



Stock Code: 5009

# Gloria Material Technology Corp. Meeting Agenda for the 2023 Annual Shareholders' Meeting

Time: May 25, 2023 (Thursday)

Meeting type: Video-conferencing assisted shareholders meeting

Venue: No. 10, Gong Er Rd., Liuying Dist., Tainan City 736,

Taiwan (R.O.C.)(1F Meeting Room, Head Office Building)

E-Meeting Platform: "Shareholders meeting e-Voting Platform -  
Hybrid Shareholders' Meeting" by Taiwan Depository & Clearing  
Corporation

(<http://www.stockvote.com.tw/evote/index.html>)

Notice to readers: This English-version meeting agenda is a translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

# Table of Contents

One. Meeting Procedure for the 2023 Annual Shareholders' Meeting .....	2
Two. Meeting Agenda for the 2023 Annual Shareholders' Meeting .....	3
<b>I. Call Meeting to Order: .....</b>	<b>3</b>
<b>II. Chairman's Address: .....</b>	<b>3</b>
<b>III. Report Items: .....</b>	<b>3</b>
<b>IV. Proposals for Acceptance and Approval: .....</b>	<b>6</b>
<b>V. Election Matters: .....</b>	<b>8</b>
<b>VI. Discussion Items:.....</b>	<b>8</b>
<b>VII. Extemporaneous Motions: .....</b>	<b>9</b>
<b>VIII. Adjournment .....</b>	<b>9</b>
Three. Attachments .....	10
<b>I. Business Report .....</b>	<b>10</b>
<b>II. Audit Committees' Review Report .....</b>	<b>20</b>
<b>III. Information on Investments in Mainland China .....</b>	<b>21</b>
<b>IV. 2022 The Policy and Details of the Remuneration of Directors .....</b>	<b>23</b>
<b>V. Independent Auditors' Report and 2022 Parent Company Only     Financial Statements .....</b>	<b>25</b>
<b>VI. Independent Auditors' Report and 2022 Consolidated Financial     Statements .....</b>	<b>35</b>
<b>VII. Appropriation of Earnings .....</b>	<b>46</b>
<b>VIII. The Nominated List of Director Candidates .....</b>	<b>47</b>
<b>IX. Comparison Table for the Procedures of the Loaning of Funds and     Endorsements/Guarantees of Gloria Material Technology Corp. ....</b>	<b>50</b>
Four. Appendix .....	52
<b>I. Gloria Material Technology Corp. Articles of Incorporation .....</b>	<b>52</b>
<b>II. Rules and Procedure of Shareholders' Meeting .....</b>	<b>57</b>
<b>III. Procedures for Election of Directors.....</b>	<b>66</b>
<b>IV. Shareholding of All Directors.....</b>	<b>68</b>

# Meeting Procedure for the 2023 Annual Shareholders' Meeting

I. Call Meeting to Order

II. Chairman's Address

III. Report Items

IV. Proposals for Acceptance and Approval

V. Election Matters

VI. Discussion Items

VII. Extemporaneous Motions

VIII. Adjournment

## Gloria Material Technology Corp.

### Meeting Agenda for the 2023 Annual Shareholders' Meeting

Method by which the meeting is convened: Physical shareholders' meeting with the assistance of video conferencing

Time: May 25, 2023 (Thursday) at 14:00 p.m.

Place: No. 10, Gong Er Rd., Liuying Dist., Tainan City 736, Taiwan (R.O.C.) (1F Meeting Room, Head Office Building)

I. Call Meeting to Order:

II. Chairman's Address:

III. Report Items:

1. Discussion of the 2022 Business Report.

Explanation: The 2022 Business Report, attached in Attachment I of the Meeting Agenda, page 10-19.

2. Discussion of the 2022 Final Report of the Audit Committee.

Explanation: The 2022 Final Report of the Audit Committee, attached in Attachment II of the Meeting Agenda, page 20.

3. Discussion of the implementation status of investments in China.

Explanation: Status of implementation of investments in China as of December 31, 2022, attached in Attachment III of the Meeting Agenda, page 21-22.

4. Discussion of the compensation for employees and directors in 2022.

Explanation: 1. In accordance with Article 26 of the Company's Articles of Incorporation, if the Company earns a profit in the current year, the proportion of employee compensation shall not be less than 1%. A resolution shall be made by the Board of Directors whether to issue shares or cash distribution, with the issuance of the object containing a certain condition for the subsidiary

employees. The proportion of the directors' compensation shall not be higher than 5%. The distribution of compensation for employees and directors shall be reported to the shareholders meeting.

However, a reserve is allotted to be used to make up for the accumulated losses, and the balance shall be handled according to the proportion in the preceding paragraph for the compensation of employees and directors.

2. After approval by the Company's Remuneration Committee and the Board of Directors, the proportion of compensation for employees shall be 1.99% of pre-tax profit in 2022, totaling NT\$50,000,000, and the proportion of compensation for directors shall be 1.00% of pre-tax profit, totaling NT\$25,000,000, both distributed in cash.
3. There is no difference between the aforementioned distribution amount and recognized expenses in 2022.

5. Discussion of the earnings distribution and cash dividends for 2022.

Explanation: 1. GMTC has not distributed 2022 surplus earnings as cash dividends in Q1-Q3, but plans to distribute cash dividends of NT\$2.5 per share in Q4, totaling NT\$1,239,092,480 by special resolution of the board of directors in accordance with the Articles of Incorporation.

2. When distributing cash dividends, the total dividends to the shareholders are distributed down to the nearest NT dollar, and the amount less than NT\$1 is rounded off. The remainder will be adjusted, and cash dividends are paid out in lump sum amounts.

6. Discussion of status of treasury shares.

Explanation: 1. On March 20, 2020, the Company's Board of Directors resolved the 4th buy-back of treasury shares 10,000,000 shares.

The purpose of share buy-back was the transfer of shares to employees. The actual number of share buy-backs was 6,329,000 shares. If the shares have not been transferred to Company employees within three years, the Company shall perform the registration for cancellation of the shares in compliance with Article 28-2 of the Securities and Exchange Act.

2. The details of the share buy-back are listed as follows:

Buy-back batch	4th
Purpose of share buy-back	Transfer of shares to employees
Buy-back period	March 23, 2020
	to May 22, 2020
Buy-back Interval Price	NT\$9.91 - NT\$24.58
Type and quantity of shares repurchased	6,329,000 shares (common shares)
Amount of shares repurchased	NT\$99,735,910
Ratio of shares repurchased to estimated share buy-back (%)	63.29%
Number of shares retired and transferred	6,329,000 shares
Accumulated number of outstanding shares	0 shares
Ratio of the accumulated number of outstanding shares to the total number of issued shares (%)	0%

Note: As of the book closure date for the shareholders' meeting is March 27, 2023. The actual results are reported at the shareholders' meeting.

## 7. Discussion of the 2022 Convertible Bonds Report.

Explanation: For the repayment of bank loans, the company issued domestic unsecured convertible bonds in 2022. The issuing details are as

follows:

Bond Type	6th issuance of GMTC's domestic unsecured convertible corporate bonds
Date of Approval	May 23, 2022
Issue Date	From August 15, 2022 to August 15, 2025
Face Value	NT\$100,000
Par Value	Bonds are distributed at a price equal to 101% of their par value
Total	NT\$3 billion
Interest Rate	Coupon rate of 0%
Tenure	3 years
Convertible price	33.9
Trustee	Taishin International Bank Co., Ltd.
Underwriter	Mega Securities Co., Ltd
Payment Institution	Registrar & Transfer Agency Department Yuanta Securities Co., Ltd.
Bond Repayment Method	Within five business days after the maturity date, the Company will make bond repayment in one lump sum by cash based on the face value of the convertible bond plus interest compensation (101.5075% of face value; real rate of return of 0.5%).
The Status of Implementation of Capital Allocation Plans	Capital allocation has been completed in the fourth quarter of 2022

8. Review of the 2022 directors' remuneration report.

Explanation: Please refer to Attachment 4, page 23-24 of the meeting agenda for the Company's 2022 directors' remuneration policy and details.

IV. Proposals for Acceptance and Approval:

Proposal 1: 2022 business report and financial statements. For your adoption.  
(Proposed by the Board of Directors)

Explanation: 1. The 2022 business report and financial statements were approved by the Audit Committee and the Board of Directors. The financial statements were audited by auditors Ming-Hsien Liu and Yung-Hsiang Chao of Deloitte Taiwan.  
2. The Company's 2022 Business Report, CPA audit report and financial statements, attached in Attachment 1, page 10-19,

and Attachments 5 and 6, pages 25-45 of the Meeting Agenda.

Resolutions:

Proposal 2: Appropriation of 2022 earnings. For your adoption. (Proposed by the Board of Directors)

Explanation:1. The appropriation of 2022 earnings was approved by the 20th meeting of the 10th Board of Directors, and submitted to the Audit Committee for review to receive the document review report.

2. The Company's 2022 net profit after tax came in at NT\$2,018,769,374, or NT\$202,208,570 after deducting the statutory surplus reserve, giving a total of NT\$59,692,547 after the special surplus reserve was rotated. In addition, the undistributed surplus earnings at the beginning of the year are NT\$1,010,593,688, plus the retained earnings under the equity method of NT\$2,322,189 and retained earnings from the remeasurements of the net defined benefit of NT\$700,915, while deducting the disposal of an investment in an equity instrument measured at fair value through other comprehensive income, and direct transfer of accumulated profits and losses to retained earnings of NT\$293,223, which bring about 2022 distributable earnings of NT\$2,890,163,366.

3. Undistributed surplus in the first, second and third quarters of 2022. In Q4 of 2022, the company distributed NT\$1,239,092,480 cash dividends at NT\$2.50 per share. When distributing cash dividends, the total dividends to the shareholders are distributed down to the nearest NT dollar, and the amount less than NT\$1 is rounded off. The remainder will be adjusted, and cash dividends are paid out in lump sum amounts.

4. Subsequently, for the factors such as issuance of new shares for



capital increase or cancellation of shares affecting the number of outstanding shares and dividend payout ratio, the shareholders' meeting shall authorize the Chairman to handle matters related to adjusting the dividend payout ratio.

5. Appropriation of 2022 earnings, attached in Attachment 7, page 46.

## V. Election Matters:

Proposal 1: Election of directors. Please vote. (Proposed by the Board of Directors)

Explanation: 1. All original directors agreed to be dismissed upon the expiry of the terms of office on June 19, 2023, and re-election will be held at the 2023 shareholders' meeting.

