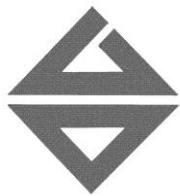


Stock Code: 1802



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

## **Handbook for 2022 Annual Meeting of Stockholders**

June 9, 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.**

## **2022 Annual Meeting of Stockholders**

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# **TAIWAN GLASS IND. CORP.**

## **Procedure for 2022 Annual Meeting of Stockholders**

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

# **TAIWAN GLASS IND. CORP.**

## **Agenda for 2022 Annual Meeting of Stockholders**

Time: 09:00 a.m. on Thursday, June 9, 2022

Location: No. 261, Sec. 3, Nanjing E. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)

(Physical public meeting)

Call the Meeting to Order

Chairman's Address

Report Items

1. 2021 Business Report
2. 2021 Audit Committee's Review Report and Independent Auditors' Report
3. 2021 Directors' and Employees' Remuneration Distribution Report

Ratification Items

1. 2021 Business Report and Financial Statements Report
2. 2021 Earning Distribution

Approval Items

1. Amendment to the Articles of Incorporation
2. Amendment to the Regulations Governing the Acquisition and Disposal of Assets
3. Amendment to the Rules of Procedure for Stockholders' Meetings

Motions

Adjournment

## Rules of Procedure for Stockholders' Meeting

TGI Stockholders' Meeting June 9, 2022

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

## 2021 Business Report

TGI Stockholders' Meeting June 9, 2022

### Production Report:

Product	Region	Contents	Yearly Output Thousand MT
Flat Glass	Taiwan	<ul style="list-style-type: none"> <li>1 production line of flat glass in Taichung Factory</li> <li>1 production line of flat glass in Lukang Factory</li> <li>1 production line of ultra-thin glass in Taichung Factory</li> <li>Total: 3 production lines</li> </ul>	317 (+50.7%)
	China	<ul style="list-style-type: none"> <li>12 production lines of flat glass in Kunshan, Chengdu, Tianjin, Dongguan, Qingdao, Donghai, Xianyang and Anhui;</li> <li>1 production line of photovoltaic glass in Fujian</li> <li>Total: 13 production lines</li> </ul>	2,754 (+8.8%)
Fiberglass & Fiberglass Fabric	Taiwan	<ul style="list-style-type: none"> <li>1 production line of fiberglass in Taoyuan Factory</li> <li>1 production line of fiberglass fabric in Lukang Factory</li> <li>Total: 2 production lines</li> </ul>	77 (+16.9%)
	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>	56 (+3.8%)
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>	151 (-1.9%)
Autoglass	Taiwan	<ul style="list-style-type: none"> <li>Production line of automotive glass in Taichung Factory</li> </ul>	7 (+28.8%)
	China	<ul style="list-style-type: none"> <li>Production line of automotive glass in Yancheng Factory</li> </ul>	13 (+18.8%)
Total		-	3,375 (+11.3%)

### Sales Report:

Product	Region	Sales Volume		Sales Amount	
		Thousand MT	Compared with 2020	NT\$ Million	Compared with 2020
Flat Glass	Taiwan	314	(+24.8%)	4,248	(+15.9%)
	China	2,878	(-0.2%)	35,196	(+32.9%)
				39,444	(+30.9%)
	Subtotal	3,192	(+1.8%)	= US\$1,409mil	Percentage of Group's Turnover <b>66.6%</b>
Fiberglass & Fiberglass Fabric	Taiwan	87	(+21.5%)	5,382	(+22.8%)
	China	90	(-6.9%)	9,895	(+65.7%)
				15,277	(+47.5%)
	Subtotal	177	(+5.2%)	= US\$ 546mil	Percentage of Group's Turnover <b>25.8%</b>
Container, Tableware and Kitchenware	Taiwan	149	(-5.6%)	3,368	(-5.8%)
				= US\$ 120mil	Percentage of Group's Turnover <b>5.7%</b>

Autoglass	Taiwan	7	(+24. <u>9</u> %)	593	(+20. <u>9</u> %)
	China	13	(+29. <u>3</u> %)	561	(+60. <u>4</u> %)
	Subtotal	20	( +27. <u>7</u> %)	1,154	(+37. <u>3</u> %)
				= US\$ 41mil	Percentage of Group’s Turnover 1. <u>9</u> %
Total		3,538	( +1. <u>7</u> %)	59,243	(+31.9%)
				= US\$ 2,116mil	Domestic 86% Export 14%
Merge Reversal		-	-	(3,177)	
Total after Offset		-	-	56,066	(+34. <u>0</u> %)
				= US\$ 2,002mil	

#### Financial Report:

1. The gross profit margin increased due to the rebound in product prices in 2021, resulting in an increase in operating profit and net profit after tax.

2. Unit: NT\$ thousand

Title	2021	2020	Comparison% 2021/2020
Operating Revenue	56,065,737	41,841,022	34.0%
Operating Income	11,557,967	2,515,844	359.4%
Net Income before Tax	13,931,097	2,991,221	365.7%
Net Income after Tax	12,231,239	2,460,548	397.1%
Income after Tax Attributable to Stockholders of the Parent	11,476,678	2,468,521	364.9%

#### Status of Budget Implementation:

Unit: NT\$ thousand

Title	2021 Budget (*)	2021 Actual Amount	Achievement
Operating Revenue	54,378,000	56,065,737	103.1%
Net Income before Tax	8,778,000	13,931,097	-
Income after Tax Attributable to Stockholders of the Parent	8,678,000	11,476,678	-

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

#### Analysis of Profitability:

Title	2021	2020
Return on Total Assets (ROA)	13.34 %	3.38 %
Return on Stockholder's Equity (ROE)	23.39 %	5.46 %
Ratio of Income before Tax to Paid-in Capital	47.91 %	10.29 %
Profit Margin	21.82 %	5.88 %
EPS (after Retroactive Adjustment)	3.95	0.85

## 2022 Annual Business Plan Outline:

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

Looking ahead, after the fast rebound in 2021, the global economy will be faced with challenges in the post-pandemic era, such as global inflation pressures, monetary policies of major central banks, risks of geopolitics like U.S.-China-Russia relations and global supply chain restructuring. Notably, China and Taiwan have both submitted applications for Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) last year. Given the high dependence on bilateral trade and investment, the aforementioned challenges and situations will certainly affect the future direction of the cross-strait economic development, to which both the government and industry should pay close attention.

Considering the economic and financial situation at home and abroad and the changes in global trading environment, Taiwan Glass has put emphasis on the optimization of organizational structure and operation of the Company in response to the rapidly changing global market. Climate change issues and net-zero by 2050 have nowadays become the global trend; thus we have set up management guidelines and performance targets for environmental protection, corporate social responsibility and corporate governance (ESG) to build a circular economy. Taiwan Glass has won the Silver Award in manufacturing sector of Taiwan Corporate Sustainability Awards (TCSA) for seven consecutive years. As for our corporate strategy, we are committed to improve water-saving technology by using recycled water instead of tap water to reduce water consumption and manage water resources sustainably. The installation of photovoltaic systems, which generate 8700GW of power, on the roofs of our factories in Taoyuan, Hsinchu, Taichung and Lukang is expected to be completed in the fourth quarter of 2022, which aligns to our vision of practicing sustainability, energy conservation and green operation. We will also adopt AI smart manufacturing to reduce energy consumption and improve quality.

