ho Ho Investment Corp. Chen, C. C.			402,748,231	13.85%	402,748,231	13.85%
	Ho Ho Investment Corp. Tsai, T. M.						
Independent Director	Lin, F. C.			0	0%	0	0%
	Chen, C. C.			0	0%	0	0%
	Hwang, T. Y.			0	0%	0	0%
Total Number of Shares Held by 15 Directors				1,260,822,975	43.36%	1,260,832,975	43.36%

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

Dividend distribution: NT\$ 0.5/@ share by cash.

### Appendix III:

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

The 2020 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 5, 2020

#### 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           For the share certificates of the Company to be issued, they must each bear the name of the owner, must be signed by not less than three directors, and must be duly certified in accordance with relevant regulations. The registered shares of the Company under previous way may be without printing certificates, but shall register in centralized securities depository enterprise agency.

- 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 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**

- Article 24            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 retribute 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.

## Appendix V:

### Procedures for Election of Directors of Taiwan Glass Industry Corporation

Approved on June 9, 2014

- Article 1      These Procedures are adopted pursuant to Company Law and Articles of Incorporation of Taiwan Glass Industry Corporation. The elections of directors of Taiwan Glass Industry Corporation shall be conducted in accordance with these Procedures.
- Article 2      The elections of directors of Taiwan Glass Industry Corporation shall be held at stockholders meeting.
- Article 3      The number of directors is 15, 3 independent directors are included.
- Article 4      (Delete)
- Article 5      Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system, and the nominal voting shall be adopted. Stockholder account number printed on the ballots may be used instead of recording the names of voters. Directors shall be elected from the director candidate list by stockholders.
- Article 6      For the elections of directors at this Corporation, each share will have voting rights in number equal to the directors to be elected, and the ballots in number equal to the directors to be elected shall be prepared by the board of directors and be distributed to stockholders. The former ballots may be cast for a single candidate or split among multiple candidates.
- Article 7      In accordance with these Procedures, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 8      The ballots are prepared by the board of directors which are numbered according to stockholder account number. The number of voting rights shall be specified on the ballots.
- Article 9      When the election begins, the chair shall appoint a number of persons with stockholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 10     The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 11     A voter shall enter the candidate's name and the stockholder account number can be noted in the "candidate" column of the ballot and then place the ballot in the ballot box. However, when the candidate is a juristic-person stockholder, the name of the juristic-person stockholder or its representative shall be entered in the column for the candidate's account name in the ballot paper
- Article 12     A ballot is invalid under any of the following circumstances:
1.    Ballots are not prepared by this Procedure.
  2.    A blank ballot is placed in the ballot box.
  3.    The writing is unclear and indecipherable.
  4.    The candidate whose name is not conformed with those given in the stockholder register.
  5.    The number of candidates filled in the ballot exceeding the number of the seats to be elected.

6. Other words or marks are entered in addition to the candidate's name or stockholder account number.
7. The name of the candidate entered in the ballot is identical to that of another stockholder, but no stockholder account number is provided in the ballot to identify such individual.

- Article 13      After voting, the ballots box of directors shall be opened by the monitoring personnel.
- Article 14      Vote counting shall be monitored by the monitoring personnel. The result of the voting calculation shall be announced by the chair on the site.
- Article 15      The board of directors of this Corporation shall issue notifications to the persons elected as directors.
- Article 16      These Procedures, and any amendments hereto, shall be implemented after approval by a stockholders meeting.