2. In accordance with Article 15 of the Company's Articles of Incorporation and Article 192-1 of the Company Act, 9 directors (including 4 independent directors) were elected. The Company adopted the candidate nomination system, and shareholders are elected according to the shareholder candidates list. For the director candidates list, please refer to Attachment 8 on pages 47-49 of the meeting agenda.

3. Newly elected directors and independent directors shall take office immediately after the election in the shareholders' meeting. The term of office is three years, from May 25, 2023 to May 24, 2026.

4. For the Regulations Governing the Election of Directors and Independent Directors, please refer to Appendix 3 on pages 66-67.

5. Please vote.

Results of the election:

## VI. Discussion Items:

Proposal 1: Discussion on the approval of lifting of non-competition

restrictions on the newly elected directors and their representatives. (Proposed by the Board of Directors)

- Explanation: 1. In accordance with Article 209 of the Company Act, a Director who does anything for oneself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. For the directors' contingent investment or operation of other companies with the same or similar business scope as the Company, the proposal is submitted to the shareholders' meeting for the lifting of non-competition restrictions on directors and representatives after approval by the Board of Directors.
3. Supplementary explanations for non-competition restrictions before the proposal are discussed at the shareholders' meeting.

Resolutions:

Proposal 2: Discussion of the amendment of Procedures for the Loaning of Funds and Making of Endorsements/ Guarantees. (Proposed by the Board of Directors)

- Explanation: 1. The Procedures are amended to meet the Company's practical needs.
2. Please refer to Attachment 9 on pages 50-51 of the meeting agenda for comparison before and after the amendment of the Procedures for the Loaning of Funds and Making of Endorsements/ Guarantees.

Resolutions:

VII. Extemporaneous Motions:

VIII. Adjournment

# Attachments

[Attachment I]

## Business Report

### I. Implementation of the 2022 business plan

In terms of global steel demand in 2022, the impact of the Russia-Ukraine war led to a surge in energy prices in Europe. In response, the major manufacturers reduced production, which has driven up import demands. In addition, issues such as labor shortages and material shortages caused by the COVID-19 pandemic have been improved, which exerted a positive effect on U.S. infrastructure, and led to rising demands. In addition, with the slowdown of the COVID-19 pandemic and recovery in the aerospace, oil, gas, and automotive industries, we see robust demand in the steel market, which led to a price hike.

With reduced steel production in China, the infrastructure project with a contract amount of US\$ 2 trillion, Section 232 steel and aluminum tariffs imposed by the U.S., and rapid adjustment of sales strategies during the COVID-19 pandemic, the Company actively expanded its market share in the tool steel market, and implemented lean production and alloy procurement strategy for effective cost control, in order to boost profitability on the Company's product. The Company's 2022 consolidated revenue was NT\$12,365,317, which grew by 40.98% compared to 2021, while the 2022 pre-tax profit of NT\$2,592,521 thousand increased by 154.62% compared to 2021.

#### Growth of consolidated sales and pre-tax profit

Unit: NT \$thousand

	Operating Revenue	Gross Margin	Operating Profit	Pre-tax Profit
2022	12,365,317	3,955,630	2,414,961	2,592,521
2021	8,770,944	2,338,770	1,074,052	1,018,195
Percentage Growth	40.98%	69.13%	124.85%	154.62%

#### (I) Budget execution

Thanks to robust demand in the steel market, exemption from Section 232 steel and aluminum tariffs imposed by the U.S., and the appreciation of US dollar, the Company's revenue, and profit have reached its budget via strategies including lean production, strategic procurement of raw materials, and expansion of tool steel market share. In 2022, the company's net operating revenue was NT\$11,265,158 thousand, which achieved 102.89% of the guidance, while net profit was NT\$2,018,769 thousand, which achieved 226.29% of the guidance.

Unit: NT\$ thousand

Year Item	Individual Budget in 2022	Individual Achievement in 2022	Rate in 2022
Net Operating Revenue	10,949,112	11,265,158	102.89%
Gross Margin	2,473,243	3,296,103	133.27%
Operating Profit	1,008,121	2,014,786	199.86%
Pre-tax Profit	1,060,904	2,431,268	229.17%
Net Profit	892,135	2,018,769	226.29%

## (II) The capacity of financial revenue and profitability

1. The Group recorded a net cash inflow of NT\$1,697,191 thousand from operating activities in 2022 mainly due to a increase in inventories turnover and an increase in operating revenue sales, while a net cash outflow of NT\$616,238 thousand arising from investment activities was mainly due to the purchase of fixed assets for plant expansion. Net cash inflow has been generated from financing activities of NT\$167,808 thousand due to an issue of bond.
2. Profitability analysis  
 Return on Total Assets: 8.31%  
 Return on Equity: 18.85%  
 Operating Income to Capital Stock: 52.83%  
 Pre-tax Profit to Capital Stock: 56.71%  
 Basic EPS (after tax): 4.52

## (III) R&D review and explanation

Corresponding to the development of high-end steel grades, in 2022, GMTC developed new steel grades for hot work tool steel with high strength and toughness, for effective use in the die casting and aluminum extrusion industries.

Major development on R&D and quality in 2022:

1. Corresponding to equipment replacement needs and revision of regulations/ norms, GMTC has been negotiating with end-user clients to expand the scope of certified products and first article inspection (FAI).
2. We continue to comply with the steel type, shape, size, weight, and simplified processes, so as to increase the flexibility of order delivery and achieve effective production.
3. Improve the steelmaking process, including raw material management, optimization of ingredients, and process parameter adjustment, in order to shorten the smelting process and improve the internal and surface quality of steel ingots.
4. Expand various sizes and steel grades of roll bars.
5. Preparations for introducing 50T machines into the production process, so as to facilitate hot testing.

## II.2023 Business plan

### (I) Business development

With the slowdown of the COVID-19 pandemic, significant recovery in the aerospace, oil and gas and automotive industries, reduced production by major manufacturers due to issues such as the U.S. infrastructure and Russia-Ukraine war, and China's steel output cuts in the next few years, we forecast a robust steel market, entailing growth potential. The Company has actively responded to the high competition in the industry and environmental issues. The domestic and overseas business development plans are summarized as follows:

**Domestic:** With the slowdown of the COVID-19 pandemic and global economic recovery, the domestic machinery/mold/automotive industry showed steady development in 2022. With deep cultivation in Taiwan, GMTC is committed to improving the production process and providing more diversified product sizes and types. In the future, we anticipate that the scope of services will expand in the domestic market, with a selection of self-developed /customized materials for various industries in Taiwan.

**Overseas market:** In face of significant recovery in the aerospace, energy, and oil and gas industries, the steel market will remain upbeat due to issues such as U.S. infrastructure in the next few years, coupled with the transfer of orders owing to geopolitics and international military technology transition. GMTC not only continues to deepen high-value industries such as the aerospace, energy, and oil and gas industries, but also provided competitive products, actively developing high-end tool steel products to tap into high-end applications in Europe, the U.S., and Japan.

### (II) Product development:

New product/ new process development:

In 2023, the Company will continue to expand the application of high-end hot work steel in end-user molds, while its new product development plan covers high-purity optical mirror polished stainless steel, which is mainly used in the precision plastic injection molding industry, with the aim to replace competitive steel products in overseas factories, and improve the Company's own technology and cost competitiveness in Taiwan.

In 2023, the main operations in cooperation with the above product lines are as follows:

1.Production:

Complete the expansion and adjustment of production equipment in the two factories, so that each factory can manufacture products with a strong competitive advantage. Firstly, the mass production of new equipment has led to higher CUR, and secondly, the Company has been focusing on precision management and logistics, shortening the process and reducing unnecessary waste in order to boost its profitability. Establish new product lines to tap into the market, increase the depth of sales and product breadth, and invest in new forging equipment in the future. We will gradually develop one-stop production services, and become the most comprehensive production base for steel bars in Taiwan.

2.Sales:

- a.Expand international channels, build a large distributor network locally, and increase the total sales volume.
- b.Increase the market share of tool steel in various regions.
- c.U.S. market: Aerospace, oil, and gas are gradually recovering, while the product orders need to be adjusted to provide stable shipments, and assist customers with inventory correction.
- d.European market: The aerospace industry has recovered along with the lifting of COVID-19 restrictions, and thus in addition to tool steel the Company also arranged orders to actively tap into the aerospace market.
- e.Japanese market: Gloria Material Technology Japan Co., Ltd. was established in 2022 to expand its market share in the tool steel and stainless steel markets.

3.R&D:

As the 50T steel production equipment is in place, six main grades of steel have been selected for detailed process planning, and relevant tests will be conducted in stages in Q2-Q4, as the Company dedicated efforts to improve equipment quality and expand equipment capacity.

### **(III) 2023 Operating Principle**

In face of changes in the global trend, in addition to continuous internal transformation and adjustments, GMTC still needs to adjust its product orders in response to rapid changes in the global market in 2023, so as to maintain its market share in the competitive market.

Therefore, the overall operating strategies within this year's budget are as follows:

- 1.Stabilize orders in the existing markets, establish global distribution channels, and timely adjust product orders.
- 2.Streamline management and strengthen the responsibility system to improve the quality of the whole product line, effectively distinguish between different production processes and equipment management, and improve the operational efficiency of equipment and production capacity.
- 3.Achievements in R&D of high-end special steel products and development of new stainless steel products.
- 4.Lower inventory levels of products.

### **III.Future development strategy**

GMTC's market mainly focuses on exports, with an export ratio of nearly 70%, exporting to nearly 50 countries worldwide. Price and quality are critical in the face of global competitors and changes in international trends, while stable purchasing strategies and process cost control measures are crucial for expanding the Company's market share:

#### **(I)Marketing strategy:**

- 1.Formulating the strategy to achieve a leading market share in the Asian tool steel market.
- 2.Expand the global market share of 6 series of functional stainless steel, and develop towards the aerospace, energy, oil and gas, and military industries which require product certification.
- 3.Market expansion in Northeast Asia and Southeast Asia.
- 4.Planning global deployment of new products.

#### **(II)Production strategy:**

- 1.Relocation of plant equipment and production process redesign.
- 2.Strengthen the competitiveness of different product sizes, specialization and division of labor, and scale production to reduce costs.
- 3.Optimize the existing equipment or invest in new process equipment to improve production efficiency. Expand the size range (both larger and smaller) to enhance product competitiveness and stabilize product quality.
- 4.The development of green electricity and design of production processes to achieve energy saving and carbon reduction to mitigate environmental impact and fulfill the company's social responsibility in green energy.