We endeavor to strengthen the Company's operation, so that we can pursue sustainable growth to live up to the expectations of stockholders, employees, clients and business partners. In the future, we will follow the global trend of sustainable development. Based on our core business and integration of business units within the Group, we will strive to create value for industry innovation to get a head start and break new ground.

### 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 the quality of glass and bring our products to a wider application based on the original sales. Besides, the introduction of natural gas combustion system is underway, which allows reduced carbon emissions in the production process and better product competitiveness.

In the production of raw flat glass, TGI is committed to improving quality, reducing color-change time to lower costs. The production line TF-2 in Taichung Plant has adopted natural gas as one of the main fuels in the fourth quarter of 2021, which forms a dual-fuel system to increase production flexibility and reduce carbon emission, following the same way that the production line TF-4 in Lukang Plant does.

As the age of 5G is approaching, the demand for high-speed and high-frequency substrate has increased steadily. TG 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 the needs for thinner IC substrates and low coefficient of thermal expansion (Low CTE) for insulating materials, we have developed fiberglass with low CTE to avoid warpages or broken traces due to CTE differences between chips and substrates during packaging process. Furthermore, to meet downstream needs for thin FRP products, we developed flat CS fiberglass for high-fiberglass products, which helps to decrease warps substantially. TG also adopts Roving products certified by DNV GL on the application of wind power generation in response to global environmental protection as well as energy saving and carbon reduction.



## Operating Prospects:

The global economy was expected to see a significant recovery and growth as countries around the world have gradually started to relax COVID-19 restrictions with increased vaccination rates. However, port congestion caused by the pandemic has led to continued global price spikes. Higher prices of crude oil, natural gas and raw materials are resulted from impacts of the Omicron variant and the Russia-Ukraine war starting from the end of February. In addition, the Chinese government has stuck to dynamic zero-COVID policy, resulting in global supply chain crisis and greater concerns about inflation. These factors create intensified uncertainty in the 2022 economic outlook. The International Monetary Fund (IMF) thus revised down the third time the 2022 global economic growth rate to 3.6%, lower than the 5.9% in the 2021 forecast. In response to the high domestic inflation, the Federal Reserve has adopted tight monetary policies by raising interest rates and shrinking the Fed's balance sheet since March, 2022. This year has seen potential seven interest rate hikes, and major countries in the world, including Taiwan, have also increased interest rates following the Fed. Thus, we have to pay close attention to the abovementioned possible risks to the 2022 economic development.

In terms of the performance of Taiwan Glass in 2021, the booming demand for raw materials and applied products, complemented with mitigation of the pandemic, has driven a strong demand from industries. The Group's consolidated revenue is NT\$56.07 billion, and the net profit before tax is NT\$13.93 billion, an outstanding operating performance for 2021. The following is a report on the business of each product.

As for flat glass, Taiwan's containment efforts against COVID-19 contributed to normal manufacturing, production and order processing of factories in Taiwan. TG continues to reduce production costs, increase the added value of products, and strengthen industry-academia collaboration to create product customization and differentiation. In view of the energy transition of Taiwan and the trend of reducing carbon emissions, new-builds and reconstruction of unsafe or old buildings should meet higher energy-saving standards of exterior walls. Our Low-E glass can effectively block at least 60% of outer heat sources and save 35% of the electricity consumed by air conditioners. Our goal and responsibility is to reduce electrical load and promote environmentally-friendly and energy-saving architectural products for people in all walks of life.

Better operation results in the flat glass market of China were achieved thanks to high demand and price. However, in the second half of the year, power crunch measures for dual control of energy consumption and intensity and real estate crisis have caused a domino effect on the entire industry chain. Coupled with Chinese government's goal to hit carbon emission peak and achieve carbon neutral, it is expected that the application of high-performance energy-saving and smart glass will become a trend with the continuous updates to energy-saving standards for buildings. Overall, this year has seen a relatively moderate growth in the supply and demand of the glass market, and we will seek progress while keeping growth.

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

As for container, tableware, kitchenware glass and our private brand, shipment of overseas orders was slightly affected due to port congestion, shortage of shipping containers and high freight rates; thus, we have increased tenders in the domestic market in response to this. The production lines of heat-resistant containers and kitchenware glass were merged into one kiln with two production lines. We have also increased unit price strategically to maintain profitability. As for our private brand, TG, all products and packaging of TG won the 2021 Red Dot Design Award, which helps to promote the sales of the products.

In terms of Shihlien Chemical Industrial Jiangsu Co., Ltd. (SCJ, 43.99% of its shareholding held by Taiwan Glass), market price of SCJ's products hit a record high with improved supply-demand balance of the soda ash market in 2021. Besides, the price of ammonium chloride surged thanks to the continuous rise in the price of urea in the fertilizer market, contributing to a record high of SCJ's annual operating performance. The consolidated operating income of Shihlien China Holding Co., Ltd. is US\$472 million and the consolidated net profit is US\$77 million. The industry boom is expected to continue and maintain its prosperity and profitability.

## Important Sales Policy:

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

## Report Item 2

### 2021 Audit Committee's Review Report and Independent Auditors' Report

Audit committee has reviewed 2021 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 2021 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 2021 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 2022 Annual Meeting of Stockholders.

Convener of Audit Committee: Lin, Sheng-Chung  
March 7, 2022

## 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, 2021 and 2020, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, and their financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the 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. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 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.

### Valuation of Inventories

As of December 31, 2021, the Company's net inventories amounted to NT\$ 3,290,630 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\$13,152,625 thousand for the year ended December 31, 2021. Reflecting different market demands, trade terms of different contracts varied, along with the fact that some of the sales orders included delivery services, management needed to review the sales orders or contracts to determine the performance obligations and the time of their satisfaction, there is a significant risk in revenue recognition. Therefore, we considered this a key audit matter.

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

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





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

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

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 2021 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 7, 2022

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, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, and their consolidated financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, 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 2021 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.



### Valuation of Inventories

As of December 31, 2021, the Company and its subsidiaries net inventories amounted to NT\$10,297,779 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 therefore determined this a key audit matter.

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

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

### Revenue Recognition

Operating revenues recognized by the Company and its subsidiaries amounted to NT\$56,065,737 thousand for the year ended December 31, 2021. Reflecting different market demands, trade terms of different contracts varied, along with the fact that some of the sales orders included delivery services, management needed to review the sales orders or contracts to determine the performance obligations and the time of their satisfaction, there is a significant risk in revenue recognition. Therefore, we considered this a key audit matter.

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



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

#### **Other Matter**

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2021 and 2020.