#### **(III)Human resource:**

Since employees are the Company's most valuable assets, employee development shall be one of the Company's growth drivers. Therefore, we safeguard the rights and interests of employees by formulating relevant regulations and rules, providing incentives and a salary bonus system, caring for employees, and offering preferential benefits to enable employees to work with peace of mind.

In response to global market trends and new generations, we internally conducted efficient labor deployment and management, and functional and organizational transformation. In addition, if the Company earned stable profits, we express our gratitude to the hard-working employees and their contributions last year by raising the overall salary by

5% in 2022 and 3% in 2023, in order to share business achievements with employees.

GMTC continued to work with the NCKU-Butterfly Program for industry-academia cooperation. The diversified talent cultivation platform cooperates with the industry to cultivate international talents, so as to achieve a win-win situation.

#### **IV. Influences of the external competitive environment, regulatory environment, and the overall business environment**

##### **(I) Economic environment**

In 2022, the state of the global economy was unsatisfactory owing to factors including inflation, the Russia-Ukraine war, and climate change. In addition, the rising interest rate, the ongoing Russia-Ukraine war, and a slowdown of major economies in the world also exerted a negative impact on the global economic outlook for 2023. According to the World Bank, global economic growth is estimated at 1.7% in 2023, with a decline of 2.9% compared to that in 2022. Among them, the economic growth forecast was trimmed to 0.5% in 2023 from 1.9% in 2022 in the U.S., lowered to 0% in 2023 from 3.3% in 2022 in the EU, raised to 4.3% in 2023 from 2.7% in 2022 in China, and trimmed to 1.0% in 2023 from 1.2% in 2022 in Japan.

However, given the impacts of the U.S. infrastructure, the Russia-Ukraine war reduced production of major factories, and low steel production in China, the global steel market supply and demand will be in stable equilibrium, while the rebound in raw material price will drive price hike of international steel products. Therefore, the Company is still optimistic about growth in the steel market.

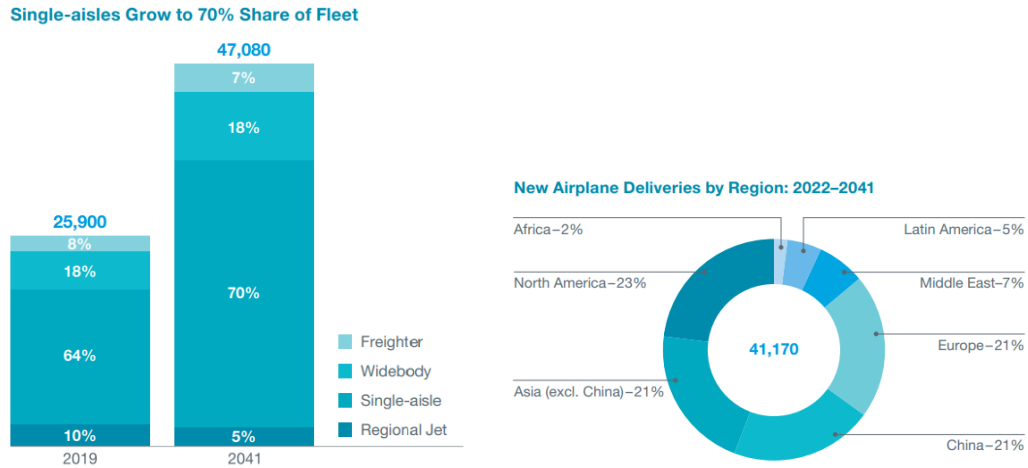
##### **(II) Industry environment analysis:**

Countries around the world are gradually lifting border restrictions along with the slowdown of the COVID-19 pandemic, which brings about a significant rise in demands for household/ industrial products and infrastructure. The major industries are gradually returning to a growth trajectory, yet we still need to keep track of changes in geopolitical uncertainties, climate change, and the COVID-19 pandemic. The following is a speculative analysis of the major industries:

##### **I. Aviation industry:**

According to Boeing's outlook, the COVID-19 pandemic has significantly dragged down demands in the global aviation market. However, with the gradual slowdown of the COVID-19 pandemic, the total output value will gradually return to a long-term growth trend. In the next 20 years (2022-2041), the demand for new aircraft may exceed 41,170 units in the global aviation market, and the number of aircraft in service will exceed 47,080 units. Recently, single-aisle aircrafts accounted for up to 70% of the total number of aircraft, and the countries in the Pan-Pacific region, North America and Europe have the highest demand for new aircrafts.





Source: Boeing, Commercial Market Outlook 2022-2041

As countries accelerate the lifting of border restrictions, tourism, and business flight demands have shown an evident increase. The aerospace supply chain has recovered along with rising end-user demand, which further raised the inventory level, propelling the shipment volume of materials. In response, we see active preparation of materials in the aerospace supply chain. The shortage of power supply in Europe has led to reducing production or factory shutdowns, with order transfer as aerospace materials are difficult to obtain in the supply chain.

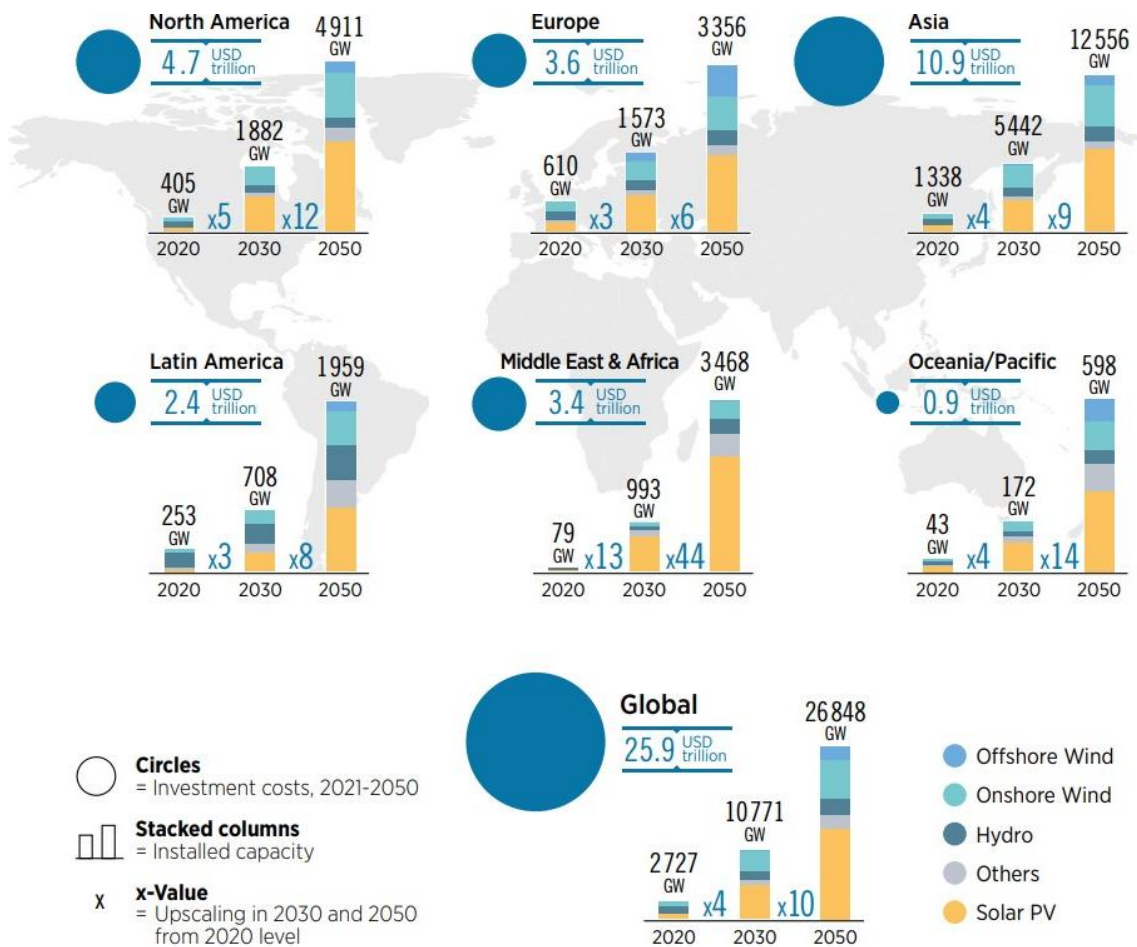
## II. Power industry

Given the global concern about climate change and the reduction of carbon emissions, countries around the world are actively developing various green energy, including renewable energy such as wind power and solar power. According to the International Renewable Energy Agency (IRENA), under a scenario near 1.5°C of global warming, it is estimated that Asia, North America and Europe will account for 83% of installed global renewable energy capacity by 2030. Among them, Asia's installed renewable energy capacity should expand by 4 times, while the installed capacity of North America and Europe should expand by 5 times and 3 times, respectively. Overall, the Company's accumulated global investment is estimated to reach US\$25.9 trillion.

Due to the impact of the Russia-Ukraine war, Russia has cut off the oil and gas supply, which resulted in large fluctuations in energy prices. Meanwhile, we also increased demand in the energy industry, which is conducive to rising demands for turbine blade materials used in generators in the energy industry. We expect that the steel used in the oil and gas industry will also grow month by month, and as issues related to climate change and net-zero carbon emissions materialize, the Company is still optimistic about growth in the energy market.

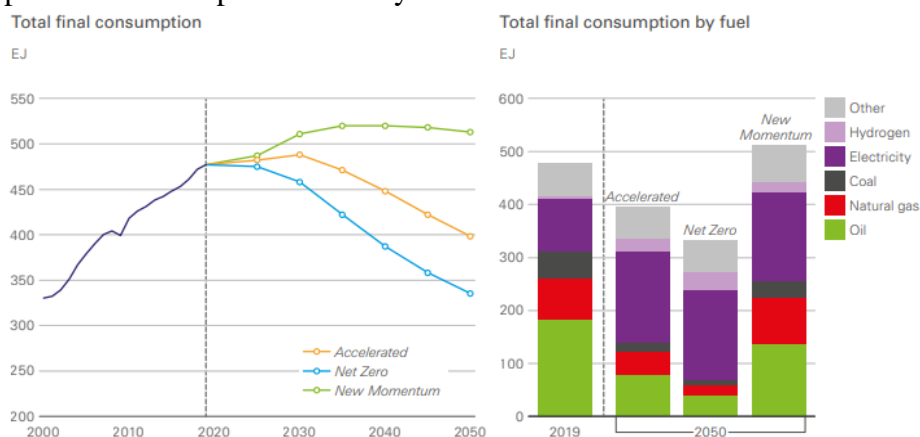
Figure X. Total installed renewable energy capacity and accumulated investment by region in 2020, 2030 and 2050.

Source: IRENA, World Energy Transitions Outlook 2022



### III. Crude oil industry

In recent years, given global concern and an increase in global awareness of environmental protection, the governments of various countries actively respond to energy issues. According to BP's 2023 Outlook for Global Energy Transition, the consumption of oil and gas has declined in recent years. Although oil and gas are still the main energy sources nowadays, we see an increase in electricity consumption along with rapid growth in the wind power and solar power industry.



Source: BP, Energy Outlook

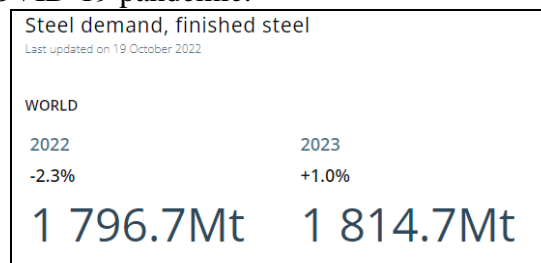
Given the conflict between Russia and Ukraine, Russia has cut off the oil and gas supply, which widened the oil and gas gap in Europe. To fill this gap, the U.S. gradually resumed shale oil extraction. In addition to the above-mentioned situation in the U.S., there

was active offshore drilling in the North Sea and Southeast Asia region due to high oil prices and rising demand.

### (III)Steel industry:

According to World Steel Association, global steel demand will increase slightly by 1.0% from 1.8 billion tons in 2022 to 1.81 billion tons in 2023.

In recent years, many uncertainties in the world have had a profound impact on the economy and society. The Russia-Ukraine war affected the energy, oil, gas, and steel production capacity in Europe and the U.S., while the issue of climate change has gradually materialized. The steel industry and other industries with high CO<sub>2</sub> emissions were listed as one of the major controlled targets. Entering the carbon pricing era, which will directly impact industries with high CO<sub>2</sub> emissions, we shall pay close attention to recent laws and regulations to ensure profitability, and take into account relevant response strategies and risk control measures to mitigate the impact. In addition, thanks to increasing global vaccination coverage, the spread of the Omicron variant will not be as disruptive to society as the COVID-19 pandemic. Therefore, we need to pay attention to geopolitical uncertainties, climate change, and the COVID-19 pandemic.



Source: Worldsteel, 2022

### (IV)Regulatory environment and overall operating environment

Although steel does not represent a great proportion of the alloy steel industry, it is the key to the development of high-end industries. In the 8 major countries with high industrial development and aviation, energy, automation, and other industries, high-alloy steel is required as the basis for the main components of modern high-tech products.

#### 1.High competitiveness in the global alloy tool steel market:

In recent years, with increased protectionism in global steel markets, various countries still conducted the impact of the COVID-19 pandemic, countries have still imposed steel tariff-rate quotas or taxes on imported goods since 2020, in order to protect the local market. These measures will not be lifted until 2023. However, if the situation is not resolved, there may be a change in the market, while factors, including the adjustment of import quotas along with rising demand, or inability to export in large quantities due to reduced production in some regions, should be conducive to the Company's sales.

For 2023, the Company will mainly focus on the aerospace, oil, and gas markets in Europe and the U.S., followed by tool steel sales in Asia.

#### 2.Trade barriers still exist in various countries

(1)Section 232 steel and aluminum tariffs imposed by the U.S.: Although some steel products have already been exempted from tariffs, the Section 232 tariffs continue to apply to imports of steel and aluminum to the U.S.

(2)EU: Discussion on whether steel trade tariffs should continue.

(3)The signing of the RCEP Agreement: The steel industry faces price competition in

Southeast Asia. Although tariffs did not exert an immediate effect, they may cause long-term pressure in the steel industry.

- 3.Environmental issues: The carbon tax issue has been unignorable in the steel industry. The Taiwan government has been implementing the ordinance that sets renewable energy quotas for large electricity users last year, thereby raising the operating costs of steel companies.

Looking into 2023, the COVID-19 pandemic will gradually slow down, and the global economy should quickly recover as countries around the world gradually lift COVID restrictions and return to a normal trajectory. In addition, the Company also needs to keep track of geopolitical uncertainties and climate change issues. The Company has always been prudent in its business management, internally implementing lean management and division of labor, flexibly adjusting production/sales/ procurement strategies in response to market trends. We also tapped into new markets by product certification, increasing product types and applications, and maintaining financial stability by reducing operational costs which cover purchase costs, production costs, repair costs, material costs, and energy consumption, so as to strengthen the Company's market competitiveness and seize market share in Asia, in the aim to maximize business achievements to share with the Company's shareholders and employees. Finally, I sincerely thank all shareholders for their long-term support. GMTC's management team and employees will continue to dedicate efforts and bring profitable growth to shareholders.

We wish you all good wealth and prosperity!

Chairman: Chiung-Fen Wang

Manager: Yung-Chang Kang

Accounting Manager:  
Yi-Ting Tseng

## Audit Committees' Review Report

The Board of Directors made the Company's 2022 business report, financial statements and appropriated earnings. The Audit Committee approves the above-mentioned business report, financial statements and appropriation of earnings in accordance with Article 14.4 of the Securities and Exchange Act and Article 219 of the Company Act, and it is considered that there is no disagreement, please review it.

Gloria Material Technology Corp.

Convener of the Auditing Committee:

Chin-Chen Chien

April 13, 2023

## GLORIA MATERIAL TECHNOLOGY CORP.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Guangzhou Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital USD3,000 thousand (Paid-in capital of CNY24,856 thousand )	2	USD 2,837 HKD 700	\$	\$	USD 2,837 HKD 700	\$ 13,338	96%	Note 2 (2) \$ 11,757	\$ 182,798	\$ -	
Zhejiang Jiaxing Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital USD3,000 thousand (Paid-in capital of CNY22,108 thousand )	2	- ( Note 4 )			- ( Note 4 )	42,229	96%	Note 2 (2) 40,679	257,728	-	
Tianjin Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital USD3,300 thousand (Paid-in capital of CNY26,719 thousand )	2	USD 3,300			USD 3,300	12,115	96%	Note 2 (2) 11,480	155,698	18,007	
Xian Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital USD2,000 thousand (Paid-in capital of CNY12,660 thousand )	2	- ( Note 5 )			- ( Note 5 )	16,555	96%	Note 2 (2) 15,309	102,866	-	
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Production and sale of alloy steel	Registered capital USD50,000 thousand (Paid-in capital of CNY115,067 thousand )	2	USD 18,000			USD 18,000	45,070	100%	Note 2 (2) 45,070	563,826	24,773	

<b>Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021</b>	<b>Investment Amount Authorized by the Investment Commission, MOEA</b>	<b>Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA</b>
USD 24,137 HKD 700	\$936,655 ( USD 30,500 )	\$6,679,368 ( Note 3 )

Note 1: Methods of investment are classified as below:

- 1) Investments through a holding company registered in a third region
- 2) Reinvestments through a holding company set up in a third region
- 3) Reinvestments through a holding company existing in a third region
- 4) Direct investment
- 5) Others

Note 2: Investment gain or loss was recognized as a percentage of the shares held based on following:

- 1) Companies that are still in the preparatory stage and therefore have no investment gain or loss should be disclosed.
- 2) Investment gain or loss recognized based on the following should be disclosed:
  - 1) Financial statements which were audited by an international accounting firm with a cooperative relationship with an accounting firm in the ROC.
  - 2) Financial statements which were audited by the parent company's accounting firm.
  - 3) Other financial statements which were not audited by the accounting firm.

Note 3: The maximum allowable limit on investment was 60% of the consolidated net asset value of the Company  $\$11,132,280 \times 60\% = \$6,679,368$

Note 4: The capital, which Faith Easy Enterprises Ltd. received from the retained earnings of Guangzhou Goldway Special Material Co., Ltd., was transferred to the capital of Zhejiang Jiaxing Goldway Special Material Co., Ltd.

2022 The Policy and Details of the Remuneration of Directors

I. Please state the policies, systems, standards and structure of remuneration to independent directors, and the relations between the remuneration and the job responsibility, risk and engagement hours borne by the independent directors:

- (1)In accordance with the Company’s Articles of Incorporation, the Board of Directors is authorized to determine the amount of compensation to the directors of the Company based on the directors’ level of operational participation as well as the value of the contribution. The standard terms in the industry shall also be considered and shall not exceed the standard of the highest salary level stipulated in the Company's pay method.
- (2)The Company's Articles of Incorporation also stipulates that no more than 5% of profits shall be allocated as remuneration for directors. In accordance with the Company’s Remuneration Committee Organizational Rules, the remuneration for directors is paid in accordance with the Company’s Regulations Governing Remuneration of Directors and Functional Committee Members.
- (3)The remuneration for independent directors is higher than that of directors as they concurrently serve as members of the Audit Committee and Remuneration Committee, they are required to participate in the discussions and resolutions of relevant committee meetings in accordance with the organizational rules of each committee.

II. 2022 Remuneration Detail

Title	Name	Remunerations of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income		Compensation paid to directors from an invested company other than the company's subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company		All companies in the consolidated financial statement		The Company	All companies in the consolidated financial statement			
																Cash	Stock	Cash	Stock			
Chairman	Chiung-Fen Wang	720	720	-	-	-	1,616	70	80	0.04	0.12	17,610	17,610	-	-	2,000	-	2,773	-	1.01	1.13	652
Juristic (corporate) person director	Taiwan Steel Group United Co., Ltd.	-	-	-	-	15,000	15,000	-	-	0.74	0.74	-	-	-	-	-	-	-	-	0.74	0.74	-
Director	Wen-Yuan Lin	600	600	-	-	-	-	60	60	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03	-
Director	Shih-Chieh Chao	600	600	-	-	-	-	60	60	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03	326
Director	Shih-Yi Chiang	600	600	-	-	-	-	60	60	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03	-
Director	Cheng-Hsiang Chen	600	600	-	-	-	120	60	70	0.03	0.04	-	-	-	-	-	-	103	-	0.03	0.04	326
Independent director	Chin-Chen Chien	960	960	-	-	2,500	2,500	170	170	0.18	0.18	-	-	-	-	-	-	-	-	0.18	0.18	-
Independent director	Chun-Hsiung Chu	960	960	-	-	2,500	2,500	170	170	0.18	0.18	-	-	-	-	-	-	-	-	0.18	0.18	-



Independent director	Yi-Ching Wu	960	960	-	-	2,500	2,500	170	170	0.18	0.18	-	-	-	-	-	-	-	-	0.18	0.18	-
Independent director	Yi-Lang Lin	840	840	-	-	2,500	2,500	130	130	0.17	0.17	-	-	-	-	-	-	-	-	0.17	0.17	-
<p>Note:</p> <p>1.Except as disclosed in the above table, the remuneration for directors for providing services to all companies in the consolidated financial statement (such as consultants not classified as employees) in the most recent fiscal year are as follows: The Remuneration for Director Cheng-Hsiang Chen is NT\$4,050thousand.</p> <p>2.For the proposal of 2022 earnings distribution, the proposed allotment of shares for the remuneration of directors and employee compensation has been approved by the Board of Directors before the shareholders' meeting</p>																						

**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Gloria Material Technology Corp.

**Opinion**

We have audited the accompanying financial statements of Gloria Material Technology Corp. (the “Company”), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the financial statements for the year ended December 31, 2022. 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.