#### **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 2021 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 7, 2022

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

### 2021 Directors' and Employees' Remuneration Distribution Report

TGI's net income before tax of 2021 is NT\$11,551,298,000. According to Article 26 of Articles of Incorporation, the remuneration of directors and employees is distributed as follows:

Remuneration of Directors = NT\$ 178,628,000 to be divided into 15 points; NT\$ 11,909,000/point.

Remuneration of Employees = NT\$ 178,628,000 by cash.

## Ratification Item 1

( Motion from TGI Board of Directors )

### 2021 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 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	NOTE	As of December 31,			LIABILITIES AND EQUITY	NOTE	As of December 31,		
		2021	%	2020			2021	%	2020
<b>Current assets</b>					<b>Current liabilities</b>				
Cash and cash equivalents	4, 6(1)	\$1,730,072	3	\$1,281,852	2	Short-term loans	\$900,000	1	\$2,000,000
Notes receivable, net	4, 6(2), 6(18)	202,878	-	152,245	-	Short-term bills payable	3,090,314	4	3,194,683
Accounts receivable, net	4, 6(3), 6(18), 7, 12(11)	1,584,601	2	1,593,029	2	Current contract liabilities	401,338	1	273,557
Other receivables, net	4, 6(4), 6(18), 7	268,743	-	697,282	1	Accounts payable	636,947	1	667,038
Current tax assets	4	161	-	303	-	Other payables	1,199,860	2	751,537
Inventories, net	4, 6(5)	3,290,630	4	3,158,632	5	Current tax liabilities	33,351	-	-
Prepayments	7	417,072	1	386,151	1	Current lease liabilities	48,613	-	41,499
Non-current assets or disposal groups classified as held for sale, net	4, 6(7)	11,862	-	-	-	Current portion of long-term loans	3,833,485	5	4,715,152
Other current financial assets						Other current liabilities	45,292	-	18,657
<b>Total current assets</b>	8	7,507,314	10	7,276,111	11	<b>Total current liabilities</b>	10,189,200	14	11,662,123
									18
<b>Non-current assets</b>					<b>Non-current liabilities</b>				
Non-current financial assets at fair value through other comprehensive income	4, 6(6)	431,830	1	252,125	-	Long-term loans	11,040,455	15	8,223,939
Investments accounted for using the equity method	4, 6(8)	51,921,578	69	40,517,271	63	Deferred tax liabilities	352,995	-	288,825
Property, plant and equipment	4, 6(9), 8	15,056,945	20	15,681,046	25	Non-current lease liabilities	57,906	-	76,431
Right-of-use assets	4, 6(10), 6(20), 7	109,604	-	120,729	-	Accrued pension liabilities	-	-	127,110
Deferred tax assets	4, 6(24)	219,611	-	262,174	1	Deposits-in	1,380	-	989
Net defined benefit non-current assets	4, 6(15)	318,528	-	-	-	<b>Total non-current liabilities</b>	11,452,736	15	8,717,294
Other non-current assets	4, 6(11), 6(18)	120,638	-	77,525	-	<b>Total liabilities</b>	21,641,936	29	20,379,417
<b>Total non-current assets</b>		68,178,734	90	56,910,870	89	<b>Capital</b>			32
						Common stock	29,080,608	38	29,080,608
					<b>Additional paid-in capital</b>		1,925,218	3	1,925,218
					<b>Retained earnings</b>				
					Legal reserve		6,207,565	8	5,935,764
					Special reserve		5,102,550	7	5,102,550
					Unappropriated retained earnings		15,249,757	20	5,214,614
					<b>Total retained earnings</b>		26,559,872	35	16,252,928
					<b>Other components of equity</b>				25
					Exchange differences on translation of foreign operations	4	(3,575,460)	(5)	(3,325,359)
					Unrealized gains and losses on financial assets at fair value through other comprehensive income		53,874	-	(125,831)
					<b>Total other components of equity</b>		(3,521,586)	(5)	(3,451,190)
					<b>Total equity</b>		54,044,112	71	43,807,564
<b>Total assets</b>		\$75,686,048	100	\$64,186,981	100	<b>Total liabilities and equity</b>	\$75,686,048	100	\$64,186,981

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, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

	Note	For the years ended December 31,			
		2021		2020	
		Amount	%	Amount	%
<b>Operating revenues</b>	4, 6(17), 7	\$13,152,625	100	\$11,758,874	100
<b>Operating costs</b>	6(5), 6(11), 6(15), 6(20), 6(21), 7	(10,481,615)	(80)	(10,314,282)	(88)
<b>Gross profit</b>		2,671,010	20	1,444,592	12
Unrealized intercompany profit		(12,780)	-	(1,264)	-
Realized intercompany profit		1,264	-	(11,382)	-
<b>Net gross profit</b>		2,659,494	20	1,431,946	12
<b>Operating expenses</b>	6(15), 6(18), 6(20), 6(21), 7				
Selling and marketing expenses		(2,005,704)	(15)	(1,602,516)	(14)
General and administrative expenses		(495,815)	(4)	(281,945)	(2)
Research and development expenses		(53,072)	-	(51,871)	-
Expected credit losses and gains		(340)	-	(505)	-
Subtotal		(2,554,931)	(19)	(1,936,837)	(16)
Net amount of other revenues and gains and expenses and losses	6(19)	1,760	-	10,300	-
<b>Operating income (loss)</b>		106,323	1	(494,591)	(4)
<b>Non-operating income and expenses</b>					
Interest income	6(22)	2,183	-	1,849	-
Other income	6(22), 7	192,579	1	187,914	2
Other gains and losses	6(22), 7	(129,811)	(1)	(108,071)	(1)
Finance costs	4, 6(22), 7	(272,263)	(2)	(315,647)	(3)
Share of income of subsidiaries, associates and joint ventures for under equity method	4	11,652,287	89	3,257,381	28
Subtotal		11,444,975	87	3,023,426	26
<b>Income from continuing operations before income tax</b>		11,551,298	88	2,528,835	22
<b>Income tax (expense) benefit</b>	4, 6(24)	(74,620)	(1)	(60,314)	(1)
<b>Net income from continuing operations</b>		11,476,678	87	2,468,521	21
<b>Other comprehensive income</b>	4, 6(23), 6(24)				
<b>Other comprehensive income that will not be reclassified subsequently:</b>					
Remeasurement of defined benefit obligation		349,216	3	312,809	3
Unrealized losses on equity instruments investments at fair value through other comprehensive income		179,705	2	(5,542)	-
Share of other comprehensive loss of subsidiaries, associates and joint ventures for under equity method		4,924	-	(755)	-
Income tax related to components of other comprehensive income that will not be reclassified subsequently		(69,843)	(1)	(62,562)	(1)
<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		(250,101)	(2)	931,012	8
Income tax related to components of other comprehensive income that will be reclassified subsequently		-	-	-	-
<b>Total other comprehensive income, net of tax</b>		213,901	2	1,174,962	10
<b>Total comprehensive income</b>		\$11,690,579	89	\$3,643,483	31
<b>Earnings per share (NT\$)</b>	6(25)				
Earnings per share-basic		\$3.95		\$0.85	
Diluted earnings per share		\$3.94		\$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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Capital	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
Balance as of January 1, 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
Balance as of January 1, 2021	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$5,214,614	\$ (3,325,359)	\$ (125,831)	\$43,807,564
Appropriations and distributions of 2020 earnings:								
Legal reserve			271,801		(271,801)			-
Cash dividends					(1,454,031)			(1,454,031)
Net income in 2021					11,476,678			11,476,678
Other comprehensive income, net of tax in 2021					284,297	(250,101)	179,705	213,901
Total comprehensive income					11,760,975	(250,101)	179,705	11,690,579
Balance as of December 31, 2021	\$29,080,608	\$1,925,218	\$6,207,565	\$5,102,550	\$15,249,757	\$ (3,575,460)	\$53,874	\$54,044,112