The key audit matter identified in the Company’s financial statements for the year ended December 31, 2022 is as follows:

## Occurrence of Sales Revenue

The sales revenue of the Company mainly comes from the production and sale of special steel products such as high-functional materials, alloy steel and stainless steel. The products are utilized in various industries such as energy, aerospace, oil and gas, water, biomedicine, machine tools, molds and shipping. The revenue coming from products for specific industries is material to the financial statements as a whole and is significant to the Company's business performance. Since sales to specific industries is the primary risk, we considered the occurrence of revenue as a key audit matter.

The audit procedures we performed included the following:

1. We obtained an understanding of and evaluated the accounting policies for the recognition of sales revenue.
2. We obtained an understanding of and tested the operating effectiveness of the internal controls in relation to the occurrence of sales revenue.
3. We selected samples of and performed tests on sales revenue transactions for the year ended December 31, 2022. We checked the relevant internal and external documents and confirmed that the products have been delivered. We also checked for discrepancies between the counterparty of the transaction and the counterparty of payment and for any abnormalities in the amounts collected after the reporting period.

## **Other Matter**

We did not audit the financial statements of some investees accounted for using the equity method. The financial statements of the aforementioned investees accounted for using the equity method were audited by other accountant; our opinion, insofar as it relates to the related amounts included herein, is based solely on the reports of other auditors. The total amount of investments in these investees accounted for using the equity method was NT\$290,931 thousand and NT\$348,581 thousand, representing 1.2% and 1.7%, of the Company's total assets as of December 31, 2022 and 2021, respectively, and the amount of the Company's total share of comprehensive income of such associates was NT\$40,153 thousand and NT\$5,143 thousand, representing 2.0% and 0.7%, of the Company's total comprehensive income for the year ended December 31, 2022 and 2021, respectively.

## **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 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 Company's ability to continue as a going concern, 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 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 the financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audits resulting in this independent auditors' report are Min-Hsien Liu and Yung-Hsiang Chao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2023

#### Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance 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 financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

**GLORIA MATERIAL TECHNOLOGY CORP.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars)

	<b>2022</b>		<b>2021</b>	
<b>ASSETS</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 1,949,371	8	\$ 822,460	4
Financial assets at fair value through profit or loss - current (Note 7)	52,879	-	72,498	-
Notes receivable (Note 9)	49,546	-	41,430	-
Trade receivables (Note 9)	1,563,300	7	1,184,552	6
Trade receivables from related parties (Note 28)	283,906	1	253,439	1
Other receivables (Note 28)	102,444	1	195,890	1
Inventories (Note 10)	5,189,508	22	4,337,293	21
Other current assets (Notes 15, 28 and 29)	50,645	-	91,310	-
Total current assets	9,241,599	39	6,998,872	33
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	18,571	-	18,620	-
Investments accounted for using the equity method (Note 11)	2,303,709	10	2,102,729	10
Property, plant and equipment (Notes 12 and 29)	7,897,662	33	8,046,454	38
Right-of-use assets (Notes 13 and 28)	30,885	-	59,083	-
Investment properties (Notes 14 and 29)	613,930	3	348,345	2
Deferred tax assets (Note 22)	124,481	-	109,684	1
Prepayments for equipment (Note 28)	3,318,830	14	2,974,012	14
Other non-current assets (Notes 15 and 29)	177,528	1	332,679	2
Total non-current assets	14,485,596	61	13,991,606	67
<b>TOTAL</b>	<b>\$ 23,727,195</b>	<b>100</b>	<b>\$ 20,990,478</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 1,310,481	5	\$ 1,196,159	6
Short-term bills payable (Note 16)	20,000	-	270,000	1
Notes payable	391	-	187	-
Trade payables	651,461	3	524,449	3
Trade payables to related parties (Note 28)	50,938	-	71,955	-
Other payables (Notes 18 and 28)	662,589	3	490,750	2
Current tax liabilities	425,765	2	82,742	1
Lease liabilities - current (Notes 13 and 28)	1,430	-	2,381	-
Current portion of long-term bank borrowings (Notes 16 and 29)	1,211,877	5	1,290,052	6
Other current liabilities	133,889	1	54,728	-
Total current liabilities	4,468,821	19	3,983,403	19
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 17 and 29)	4,337,043	18	1,410,890	7
Long-term borrowings (Notes 16 and 29)	4,034,901	17	6,286,254	30
Deferred tax liabilities (Note 22)	137,652	1	104,529	-
Lease liabilities - non-current (Notes 13 and 28)	30,616	-	58,741	-
Net defined benefit liabilities - non-current (Note 19)	121,082	1	135,919	1
Other non-current liabilities	62,533	-	60,743	-
Total non-current liabilities	8,723,827	37	8,057,076	38
Total liabilities	13,192,648	56	12,040,479	57
<b>EQUITY (Note 20)</b>				
Share capital				
Ordinary shares	4,571,224	19	4,567,360	22
Capital surplus	2,178,236	9	2,027,062	9
Retained earnings				
Legal reserve	914,627	4	843,957	4
Special reserve	103,107	-	187,212	1
Unappropriated earnings	3,032,679	13	1,627,728	8
Total retained earnings	4,050,413	17	2,658,897	13
Other equity	(43,415)	-	(69,395)	-
Treasury shares	(221,911)	(1)	(233,925)	(1)
Total equity	10,534,547	44	8,949,999	43
<b>TOTAL</b>	<b>\$ 23,727,195</b>	<b>100</b>	<b>\$ 20,990,478</b>	<b>100</b>

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

# GLORIA MATERIAL TECHNOLOGY CORP.

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 28)	\$11,265,158	100	\$ 7,820,211	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 21 and 28)	<u>(7,969,055)</u>	<u>(71)</u>	<u>(6,016,704)</u>	<u>(77)</u>
GROSS PROFIT	3,296,103	29	1,803,507	23
UNREALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	(91,031)	(1)	(78,075)	(1)
REALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	<u>78,075</u>	<u>1</u>	<u>27,336</u>	<u>-</u>
REALIZED GROSS PROFIT	3,283,147	29	1,752,768	22
OPERATING EXPENSES (Notes 21 and 28)				
Selling and marketing expenses	(887,418)	(8)	(785,409)	(10)
General and administrative expenses	(339,388)	(3)	(217,391)	(3)
Research and development expenses	(39,940)	-	(49,067)	(1)
Expected credit loss (recognized) reversed	<u>(1,615)</u>	<u>-</u>	<u>32,012</u>	<u>1</u>
Total operating expenses	<u>(1,268,361)</u>	<u>(11)</u>	<u>(1,019,855)</u>	<u>(13)</u>
PROFIT FROM OPERATIONS	<u>2,014,786</u>	<u>18</u>	<u>732,913</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)				
Other income	107,941	1	121,433	2
Other gains and losses	152,317	1	(51,712)	(1)
Finance costs	(160,958)	(1)	(117,422)	(1)
Interest income	3,743	-	483	-
Share of profit of subsidiaries and associates	<u>313,439</u>	<u>3</u>	<u>170,406</u>	<u>2</u>
Total non-operating income and expenses	<u>416,482</u>	<u>4</u>	<u>123,188</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	2,431,268	22	856,101	11
INCOME TAX EXPENSE (Note 22)	<u>(412,499)</u>	<u>(4)</u>	<u>(104,526)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>2,018,769</u>	<u>18</u>	<u>751,575</u>	<u>10</u>

(Continued)

# GLORIA MATERIAL TECHNOLOGY CORP.

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	876	-	(34,624)	(1)
Unrealized (loss)/gain on investments in equity instruments at fair value through other comprehensive income	(2,110)	-	7,597	-
Share of other comprehensive income of subsidiaries and associates accounted for using equity method - unrealized loss on investments in equity instruments at fair value through other comprehensive income	(8,063)	-	(9,712)	-
Share of other comprehensive income of subsidiaries and associates accounted for using equity method - remeasurement of defined benefit plans	394	-	224	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)	(175)	-	6,925	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	38,375	-	(6,909)	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>(1,217)</u>	<u>-</u>
Other comprehensive income/(loss) for the year, net of income tax	<u>29,297</u>	<u>-</u>	<u>(37,716)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,048,066</u>	<u>18</u>	<u>\$ 713,859</u>	<u>9</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 4.52</u>		<u>\$ 1.70</u>	
Diluted	<u>\$ 4.22</u>		<u>\$ 1.70</u>	

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

(Concluded)



GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

	Capital Surplus										Other Equity			Treasury Shares	Total Equity	
											Other Equity					
											Unrealized					
											Exchange Differences on Translation of the Financial Statements of Foreign Operations	Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
Ordinary Shares	Additional Paid-in Capital	Additional Paid-in Capital - Bond Conversion	Treasury Share Transactions	Donated Assets	Employee Share Options	Difference Between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed	Adjustment from Changes in Equity of Subsidiaries and Associates	Changes in Ownership Interests in Subsidiaries	Retained Earnings							
									Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2021	\$ 4,667,360	\$ 221,392	\$ 1,462,657	\$ 353,747	\$ 3,502	\$ 4,925	\$ 18,283	\$ 794	\$ 13,510	\$ 817,117	\$ 190,348	\$ 1,124,897	\$ (39,023)	\$ (4,815)	\$ (711,845)	\$ 8,122,849
Appropriation of 2020 earnings																
Legal reserve	-	-	-	-	-	-	-	-	-	26,840	-	(26,840)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	(3,136)	3,136	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	(180,163)	-	-	-	(180,163)
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	-	-	-	-	751,575	-	-	-	751,575
Other comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	-	-	-	-	-	-	(27,475)	(6,909)	(3,332)	-	(37,716)
Cancellation of treasury shares	(100,000)	(4,743)	-	(85,951)	-	-	-	-	-	-	-	-	-	-	190,694	-
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(926)	(926)
Disposal of the Company's shares held by subsidiaries	-	-	-	35,203	-	-	-	-	-	-	-	-	-	-	270,468	305,671
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	6,843	-	-	-	-	-	-	-	-	-	-	-	6,843
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	15,316	-	(15,316)	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	-	-	-	-	-	(18,283)	-	-	-	-	(32,718)	-	-	-	(51,001)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	15,183	-	-	-	-	-	17,684	32,867
BALANCE AT DECEMBER 31, 2021	4,567,360	216,649	1,462,657	309,842	3,502	4,925	-	794	28,693	843,957	187,212	1,627,728	(45,932)	(23,463)	(233,925)	8,949,999
Appropriation of 2021 earnings																
Legal reserve	-	-	-	-	-	-	-	-	-	70,670	-	(70,670)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	(84,105)	84,105	-	-	-	-
Share dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	(630,570)	-	-	-	(630,570)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	-	-	-	-	2,018,769	-	-	-	2,018,769
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	-	-	-	-	-	1,095	38,375	(10,173)	-	29,297
Conversion of corporate bonds to ordinary shares	3,864	-	9,400	-	-	(501)	-	-	-	-	-	-	-	-	-	12,763
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,000)	(15,000)
Disposal of the Company's shares held by subsidiaries	-	-	-	7,812	-	-	-	-	-	-	-	-	-	-	27,014	34,826
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	6,905	-	-	-	-	-	-	-	-	-	-	-	6,905
Equity component of convertible bonds issued by the Company	-	-	-	-	-	114,739	-	-	-	-	-	-	-	-	-	114,739
Adjustment from changes in equity of subsidiaries and associates	-	-	-	-	-	-	-	12,819	-	-	-	-	-	-	-	12,819
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	2,222	-	(2,222)	-	-
BALANCE AT DECEMBER 31, 2022	\$ 4,571,224	\$ 216,649	\$ 1,472,057	\$ 324,559	\$ 3,502	\$ 119,163	\$ -	\$ 13,613	\$ 28,693	\$ 914,627	\$ 103,107	\$ 3,032,679	\$ (7,557)	\$ (35,858)	\$ (221,911)	\$ 10,534,547

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

.

# GLORIA MATERIAL TECHNOLOGY CORP.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,431,268	\$ 856,101
Adjustments for:		
Depreciation expense	390,555	380,998
Amortization expense	579	787
Expected credit loss recognized (reversed) on trade receivables	1,615	(32,012)
Net loss on fair value changes of financial assets at fair value through profit or loss	14,556	43,849
Finance costs	160,958	117,422
Interest income	(3,743)	(483)
Dividend income	(1,220)	(2,080)
Share of the profit of subsidiaries and associates	(313,439)	(170,406)
Gain on disposal of property, plant and equipment	(5,796)	(217)
Expenses arising from property, plant and equipment	82,617	78,050
Gain on disposal of associates	(160,573)	(3,565)
Write-down of inventories	23,589	7,233
Unrealized gain on transactions with subsidiaries	91,031	78,075
Realized gain on transactions with subsidiaries	(78,075)	(27,336)
Net loss/(gain) on foreign currency exchange	84,011	(19,288)
Others	(719)	225
Changes in operating assets and liabilities		
Notes receivable	(8,034)	(16,670)
Trade receivables	(374,765)	(578,236)
Trade receivables - related parties	(30,467)	(27,545)
Other receivables	93,446	(57,419)
Inventory	(876,105)	(1,091,533)
Other current assets	6,890	(33,735)
Notes payable	204	(6)
Trade payables	126,757	330,541
Trade payables - related parties	(21,017)	54,034
Other payables	144,904	(445,523)
Other current liabilities	79,161	14,867
Net defined benefit liabilities	(13,961)	(14,614)
Cash generated from (used in) operations	1,844,227	(558,486)
Interest received	3,743	483
Dividends received	110,450	65,011
Interest paid	(118,103)	(107,569)
Income tax paid	(51,284)	-
Net cash generated from (used in) operating activities	<u>1,789,033</u>	<u>(600,561)</u>

## CASH FLOWS FROM INVESTING ACTIVITIES

(Continued)

**GLORIA MATERIAL TECHNOLOGY CORP.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(In Thousands of New Taiwan Dollars)**

	<b>2022</b>	<b>2021</b>
Purchase of financial assets at fair value through other comprehensive income	(3,547)	(51,644)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,486	114,048
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,064
Proceeds from disposal of financial assets at amortized cost	37,452	-
Purchase of financial assets at fair value through profit or loss	-	(90,228)
Proceeds from sale of financial assets at fair value through profit or loss	5,063	91,686
Acquisition of associates	(51,964)	-
Proceeds from disposal of associates	349,427	9,390
Net cash outflow on acquisition of subsidiary	-	(52,232)
Payments for property, plant and equipment	(912,355)	(802,160)
Proceeds from disposal of property, plant and equipment	5,908	489
Net cash inflow from business combination (Note 11)	-	21,013
Increase in other noncurrent assets	-	(254,135)
Decrease in other non-current assets	<u>155,845</u>	<u>-</u>
Net cash used in investing activities	<u>(412,685)</u>	<u>(1,010,709)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	23,613	753,490
Proceeds from short-term bills payable	-	270,000
Repayments of short-term bills payable	(250,000)	-
Proceeds from issuance of bonds	3,024,680	1,470,334
Proceeds from long-term borrowings	1,153,400	1,256,363
Repayments of long-term borrowings	(3,489,816)	(1,554,264)
Repayments of principal of lease liabilities	(6,474)	(5,964)
Increase in other noncurrent liabilities	-	3
Decrease in other non-current liabilities	(88)	-
Dividends paid to owners of the Company	(630,570)	(180,163)
Acquisition of additional interests in subsidiaries	<u>(74,182)</u>	<u>(177,716)</u>
Net cash (used in) generated from financing activities	<u>(249,437)</u>	<u>1,832,083</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,126,911</b>	<b>220,813</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>822,460</b></u>	<u><b>601,647</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 1,949,371</b></u>	<u><b>\$ 822,460</b></u>

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

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Gloria Material Technology Corp.

### **Opinion**

We have audited the accompanying consolidated financial statements of Gloria Material Technology Corp. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the report of other auditors.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. 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.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

#### Occurrence of Sales Revenue

The sales revenue of the Group mainly comes from the production and sale of special steel products such as high-functional materials, alloy steel and stainless steel. The products are utilized in various industries such as energy, aerospace, oil and gas, water, biomedicine, machine tools, molds and shipping. The revenue coming from products for specific industries is material to the consolidated financial statement as a whole and is significant to the Group's business performance. Since sales to specific industries is the primary risk, we considered the occurrence of revenue as a key audit matter.

The audit procedures we performed included the following:

1. We obtained an understanding of and evaluated the accounting policies for the recognition of sales revenue.
2. We obtained an understanding of and tested the operating effectiveness of the internal controls in relation to the occurrence of sales revenue.
3. We selected samples of and performed tests on sales revenue transactions for the year ended December 31, 2022. We checked the relevant internal and external documents and confirmed that the products have been delivered. We also checked for discrepancies between the counterparty of the transaction and the counterparty of payment and for any abnormalities in the amounts collected after the reporting period.

#### **Other Matter**

As stated in Note 26, the Group lost its control over S-tech Corp. on August 23, 2021. The Group did not include the assets and liabilities in the consolidated financial statements as of December 31, 2021. Sales revenue and comprehensive income included in the consolidated financial statements was NT\$538,075 thousand and NT\$32,724 thousand, representing 6.1% of the Group's total sales revenue and 4.0% of comprehensive income for the year ended December 31, 2021, respectively. We did not audit the financial statements of S-tech Corp. The financial statements of S-tech Corp. was audited by other accountant; our opinion, insofar as it relates to the related amounts included herein, is based solely on the reports of other auditors. We did not audit the financial statements of some investees accounted for using the equity method. The financial statements of the aforementioned investees accounted for using the equity method were audited by other accountant; our opinion, insofar as it relates to the related amounts included herein, is based solely on the reports of other auditors. The total amount of investments in these investees accounted for using the equity method was NT\$290,931 thousand and NT\$348,581 thousand, representing 1.2% and 1.6%, of the Group's total assets as of December 31, 2022 and 2021, respectively, and the amount of the Group's total share of comprehensive income of such associates was NT\$40,153 thousand and NT\$(1,686) thousand, representing 1.9% and (0.2)%, of the Group's total comprehensive income for the year ended December 31, 2022 and 2021, respectively.

We have also audited the parent company only financial statements of the Company as of

and for the years ended December 31, 2022 and 2021 on which we have issued an unqualified opinion with other matter paragraph.

### **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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the Group's internal control.

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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group 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 the consolidated financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audits resulting in this independent auditors' report are Min-Hsien Liu and Yung-Hsiang Chao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2023