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, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2021	2020
Cash flows from operating activities:		
Income before income tax	\$11,551,298	\$2,528,835
Adjustments:		
Depreciation (including investment property)	1,278,406	1,275,464
Amortization	2,496	4,187
Expected credit losses and gains	340	505
Interest expense	272,263	315,647
Interest income	(2,183)	(1,849)
Dividend income	(12,908)	(13,998)
Share of (income) of subsidiaries, associates and joint ventures	(11,652,287)	(3,257,381)
Gains on disposal of property, plant and equipment	(1,747)	(10,283)
Gains on disposal of investment	(13)	(17)
Unrealized intercompany loss	12,780	1,264
Realized intercompany (profit) loss	(1,264)	11,382
Changes in assets and liabilities:		
Notes receivable	(50,633)	(14,136)
Accounts receivable	7,626	(223,278)
Other receivables	428,539	(547,127)
Inventories	(131,998)	474,466
Prepayments	(30,921)	99,430
Other current assets	5,322	(1,753)
Contract liabilities	127,781	(141,790)
Accounts payable	(30,091)	(492,334)
Other payable	464,537	73,392
Advanced receipts	276	(547)
Other current liabilities	26,359	621
Net defined benefit liability	(96,422)	(19,153)
Cash inflow generated from operations	2,167,556	61,547
Interests received	2,183	1,849
Dividends received	12,908	13,998
Interests paid	(275,966)	(317,436)
Income tax paid	(4,237)	(2,160)
Net cash flows provided by (used in) operating activities	1,902,444	(242,202)
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	(682,727)	(1,496,814)
Capitalized borrowing costs from self-constructed assets	(13,017)	(11,248)
Proceeds from disposal of property, plant and equipment	5,749	8,811
Increase in refundable deposits	2,389	1,028
Acquisition of intangible assets	(880)	(2,644)
Increase in other non-current assets	-	(462)
Decrease in other non-current assets	462	-
Net cash flows (used in) provided by investing activities	(688,024)	2,383,440
Cash flows from financing activities:		
Increase in short-term loans	8,297,000	5,045,000
Decrease in short-term loans	(9,397,000)	(5,045,000)
Increase in short-term bills payable	16,700,000	13,100,000
Decrease in short-term bills payable	(16,800,000)	(13,650,000)
Proceeds from long-term loans	4,260,000	3,170,000
Repayments of long-term loans	(2,325,151)	(2,364,242)
Increase in deposits-in	391	230
Decrease in other payables to related parties	-	(1,580,000)
Payments of lease liabilities	(47,291)	(42,477)
Cash dividends paid	(1,454,149)	(87)
Net cash flows (used in) financing activities	(766,200)	(1,366,576)
Net decrease in cash and cash equivalents	448,220	774,662
Cash and cash equivalents at the beginning of the year	1,281,852	507,190
Cash and cash equivalents at the end of the year	\$1,730,072	\$1,281,852

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, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars)

ASSETS	NOTE	As of December 31,		As of December 31,	
		2021	%	2020	%
<b>Current assets</b>					
Cash and cash equivalents	4, 6(1)	\$8,173,805	8	\$6,708,591	8
Current Financial assets at fair value through profit or loss	4, 6(2)	7,109,379	7	1,927,060	2
Current Financial assets at amortized cost	4, 6(3)	575,414	1	165,047	-
Current contract assets	4, 6(21), 6(22)	201,217	-	265,371	-
Notes receivable, net	4, 6(4), 6(14), 6(22), 7, 8	11,339,577	11	11,283,923	13
Accounts receivable, net	4, 6(5), 6(22), 7, 12(11)	5,523,348	6	4,584,635	5
Other receivables, net	4, 6(6), 6(22), 7	187,554	-	190,164	-
Current tax assets	4	13,576	-	16,941	-
Inventories, net	4, 6(7)	10,297,779	10	8,160,813	9
Prepayments	7	1,236,240	2	1,422,430	2
Non-current assets or disposal groups classified as held for sale, net	4, 6(8), 6(30), 8	11,862	-	558,027	1
Other current financial assets	8	985,447	1	212,823	-
Other current assets, others	7	2,639	-	6,661	-
<b>Total current assets</b>		<b>45,657,837</b>	<b>46</b>	<b>35,502,486</b>	<b>40</b>
<b>Non-current assets</b>					
Non-current financial assets at fair value through other comprehensive income	4, 6(9)	431,830	-	252,125	-
Investments accounted for using the equity method	4, 6(10)	5,482,791	6	4,616,442	5
Property, plant and equipment	4, 6(11), 6(26), 7, 8	43,948,199	45	46,050,857	52
Right-of-use assets	4, 6(24), 7	2,704,809	3	2,784,872	3
Intangible assets	4, 6(12)	35,347	-	36,934	-
Deferred tax assets	4, 6(28)	464,492	-	343,494	-
Refundable deposits	7	194,303	-	181,270	-
Other net defined benefit assets	4, 6(19)	318,528	-	-	-
Other non-current assets	4, 6(13), 6(22)	217,193	-	161,297	-
<b>Total non-current assets</b>		<b>53,797,492</b>	<b>54</b>	<b>54,427,291</b>	<b>60</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Short-term loans	6(14), 7, 8	\$2,529,627	3	\$7,279,747	9
Short-term bills payable	6(15)	3,090,314	3	3,194,683	4
Current contract liabilities	4, 6(21)	1,126,405	1	1,039,795	1
Notes payable	7	874,654	1	377,881	-
Accounts payable	7	7,330,144	8	6,237,484	7
Accounts payable to related parties	7	1,205,676	1	904,796	1
Other payables	7	3,774,555	4	2,962,149	3
Other payables to related parties	7	393,097	-	311,480	-
Current income tax liabilities	4	438,007	-	231,107	-
Current lease liabilities	4, 6(24), 7	50,950	-	44,069	-
Current portion of long-term loans	6(16), 7	6,103,826	6	6,579,017	7
Other current liabilities, others	6(18), 7	57,977	-	892,653	1
<b>Total current liabilities</b>		<b>26,975,232</b>	<b>27</b>	<b>30,054,861</b>	<b>33</b>
<b>Non-current liabilities</b>					
Long-term loans	6(16), 7	12,581,798	13	10,872,579	12
Deferred tax liabilities	4, 6(28)	754,618	1	560,734	1
Non-current lease liabilities	4, 6(24), 7	63,439	-	84,234	-
Long-term deferred revenue	4, 6(17)	1,062,698	1	1,185,796	1
Accrued pension liabilities	4, 6(19)	7,039	-	149,648	-
Deposits-in	7	236,010	-	221,728	-
<b>Total non-current liabilities</b>		<b>14,705,602</b>	<b>15</b>	<b>13,074,719</b>	<b>14</b>
<b>Total liabilities</b>		<b>41,680,834</b>	<b>42</b>	<b>43,129,580</b>	<b>47</b>
<b>Capital</b>					
Common stock	6(20)	29,080,608	30	29,080,608	33
<b>Additional paid-in capital</b>					
<b>Retained earnings</b>					
Legal reserve	4, 6(20)	1,925,218	2	1,925,218	2
Special reserve	6(20)	6,207,565	6	5,935,764	7
Unappropriated retained earnings		5,102,550	5	5,102,550	6
<b>Total retained earnings</b>		<b>15,249,757</b>	<b>15</b>	<b>5,214,614</b>	<b>6</b>
<b>Other components of equity</b>					
Exchange differences on translation of foreign operations	4	(3,575,460)	(4)	(3,325,359)	(4)
Unrealized gains and losses on financial assets at fair value through other comprehensive income		53,874	-	(125,831)	-
<b>Total other components of equity</b>		<b>(3,521,586)</b>	<b>(4)</b>	<b>(3,451,190)</b>	<b>(4)</b>
<b>Total equity attributable to stockholders of the parent</b>		<b>54,044,112</b>	<b>54</b>	<b>43,807,564</b>	<b>50</b>
<b>Non-controlling interests</b>	6(20)	3,730,383	4	2,992,633	3
<b>Total equity</b>		<b>57,774,495</b>	<b>58</b>	<b>46,800,197</b>	<b>53</b>
<b>Total liabilities and equity</b>		<b>\$99,455,329</b>	<b>100</b>	<b>\$89,929,777</b>	<b>100</b>