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*



# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 2,508,593	10	\$ 1,225,981	6
Financial assets at fair value through profit or loss - current (Note 7)	52,879	-	72,498	-
Notes receivable (Note 9)	227,332	1	295,363	1
Trade receivables (Notes 9 and 30)	2,316,468	9	1,773,659	8
Other receivables (Note 30)	103,352	1	117,649	-
Inventories (Note 10)	6,418,021	25	5,350,025	24
Other current assets (Notes 16, 30 and 31)	<u>350,692</u>	<u>1</u>	<u>124,597</u>	<u>1</u>
Total current assets	<u>11,977,337</u>	<u>47</u>	<u>8,959,772</u>	<u>40</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	230,853	1	300,238	1
Investments accounted for using the equity method (Note 12)	380,361	2	458,981	2
Property, plant and equipment (Notes 13, 30 and 31)	8,307,632	33	8,469,983	38
Right-of-use assets (Note 14)	125,205	-	154,911	1
Investment properties (Notes 15 and 31)	613,930	2	348,345	2
Deferred tax assets (Note 24)	142,243	1	122,722	1
Prepayments for equipment (Note 30)	3,320,249	13	2,974,012	13
Other non-current assets (Notes 16 and 31)	<u>161,185</u>	<u>1</u>	<u>349,204</u>	<u>2</u>
Total non-current assets	<u>13,281,658</u>	<u>53</u>	<u>13,178,396</u>	<u>60</u>
TOTAL	<u>\$ 25,258,995</u>	<u>100</u>	<u>\$ 22,138,168</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 31)	\$ 1,586,969	6	\$ 1,533,876	7
Short-term bills payable (Note 17)	40,000	-	320,000	1
Notes payable	395	-	195	-
Trade payables (Note 30)	746,383	3	605,745	3
Other payables (Notes 19 and 30)	730,912	3	543,894	2
Current tax liabilities	465,763	2	122,746	1
Lease liabilities - current (Notes 14 and 30)	6,687	-	6,616	-
Current portion of long-term borrowings (Notes 17 and 31)	1,211,877	5	1,290,052	6
Other current liabilities	<u>108,042</u>	<u>-</u>	<u>64,679</u>	<u>-</u>
Total current liabilities	<u>4,897,028</u>	<u>19</u>	<u>4,487,803</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 18 and 31)	4,337,043	17	1,410,890	6
Long-term borrowings (Notes 17 and 31)	4,034,901	16	6,286,254	28
Deferred tax liabilities (Note 24)	148,223	1	114,214	1
Lease liabilities - non-current (Notes 14 and 30)	39,931	-	69,480	-
Net defined benefit liabilities - non-current (Note 21)	133,870	1	148,756	1
Other non-current liabilities (Note 20)	<u>535,719</u>	<u>2</u>	<u>109,677</u>	<u>1</u>
Total non-current liabilities	<u>9,229,687</u>	<u>37</u>	<u>8,139,271</u>	<u>37</u>
Total liabilities	<u>14,126,715</u>	<u>56</u>	<u>12,627,074</u>	<u>57</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Share capital				
Ordinary shares	<u>4,571,224</u>	<u>18</u>	<u>4,567,360</u>	<u>20</u>
Capital surplus	<u>2,178,236</u>	<u>9</u>	<u>2,027,062</u>	<u>9</u>
Retained earnings				
Legal reserve	914,627	4	843,957	4
Special reserve	103,107	-	187,212	1
Unappropriated earnings	<u>3,032,679</u>	<u>12</u>	<u>1,627,728</u>	<u>7</u>
Total retained earnings	<u>4,050,413</u>	<u>16</u>	<u>2,658,897</u>	<u>12</u>
Other equity	<u>(43,415)</u>	<u>-</u>	<u>(69,395)</u>	<u>-</u>
Treasury shares	<u>(221,911)</u>	<u>(1)</u>	<u>(233,925)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	<u>10,534,547</u>	<u>42</u>	<u>8,949,999</u>	<u>40</u>
NON-CONTROLLING INTERESTS (Note 11)	<u>597,733</u>	<u>2</u>	<u>561,095</u>	<u>3</u>
Total equity	<u>11,132,280</u>	<u>44</u>	<u>9,511,094</u>	<u>43</u>
TOTAL	<u>\$ 25,258,995</u>	<u>100</u>	<u>\$ 22,138,168</u>	<u>100</u>

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

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 30)	\$12,365,317	100	\$ 8,770,944	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 23 and 30)	<u>(8,409,687)</u>	<u>(68)</u>	<u>(6,432,174)</u>	<u>(73)</u>
GROSS PROFIT	<u>3,955,630</u>	<u>32</u>	<u>2,338,770</u>	<u>27</u>
OPERATING EXPENSES (Notes 23 and 30)				
Selling and marketing expenses	(1,037,694)	(8)	(924,891)	(10)
General and administrative expenses	(463,947)	(4)	(316,147)	(4)
Research and development expenses	(39,940)	-	(55,341)	(1)
Expected credit loss reversed	<u>912</u>	<u>-</u>	<u>31,661</u>	<u>-</u>
Total operating expenses	<u>(1,540,669)</u>	<u>(12)</u>	<u>(1,264,718)</u>	<u>(15)</u>
PROFIT FROM OPERATIONS	<u>2,414,961</u>	<u>20</u>	<u>1,074,052</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 30)				
Interest income	6,154	-	1,893	-
Other income	148,871	1	123,070	1
Other gains and losses	148,852	1	(50,743)	-
Finance costs	(171,111)	(1)	(142,578)	(2)
Share of profit of associates	<u>44,794</u>	<u>-</u>	<u>12,501</u>	<u>-</u>
Total non-operating income and expenses	<u>177,560</u>	<u>1</u>	<u>(55,857)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	2,592,521	21	1,018,195	11
INCOME TAX EXPENSE (Note 24)	<u>(494,506)</u>	<u>(4)</u>	<u>(180,895)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>2,098,015</u>	<u>17</u>	<u>837,300</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	1,550	-	(34,017)	-

(Continued)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Unrealized (loss)/gain on investments in equity instruments at fair value through other comprehensive income	(35,487)	-	16,086	-
Share of the other comprehensive income/(loss) of associates accounted for using the equity method	8,998	-	(9,712)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(310)	-	6,804	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	42,646	-	(3,567)	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>(1,217)</u>	<u>-</u>
Other comprehensive income/(loss) for the year, net of income tax	<u>17,397</u>	<u>-</u>	<u>(25,623)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,115,412</u>	<u>17</u>	<u>\$ 811,677</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,018,769	16	\$ 751,575	9
Non-controlling interests	<u>79,246</u>	<u>1</u>	<u>85,725</u>	<u>1</u>
	<u>\$ 2,098,015</u>	<u>17</u>	<u>\$ 837,300</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,048,066	17	\$ 713,859	8
Non-controlling interests	<u>67,346</u>	<u>-</u>	<u>97,818</u>	<u>1</u>
	<u>\$ 2,115,412</u>	<u>17</u>	<u>\$ 811,677</u>	<u>9</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$4.52</u>		<u>\$1.70</u>	
Diluted	<u>\$4.22</u>		<u>\$1.70</u>	

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

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022AND 2021  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										Other Equity										
	Capital Surplus									Retained Earnings									Other Equity		
	Ordinary Shares	Additional Paid-in Capital	Additional Paid-in Capital - Bond Conversion	Treasury Share Transactions	Donated Assets	Employee Share Options	Difference Between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed	Adjustment from Changes in Equity of Subsidiaries and Associates	Changes in Ownership Interests in Subsidiaries	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity			
BALANCE AT JANUARY 1, 2021	\$ 4,667,360	\$ 221,392	\$ 1,462,657	\$ 353,747	\$ 3,502	\$ 4,925	\$ 18,283	\$ 794	\$ 13,510	\$ 817,117	\$ 190,348	\$ 1,124,897	\$ (39,023)	\$ (4,815)	\$ (711,845)	\$ 8,122,849	\$ 648,844	\$ 8,771,693			
Appropriation of 2020 earnings																					
Legal reserve	-	-	-	-	-	-	-	-	-	26,840	-	(26,840)	-	-	-	-	-	-			
Special reserve	-	-	-	-	-	-	-	-	-	-	(3,136)	3,136	-	-	-	-	-	-			
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	(180,163)	-	-	-	(180,163)	-	(180,163)			
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	-	-	-	-	751,575	-	-	-	751,575	85,725	837,300			
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	-	-	-	-	(27,475)	(6,909)	(3,332)	-	(37,716)	12,093	(25,623)			
Cancellation of treasury shares	(100,000)	(4,743)	-	(85,951)	-	-	-	-	-	-	-	-	-	-	190,694	-	-	-			
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(926)	(926)	(823)	(1,749)			
Disposal of the Company's shares held by subsidiaries	-	-	-	35,203	-	-	-	-	-	-	-	-	-	-	270,468	305,671	471,959	777,630			
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	6,843	-	-	-	-	-	-	-	-	-	-	-	6,843	-	6,843			
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,007,863)	(1,007,863)			
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	-	-	-	-	-	(18,283)	-	-	-	-	(32,718)	-	-	-	(51,001)	51,001	-			
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	15,183	-	-	-	-	-	17,684	32,867	(32,867)	-			
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	15,316	-	(15,316)	-	-	-	-			
Issuance of ordinary shares for cash by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296,075	296,075			
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,951	36,951			
BALANCE AT DECEMBER 31, 2021	4,567,360	216,649	1,462,657	309,842	3,502	4,925	-	794	28,693	843,957	187,212	1,627,728	(45,932)	(23,463)	(233,925)	8,949,999	561,095	9,511,094			
Appropriation of 2021 earnings																					
Legal reserve	-	-	-	-	-	-	-	-	-	70,670	-	(70,670)	-	-	-	-	-	-			
Special reserve	-	-	-	-	-	-	-	-	-	-	(84,105)	84,105	-	-	-	-	-	-			
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	(630,570)	-	-	-	(630,570)	-	(630,570)			
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	-	-	-	-	2,018,769	-	-	-	2,018,769	79,246	2,098,015			
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	-	-	-	-	1,095	38,375	(10,173)	-	29,297	(11,900)	17,397			
Conversion of corporate bonds to ordinary shares	3,864	-	9,400	-	-	(501)	-	-	-	-	-	-	-	-	-	12,763	-	12,763			
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,000)	(15,000)	(16,883)	(31,883)			
Disposal of the Company's shares held by subsidiaries	-	-	-	7,812	-	-	-	-	-	-	-	-	-	-	27,014	34,826	40,681	75,507			
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	6,905	-	-	-	-	-	-	-	-	-	-	-	6,905	-	6,905			
Equity component of convertible bonds issued by the Group	-	-	-	-	-	114,739	-	-	-	-	-	-	-	-	-	114,739	-	114,739			
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	-	-	12,819	-	-	-	-	-	-	-	12,819	79	12,898			
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	2,222	-	(2,222)	-	-	-	-			
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(54,585)	(54,585)			
BALANCE AT DECEMBER 31, 2022	\$ 4,571,224	\$ 216,649	\$ 1,472,057	\$ 324,559	\$ 3,502	\$ 119,163	\$ -	\$ 13,613	\$ 28,693	\$ 914,627	\$ 103,107	\$ 3,032,679	\$ (7,557)	\$ (35,858)	\$ (221,911)	\$ 10,534,547	\$ 597,733	\$ 11,132,280			