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, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

	Note	For the years ended December 31,			
		2021		2020	
		Amount	%	Amount	%
<b>Operating revenues</b>	4, 6(21), 7	\$56,065,737	100	\$41,841,022	100
<b>Operating costs</b>	6(7), 6(12), 6(19), 6(24), 6(25), 7	(38,359,027)	(68)	(34,793,133)	(83)
<b>Gross profit</b>		17,706,710	32	7,047,889	17
<b>Operating expenses</b>	6(12), 6(19), 6(22), 6(24), 6(25), 7				
Selling and marketing expenses		(3,338,211)	(6)	(2,602,432)	(6)
General and administrative expenses		(1,596,160)	(3)	(1,216,909)	(3)
Research and development expenses		(1,130,281)	(2)	(601,989)	(2)
Expected credit losses and gains		(31,859)	-	(89,350)	-
Subtotal		(6,096,511)	(11)	(4,510,680)	(11)
<b>Net amount of other revenues and gains and expenses and losses</b>	6(23), 7	(52,232)	-	(21,365)	-
<b>Operating loss</b>		11,557,967	21	2,515,844	6
<b>Non-operating income and expenses</b>	6(10), 6(12), 6(22), 6(26), 6(30), 7				
Interest income		64,929	-	46,494	-
Other income		732,642	1	770,474	2
Other gains and losses		967,874	2	445,859	1
Finance costs		(497,089)	(1)	(673,795)	(2)
Share of income of associates and joint ventures		904,488	1	23,472	-
Expected credit losses and gains		12,558	-	(2,570)	-
Subtotal		2,185,402	3	609,934	1
<b>Income from continuing operations before income tax</b>		13,743,369	24	3,125,778	7
<b>Income tax expense</b>	4, 6(28)	(1,699,855)	(3)	(528,736)	(1)
<b>Net income from continuing operations</b>		12,043,514	21	2,597,042	6
<b>Profit (loss) from discontinued operations</b>	4, 6(8)	187,725	-	(136,494)	-
<b>Profit</b>		12,231,239	21	2,460,548	6
<b>Other comprehensive income</b>	4, 6(10), 6(19), 6(27)				
<b>Other comprehensive income that will not be reclassified subsequently:</b>					
Remeasurement of defined benefit obligation		356,291	1	311,724	1
Unrealized gain (losses) on equity instruments investment at fair value		179,705	-	(5,542)	-
• through other comprehensive income					
Income tax related to components of other comprehensive income		(71,258)	-	(62,345)	-
• that will not be reclassified subsequently					
<b>Other comprehensive income that will be reclassified subsequently:</b>					
Exchange differences on translation of foreign operations		(229,509)	-	636,938	1
Share of other comprehensive income of associates and joint ventures		(38,139)	-	361,419	1
Income tax related to components of other comprehensive income		-	-	-	-
• that will be reclassified subsequently					
<b>Total other comprehensive income, net of tax</b>		197,090	1	1,242,194	3
<b>Total comprehensive income</b>		\$12,428,329	22	\$3,702,742	9
<b>Net income attributable to:</b>					
<b>Stockholders of the parent</b>					
Profit from continuing operations		\$11,341,423	20	\$2,564,033	6
Gain (loss) from discontinued operations		135,255	-	(95,512)	-
Net income attributable to Stockholders of the parent		11,476,678	20	2,468,521	6
<b>Non-controlling interests</b>					
Profit from continuing operations		702,091	1	33,009	-
Gain (loss) from discontinued operations		52,470	-	(40,982)	-
Net income (loss) attributable to Non-controlling interests		754,561	1	(7,973)	-
		\$12,231,239	21	\$2,460,548	6
<b>Comprehensive income attributable to:</b>					
<b>Stockholders of the parent</b>					
Profit from continuing operations		\$11,690,579	21	\$3,643,483	9
Gain (loss) from discontinued operations		737,750	1	59,259	-
Net income (loss) attributable to Non-controlling interests		\$12,428,329	22	\$3,702,742	9
<b>Earnings per share (NT\$)</b>	6(29)				
<b>Earnings per share-basic</b>					
Profit from continuing operations		\$3.90		\$0.88	
Gain (loss) from discontinued operations		0.05		(0.03)	
Earnings per share-basic		\$3.95		\$0.85	
<b>Diluted earning per share</b>					
Profit from continuing operations		\$3.89		\$0.88	
Gain (loss) from discontinued operations		0.05		\$(0.03)	
Earnings per share-diluted		\$3.94		\$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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY							Non-controlling Interests	Total	Total Equity
	Capital	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income			
Balance as of 1 January 2020	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$2,496,601	\$(4,256,371)	\$(120,289)	\$3,197,130	\$40,164,081	\$43,361,211
Net income in 2020					2,468,521			(7,973)	2,468,521	2,460,548
Other comprehensive income, net of tax in 2020					249,492	931,012	(5,542)	67,232	1,174,962	1,242,194
Total comprehensive income	-	-	-	-	2,718,013	931,012	(5,542)	59,259	3,643,483	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)	\$2,992,633	\$43,807,564	\$46,800,197
Balance as of January 1, 2021	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$5,214,614	\$(3,325,359)	\$(125,831)	\$2,992,633	\$43,807,564	\$46,800,197
Appropriations and distributions of 2020 earnings:										
Legal reserve			271,801		(271,801)			-	-	-
Cash dividends					(1,454,031)			(1,454,031)	(1,454,031)	(1,454,031)
Net income in 2021					11,476,678			754,561	11,476,678	12,231,239
Other comprehensive income, net of tax in 2021					284,297	(250,101)	179,705	(16,811)	213,901	197,090
Total comprehensive income	-	-	-	-	11,760,975	(250,101)	179,705	737,750	11,690,579	12,428,329
Balance as of December 31, 2021	\$29,080,608	\$1,925,218	\$6,207,565	\$5,102,550	\$15,249,757	\$(3,575,460)	\$53,874	\$3,730,383	\$54,044,112	\$57,774,495

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, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2021	2020
Cash flows from operating activities:		
Income before income tax	\$13,743,369	\$3,125,778
Gain (loss) from discontinued operations before tax	187,728	(134,557)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation (including investment property)	4,976,370	4,940,213
Amortization	3,623	11,473
Expected credit losses	376	118,270
Gains on financial liabilities at fair value through profit	(130,001)	(48,103)
Interest expenses	497,089	678,633
Interest income	(65,991)	(47,974)
Dividend income	(12,908)	(13,998)
Share of profit or loss of associates and joint ventures accounted for using equity method	(904,488)	(23,472)
Loss on disposal of property, plant and equipment	19,298	21,410
Gain on disposal of other assets	(30)	-
Gain on disposal of investments accounted for using equity method	(1,279,159)	(697,970)
Loss on impairment of non-financial assets	-	347,018
Reversal of gain on impairment of non-financial assets	(14,208)	-
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(5,104,954)	(1,235,975)
Contract assets	68,049	34,939
Notes receivable	(21,783)	(2,782,061)
Accounts receivable	(988,131)	(313,472)
Other receivables	14,698	(13,177)
Inventories	(2,139,431)	873,397
Prepayments	185,802	244,770
Other current assets	4,022	(1,820)
Current other financial assets	(784,165)	(83,932)
Other operating assets	413	6,266
Contract liabilities	1,122,514	231,325
Notes payable	496,773	213,253
Accounts payable	1,393,774	229,861
Other payable	784,584	62,368
Other current liabilities	578,094	4,153
Net accrued pension liability	(104,845)	(28,959)
Long-term deferred revenue	(116,735)	(75,820)
• Cash inflow generated from operations	12,409,747	5,641,837
Interests received	65,991	47,974
Dividends received	12,908	13,998
Interests paid	(514,555)	(699,524)
Income tax paid	(1,487,965)	(450,822)
• Net cash flows provided by operating activities	10,486,126	4,553,463
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(410,367)	(59,817)
Disposal of subsidiaries	1,425,681	1,153,827
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(3,043,048)	(3,445,279)
Proceeds from disposal of property, plant and equipment	102,103	81,245
Increase in receipts in advance due to disposal of assets	-	857,841
Decrease in receipts in advance due to disposal of assets	(857,841)	-
Increase in refundable deposits	(13,033)	(43,698)
Acquisition of intangible assets	(1,038,031)	(4,454)
Acquisition of right-of-use assets	(86,843)	(256)
Increase in other non-current assets	-	(462)
Decrease in other non-current assets	462	-
Interest paid for constructing plant	(13,017)	(17,430)
Net cash flows used in investing activities	(3,933,934)	(1,478,483)
Cash flows from financing activities:		
Increase in short-term loans	8,911,702	7,659,277
Decrease in short-term loans	(13,608,704)	(8,256,175)
Increase in short-term bills payable	16,700,000	13,100,000
Decrease in short-term bills payable	(16,800,000)	(13,650,000)
Proceeds from long-term loans	5,510,298	4,588,352
Repayments of long-term loans	(4,159,695)	(4,297,279)
Increase in deposits-in	19,450	13,596
Increase in other payables to related parties	86,812	284,157
Decrease in other payable to related parties	-	(1,817,903)
Payments of lease liabilities	(49,862)	(41,809)
Cash dividends paid	(1,454,149)	(87)
Changes in non-controlling interests	-	31,869
Net cash flows (used in) provided by financing activities	(4,844,148)	(2,386,002)
Effects of exchange rate changes on cash and cash equivalents	(242,830)	(225,510)
Net increase in cash and cash equivalents	1,465,214	463,468
Cash and cash equivalents at the beginning of the year	6,708,591	6,245,123
Cash and cash equivalents at the end of the year	\$8,173,805	\$6,708,591

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

## Ratification Item 2

( Motion from TGI Board of Directors )

### 2021 Earning Distribution

Explanation: The Earning Distribution is as follows.

Resolution:

TGI Stockholders' Meeting June 9, 2022

### TGI 2021 Earning Distribution

Unit: NT\$

Item	Amount	
	Subtotal	Total
Un-appropriated Retained Earnings at Beginning		3,488,781,746
Add: Consolidated Income and Loss (The Actuarial Income and Loss after Determining Welfare Plan (2021))	284,297,327	
2021 Net Income After Tax	11,476,678,250	11,760,975,577
Allowance Items:		
Legal Reserve 10%	(1,176,097,558)	(1,176,097,558)
Subtotal of Distributable Net Profit		14,073,659,765
Dividends Distribution 2,908,060,800 shares NT\$ 1.82/@ share		
Bonus of Stockholders – Stock NT\$ 0/@ share	0	
–Cash NT\$1.82/@ share	(5,292,670,656)	(5,292,670,656)
Un-appropriated Retained Earnings		8,780,989,109

## Approval Item 1

( Motion from TGI Board of Directors )

### Amendment to the Articles of Incorporation

1.1. Partial articles of the Articles of Incorporation are amended in order to comply with revised articles of the Company Act.

1.2. 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 9, 2022

Before the Amendment	After the Amendment	Remarks
<p>Article 7:</p> <p>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.</p> <p>Shares issued by the Company are exempt from printing of stock certificates, but the shares should be registered with a centralized securities depository.</p>	<p>Article 7:</p> <p>The share certificates issued by the Company are in registered form <u>and are issued in accordance with the Company Act and other relevant laws and regulations.</u></p> <p>Shares issued <u>in accordance with the preceding paragraph</u> are exempt from printing of stock certificates, but the shares should be registered with a centralized securities depository.</p>	<p>Amended according to Company Act Article 162.</p>
	<p>Article 12-1:</p> <p><u>The Company's stockholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p>	<p>New article is added due to amendments to Company Act Article 172-2 and Article 356-8.</p>
<p>Article 30:</p> <p>The present Articles of Incorporation was adopted on August 25, 1964. (Omitted)</p> <p>The fifty-seventh amendment on July 2, 2021.</p>	<p>Article 30:</p> <p>The present Articles of Incorporation was adopted on August 25, 1964. (Omitted)</p> <p><u>The fifty-eighth amendment on June 9, 2022.</u></p>	<p>The fifty-eighth amendment.</p>



## Approval Item 2

(Motion from TGI Board of Directors)

### Amendment to the Regulations Governing the Acquisition and Disposal of Assets

2.1. Partial articles of the Regulations Governing the Acquisition and Disposal of Assets are amended according to Order No.: Financial-Supervisory-Securities-Corporate-1110380465.

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

Resolution:

### Comparison Table of Amendment to the Regulations Governing the Acquisition and Disposal of Assets

TGI Stockholders' Meeting June 9, 2022

Before the Amendment	After the Amendment	Remarks
<p>Article 3 Evaluation Procedure When the Company acquires or disposes of securities, it shall obtain the most recent financial statements or other relevant information of the subject company that has been checked, certified or reviewed by an accountant before the date of the fact, as a reference for evaluating the transaction price. If the Company acquires or disposes of securities, intangible assets or right-of-use assets, membership cards with transaction amount of exceeds 20% of the Company's paid-in capital or NT\$300 million, except for transactions with domestic government agencies, an accountant should be consulted for the reasonableness of transaction price prior to the date of the fact. If an accountant needs to use an expert report, he/she should follow the provisions of the Bulletin No. 20 of the Auditing Standards issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as ARDF). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). (Omitted)</p>	<p>Article 3 Evaluation Procedure When the Company acquires or disposes of securities, it shall obtain the most recent financial statements or other relevant information of the subject company that has been checked, certified or reviewed by an accountant before the date of the fact, as a reference for evaluating the transaction price. If the Company acquires or disposes of securities, intangible assets or right-of-use assets, membership cards with transaction amount of exceeds 20% of the Company's paid-in capital or NT\$300 million, except for transactions with domestic government agencies, an accountant should be consulted for the reasonableness of transaction price prior to the date of the fact. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). (Omitted)</p>	<p>1. To strengthen the management of transactions between related parties. 2. To improve the quality of opinions issued by external experts. 3. The information disclosure of some transactions is less restrictive. 4. Some text corrections are made.</p>
<p>Article 4 Operating Procedure (1) The degree of authority delegated and the levels to which authority is delegated 1. Securities: authorize the chairman of the board or the person designated by the chairman to conduct transactions within the quota specified in Article 7 of the Regulation. If it meets the requirements for announcement and reporting in Article 5, it shall be submitted to the most recent board of directors for ratification. However, if the acquisition or disposal of stocks, corporate bonds, and privately-held securities that are not traded on the centralized exchange market or OTC center, and the transaction amount reaches the standard of issuing announcement, it should be approved by</p>	<p>Article 4 Operating Procedure (1) The degree of authority delegated and the levels to which authority is delegated 1. Securities: authorize the chairman of the board or the person designated by the chairman to conduct transactions within the quota specified in Article 7 of the Regulation. If it meets the requirements for announcement and reporting in Article 5, it shall be submitted to the most recent board of directors for ratification. However, if the acquisition or disposal of stocks, corporate bonds, and privately-held securities that are not traded on the centralized exchange market or OTC center, and the transaction amount reaches the standard of issuing announcement, it should be approved by</p>	

<p>the board of directors first. On the other hand, investment in China should be approved in a stockholders' meeting or authorized by the board of directors in a stockholders' meeting to implement, and can only be carried out after being approved by the Ministry of Economic Affairs Investment Commission.</p> <p>2. Transactions with related parties: Relevant materials should be prepared in accordance with the provisions of Chapter 2 of this procedure, and the transaction contract and payment may not be signed after more than half of all members of the audit committee agree and be approved by the board of directors. The Company and its subsidiaries, or its subsidiaries which the Company directly or indirectly holds 100% of its issued shares or capital, acquire or dispose of equipment or right-of-use assets for business use, or acquire or dispose of real estate right-of-use assets for business use, if necessary, the chairman may make a ruling first, and then submit it to the latest board of directors for ratification.</p> <p>3. Merger, division, acquisition or transfer of shares: The relevant procedures and relevant materials should be handled in accordance with the provisions of Chapter 3 of this procedure. The merger, division and acquisition must be carried out after resolution made on a stockholders' meeting, but in accordance with other laws and regulations This does not apply to those who are exempted from convening a stockholders' meeting to resolve. In addition, the transfer of shares shall be made after the approval of the board of directors.</p> <p>4. Others: It should be handled in accordance with the operating procedures stipulated by the internal control system and the approval authority. If the transaction amount reaches the announcement and reporting standards in Article 5, except for the acquisition or disposal of equipment for business use along with its right-of-use assets, acquisition or disposal of right-of-use assets of real estate for business use may be reported to the board of directors for ratification, or the rest should be approved by the board of directors. If there is any circumstance stipulated in Article 185 of the Company Act, it shall be approved in a stockholders' meeting first. (Omitted)</p>	<p>the board of directors first. On the other hand, investment in China should be approved in a stockholders' meeting or authorized by the board of directors in a stockholders' meeting to implement, and can only be carried out after being approved by the Ministry of Economic Affairs Investment Commission.</p> <p>2. Transactions with related parties: <u>Transactions with related parties</u> should be <u>handled</u> in accordance with the provisions of Chapter 2 of this procedure. The Company and its subsidiaries, or its subsidiaries which the Company directly or indirectly holds 100% of its issued shares or capital, acquire or dispose of equipment or right-of-use assets for business use, or acquire or dispose of real estate right-of-use assets for business use, if necessary, chairman <u>authorized</u> may make a ruling first <u>within the transaction amount of NT\$300 million</u>, and then submit it to the most recent board of directors for ratification.</p> <p>3. Merger, division, acquisition or transfer of shares: The relevant procedures and relevant materials should be handled in accordance with the provisions of Chapter 3 of this procedure. The merger, division and acquisition must be carried out after resolution made on a stockholders' meeting, but in accordance with other laws and regulations This does not apply to those who are exempted from convening a stockholders' meeting to resolve. In addition, the transfer of shares shall be made after the approval of the board of directors.</p> <p>4. Others: It should be handled in accordance with the operating procedures stipulated by the internal control system and the approval authority. If the transaction amount reaches the announcement and reporting standards in Article 5, except for the acquisition or disposal of equipment for business use along with its right-of-use assets, acquisition or disposal of right-of-use assets of real estate for business use may be reported to the board of directors for ratification, or the rest should be approved by the board of directors. If there is any circumstance stipulated in Article 185 of the Company Act, it shall be approved in a stockholders' meeting first. (Omitted)</p>	
<p>Article 5 Procedure for issuing announcements (1) Under any of the following circumstances, the Company acquiring or</p>	<p>Article 5 Procedure for issuing announcements (1) Under any of the following circumstances, the Company acquiring or</p>	

<p>disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> <li>2. Merger, demerger, acquisition, or transfer of shares.</li> <li>3. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more.</li> <li>4. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</li> <li>5. Where an asset transaction other than any of those referred to in the preceding four subparagraphs, or an investment in China reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: <ol style="list-style-type: none"> <li>(1) Buying and selling domestic government bonds.</li> <li>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> </ol> </li> </ol> <p>(Omitted)</p>	<p>disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> <li>2. Merger, demerger, acquisition, or transfer of shares.</li> <li>3. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more.</li> <li>4. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</li> <li>5. Where an asset transaction other than any of those referred to in the preceding four subparagraphs, or an investment in China reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: <ol style="list-style-type: none"> <li>(1) Buying and selling domestic government bonds or foreign government bonds <u>with a credit rating not lower than Republic of China's sovereign credit rating.</u></li> <li>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> </ol> </li> </ol> <p>(Omitted)</p>	
<p>Article 6 Asset Valuation Procedure In acquiring or disposing of real property, equipment, or right-of-use assets thereof</p>	<p>Article 6 Asset Valuation Procedure In acquiring or disposing of real property, equipment, or right-of-use assets thereof</p>	

<p>where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for the board's approval in advance; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than</p>	<p>where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for the board's approval in advance; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be <u>consulted and the CPA should</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>(Omitted)</p>	
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<p>6 months have elapsed, an opinion may still be issued by the original professional appraiser. (Omitted)</p>		
<p>Article 10 Resolution Procedure When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than a half of the audit committee members and then resolved by the board of directors: (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (Omitted) (7) Restrictive covenants and other important agreed matters associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee members and the board of directors need not be counted toward the transaction amount.</p>	<p>Article 10 Resolution Procedure When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than a half of the audit committee members and then resolved by the board of directors: (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (Omitted) (7) Restrictive covenants and other important agreed matters associated with the transaction. <u>If the Company and the Company's subsidiary which is not a domestic public offering company conduct the first transaction, and the transaction amount is more than 10% of the Company's total assets, the Company shall submit the information listed in the first paragraph to the stockholders' meeting for approval before signing a transaction contract and making payment. However, this does not apply to the transaction between the Company and the Company's parent company, subsidiaries, or the Company's subsidiaries.</u> The calculation of the transaction amounts referred to in the <u>first paragraph</u> and preceding paragraph shall be made in accordance with Article 5, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been <u>submitted to stockholders' meeting</u>, approved by the audit committee members and the board of directors need not be counted toward the transaction amount.</p>	
<p>Article 20 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p>	<p>Article 20 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p>	

<p>(1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(Omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	<p>(1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(Omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-discipline regulations of their respective associations</u> and the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	
<p>Article 24</p> <p>This procedure was made on April 28, 1989,</p> <p>(Omitted)</p> <p>The 15<sup>th</sup> amendment was made on June 19, 2019.</p>	<p>Article 24</p> <p>This procedure was made on April 28, 1989,</p> <p>(Omitted)</p> <p><u>The 16<sup>th</sup> amendment was made on June 9, 2022.</u></p>	<p>The 16<sup>th</sup> amendment.</p>

## Approval Item 3

( Motion from TGI Board of Directors )

### Amendment to the Rules of Procedure for Stockholders' Meetings

3.1. Partial articles of the Rules of Procedure for Stockholders' Meetings are amended according to amended articles of Company Act.

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

Resolution:

### Comparison Table of Amendment to the Rules of Procedure for Stockholders' Meetings

TGI Stockholders' Meeting June 9, 2022

Before the Amendment	After the Amendment	Remarks
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.	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. <u>The Company's stockholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u>	Amended according to amendments to Article 172-2 and Article 356-8 of Company Act.

Motions:



Appendix I:  
Number of Shares Held by All Directors

TGI Stockholders' Meeting June 9, 2022

Title	Corporate Representative	Appointment Date	Term	Number of Shares Held on Appointment Date		Number of Shares Held Up to the Date of Book Closure	
				Shares	Rate (%)	Shares	Rate (%)
Chairman	Lin, P. F.	July 2, 2021 to July 1, 2024	3 years	20,603,512	0. <u>71</u> %	20,603,512	0. <u>71</u> %
Director	Lin, P. S.			14,897,934	0. <u>51</u> %	14,897,934	0. <u>51</u> %
	Lin, P. C.			6,191,002	0. <u>21</u> %	6,191,002	0. <u>21</u> %
	Lim, H. T.			10,337,628	0. <u>36</u> %	10,337,628	0. <u>36</u> %
	Peng, C. H.			10,000	0. <u>00034</u> %	10,000	0. <u>00034</u> %
	Tai Hong Investment Corp. Hsu, L. L.			420,137,922	14. <u>45</u> %	420,137,922	14. <u>45</u> %
	Tai Hong Investment Corp. Lin, C. H.						
	Tai Hong Investment Corp. Su, Y. T.						
	Tai Hong Investment Corp. Lin, C. Y.						
	Ho Ho Investment Corp. Lin, C. M.			402,748,231	13. <u>85</u> %	402,748,231	13. <u>85</u> %
	Ho Ho Investment Corp. Tsai, T. M.						
				Lien, S. W.	25,000	0. <u>00086</u> %	25,000
Independent Director	Lin, S. C.			0	0%	0	0%
	Lin, Z. Y.			0	0%	0	0%
	Wang, Y. C.			0	0%	0	0%
Total Number of Shares Held by 15 Directors				874,951,229	30. <u>09</u> %	874,951,229	30. <u>09</u> %

Note: 1. Total Issued Shares:

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

2. Legal Shares of Directors:

87,241,824 shares (3.0%)

Appendix II:  
Earning Distribution Approved by the Board of Directors

Dividend distribution: NT\$ 1.82/@ share by cash.

### Appendix III:

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

The 2021 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 July 2, 2021

#### Chapter I. General Provisions

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

#### Chapter II. Shares

- Article 6           The total capital of the Company amounts to NT\$30 billion, which is represented by 3 billion shares of NT\$10 par value per share. The shares are to be issued in several times authorized by the Board of Directors.
- Article 7           The share certificates issued by the Company are in registered form. 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.

- 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 restitute deficits.
  2. To allocate ten percent (10%) of net profits to a legal reserve. if the legal reserve has reached the amount of Capital, it is no limitation.
  3. To allocate special reserve.
  4. After allocation of Item 1~3 above mentioned, If there is any net profit remaining, the Board of Directors shall prepare a distribution proposal and submit to the stockholders' meeting for resolution.
- For sound financial planning, appropriate dividend strategies shall be made according to the annual actual operating situation, Capital budget of next annual, and the necessary of supporting capital by profits for sustainable operation and development. After deducted Item 1 to 3 above from Income, the dividends and bonuses above mentioned shall not be lower than 50% of the earnings. Only when the dividends and bonuses is lower than 1% of capital, it can be resolved to transfer all of them to retained earnings and not to be distributed. The rate of distributing cash dividends shall not be lower than 20% of total dividends.
- Article 27            Until the accumulated legal capital reserve has equaled the total share of capital, may stop appropriating by the resolution in the stockholders' meeting.

## **Chapter VII. Appendix**

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

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