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

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,592,521	\$ 1,018,195
Adjustments for:		
Depreciation expense	426,836	450,556
Amortization expense	712	1,106
Expected credit loss reversed	(912)	(31,661)
Net loss on fair value changes of financial assets at fair value through profit or loss	12,611	49,500
Finance costs	171,111	142,578
Interest income	(6,154)	(1,893)
Dividend income	(8,380)	(5,763)
Share of profit of associates	(44,794)	(12,501)
Gain on disposal of property, plant and equipment	(5,642)	(4,338)
Expenses arising from property, plant and equipment	82,617	78,050
Gain on disposal of investments accounted for using equity method	(160,573)	(3,565)
Write-down of inventories	39,517	29,793
Net loss/(gain) on foreign currency exchange	83,872	(18,823)
Others	(36,333)	(1,454)
Changes in operating assets and liabilities		
Notes receivable	68,460	(34,702)
Trade receivables	(536,899)	(723,109)
Other receivables	14,297	(64,835)
Inventory	(1,109,229)	(1,708,897)
Other current assets	1,562	(203,074)
Notes payable	200	2,052
Trade payables	140,301	679,924
Other payables	163,606	201,784
Other current liabilities	43,363	19,892
Net defined benefit liabilities	(13,336)	(14,610)
Cash generated from (used in) operations	1,919,334	(155,795)
Interest received	6,154	1,893
Dividends received	17,561	7,456
Interest paid	(127,820)	(133,882)
Income tax paid	(118,038)	(56,917)
Net cash generated from (used in) operating activities	<u>1,697,191</u>	<u>(337,245)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(59,157)	(130,125)
Proceeds from disposal of financial assets at fair value through other comprehensive income	93,054	252,255
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,392

(Continued)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Purchase of financial assets at amortized cost	(229,112)	-
Purchase of financial assets at fair value through profit or loss	(12,604)	(472,116)
Proceeds from sale of financial assets at fair value through profit or loss	19,612	179,520
Acquisition of associates	(51,964)	-
Proceeds from disposal of associates	350,599	9,390
Proceeds from disposal of subsidiary (Note 26)	-	(276,474)
Payments for property, plant and equipment	(921,757)	(813,942)
Proceeds from disposal of property, plant and equipment	6,922	4,684
Increase in other non-current assets	-	(260,044)
Decrease in other non-current assets	188,169	-
Net cash used in investing activities	<u>(616,238)</u>	<u>(1,503,460)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	-	153,741
Repayments of short-term borrowings	(37,694)	-
Proceeds from short-term bills payable	-	270,000
Repayments of short-term bills payable	(280,000)	-
Proceeds from issuance of bonds	3,024,680	1,470,334
Proceeds from long-term borrowings	1,153,400	1,426,010
Repayments of long-term borrowings	(3,489,816)	(2,134,721)
Repayment of principal of lease liabilities	(12,281)	(11,407)
Proceeds from other non-current liabilities	460,699	-
Repayments of other non-current liabilities	-	(258)
Cash dividends paid to owners of the Company	(623,665)	(163,928)
Proceeds from disposal of the Company's shares by subsidiary	75,507	777,630
Acquisition of additional interests in subsidiaries	-	(46,469)
Proceeds from disposal of subsidiaries	-	1,751
Payments for buy-back of the Company's shares as treasury shares by subsidiary	(31,883)	(1,749)
Cash dividends paid by subsidiaries	(71,139)	(22,309)
Proceeds from issuance of ordinary shares for cash by subsidiaries	-	296,075
Net cash generated from financing activities	<u>167,808</u>	<u>2,014,700</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>33,851</u>	<u>(14,227)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,282,612</b>	<b>159,768</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b><u>1,225,981</u></b>	<b><u>1,066,213</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>\$ 2,508,593</u></b>	<b><u>\$ 1,225,981</u></b>
The accompanying notes are an integral part of the consolidated financial statements.		(Concluded)

Gloria Material Technology Corp.  
Appropriation of Earnings  
2022

Item	Amount	
Undistributed Surplus Earnings at the Beginning of the Year		1,010,593,688
Plus: Remeasurements of the net defined benefit	700,915	
Plus: Adjusted retained earnings under the equity method	2,322,189	
Plus: Disposal of an investment in an equity instrument measured at fair value through other comprehensive income, and direct transfer of accumulated profits and losses to retained earnings	293,223	
Undistributed Surplus Earnings After Adjustments		1,013,910,015
Plus: Net Profit	2,018,769,374	
Less: Legal Reserve (10%)		(202,208,570)
Plus: Reverse from Special Reserve Arising		59,692,547
Distributable Earnings		2,890,163,366
Assign Items:		(1,239,092,480)
Shareholder Dividends - Cash (NT\$2.5per share)	(1,239,092,480)	
Shareholder Dividends - stock (NT\$0)	0	
Undistributed Surplus Earnings at the End of the Year		1,651,070,886
<p>Note1: Shareholder dividends shall be first allocated from the 2022 surplus earnings</p> <p>Note2: After the appropriation of earnings, if the number of shares outstanding has been affected by factors such as issuance of new shares or cancellation of shares, which led to changes in the dividend payout ratio, the Chairman shall be fully authorized to handle the situation.</p>		

Chairman:  
Chiung-Fen Wang

General Manager:  
Yung-Chang Kang

Accounting Manager:  
Yi-Ting Tseng

## The Nominated List of Director Candidates

Name	Taiwan Steel Group United Co., Ltd. Representative: Chiung-Fen Wang	Taiwan Steel Group United Co., Ltd. Representative: Shih-Chieh Chao	Gloria Investments Limited Representative: Wen-Yuan Lin
Shareholding	19,636,000 shares	19,636,000 shares	1,000 shares
Incumbent Positions	<ol style="list-style-type: none"> <li>Chairman of Jinzhifu Asset Management Co., Ltd.</li> <li>Chairman of Taiwan Steel Group United Co., Ltd.</li> <li>Chairman of Taiwan NetCom Co., Ltd.</li> <li>Chairman of Gloria Material Technology Corp.</li> <li>Chairman of S-Tech Corp.</li> <li>Chairman of TSG Hawks Baseball Co., Ltd.</li> <li>Chairman of TSG Sport Marketing Co., Ltd.</li> <li>Chairman of Hoyang Investment Co., Ltd.</li> <li>Chairman of Famous Ocean Investment Co., Ltd.</li> <li>Chairman of Naneng Microelectronics Co. Ltd.</li> <li>Attorney-at-Law/Chief Legal Officer of Pro Law Firm.</li> </ol>	<ol style="list-style-type: none"> <li>General Manager of E-TOP Metal Co., Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Chairman of Eastern Broadcasting Co., Ltd.</li> <li>Chairman of Taiwan Styrene Monomer Corporation</li> <li>Chairman of Yang Ming Shan Tien Lai Resort &amp; Spa</li> <li>Independent Director of TRK Corporation</li> <li>Chairman of Nanho Industrial Co. Ltd.</li> <li>Director of United Renewable Energy Co., Ltd.</li> <li>Independent Director of Locus Cell Co., Ltd.</li> </ol>
Educational Background	Department of Law, National Chung Hsing University	Bachelor of Automation, Tsinghua University	M.S. degree in Civil Engineering, University of Hawaii
Experience	<ol style="list-style-type: none"> <li>Director of Kuei Meng International Inc.</li> <li>Independent Director of Aeon Motor Co., Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Director of Gloria Material Technology Corp.</li> <li>Director of S-Tech Corp.</li> <li>Director of TMP Steel Corporation</li> <li>Director of E-Sheng Steel Co., Ltd.</li> <li>Director of E-Top Metal Co., Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Deputy Commissioner of the State-owned Enterprise Commission, Ministry of Economic Affairs</li> <li>Chairman of TPC</li> <li>Chairman of Taiwan Cogeneration Co., Ltd.</li> <li>Chairman of CSC Group</li> </ol>



## The Nominated List of Director Candidates

Name	Gloria Investments Limited Representative: Cheng-Hsiang Chen	S-Tech Investments Co., Ltd. Representative: Yi-Ching Wu
Shareholding	1,000 shares	1,000 shares
Incumbent Positions	1. Director of S-Tech Corp. 2. Consultant of Gloria Material Technology Corp.	1. CEO of UFC GYM TAIWAN LIMITED 2. Director of Yang Ming Shan Tien Lai Resort and Spa  3. Chairman of Hoho International Development Ltd. 4. Independent Director of Chun Yu Works & Co., Ltd. 5. Director of Star Travel Co., Ltd.
Educational Background	Master of Materials Science and Engineering, National Tsing Hua University	Alliant International University (San Diego, USA), Doctorate of Business Management (DBA) Chairman of Taiwan Styrene Monomer Corp.
Experience	1. President of Gloria Material Technology Corp. .	1. Chairman of Taiwan Styrene Monomer Corporation

### The Nominated List of Candidates for Independent Directors

Name	Chin-Cheng Chien	Chun-Hsiung Chu	Tzu-Meng Liu	Yi-Lang Lin
Shareholding	0 shares	0 shares	0 shares	0 shares
Incumbent Positions	1.Independent Director of Taiwan Styrene Monomer Corp. 2.Independent Director of Chun Yu Works & Co., Ltd. 3.Director of Soft-World International Corp.	1.Attorney-at-Law, Chuan Ying International Law Firm 2.Independent Director of Honey Hope Honesty Enterprise Co., Ltd. 3.Independent Director of D-Link Corp.	CPA of Southern Taiwan Office, PwC Taiwan	1.Director of President Co., Ltd. 2.Independent Director of Launch Technologies Co., Ltd.
Educational Background	Ph.D. in Accounting, Rutgers University	Master of Law, National Chung Hsing University	EMBA of National Cheng Kung University	Department of Business Management, National Sun Yat-Sen University
Experience	Professor of Accountancy, National Cheng Kung University	1.Attorney of Chuan Ying International Law Firm 2.Director of HwaCom Systems Inc. 3.Independent Director of Panram International Corp. 4.Independent Director of S-Tech Corp.	1.CPA of PwC Taiwan 2.PwC Taiwan: Audit Partner and Audit Director of the Audit Services Department 3.Associate Professor and Adjunct Expert, National Cheng Kung University 4.Deputy Commissioner and consultant of the Southern District Office of the Taiwan Provincial CPA Association	Deputy General Manager of China Steel Corp.
Whether the Independent Director Serves for More Than 3 Consecutive Terms.	No	No	No	No

# **Comparison Table for the Procedures of the Loaning of Funds and Endorsements/Guarantees of Gloria Material Technology Corp.**

After Amendment	Before Amendment	Purpose of Amendment
<p>Article 2</p> <p>The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:</p> <p>I. Where an inter-company or inter-firm business transaction calls for a loan arrangement.</p> <p>II. Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40% of the lender's net worth. The term "short-term" as used in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, one operating cycle. The term "financing amount" as used in subparagraph 2, paragraph 1, of this Article means the cumulative balance of the Company's short-term financing. <del>The restriction in subparagraph 2, paragraph 1, shall not apply to its inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of the fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company shall prescribe limits on the aggregate amount of such loans and the amount of such loans permitted to a single borrower shall not exceed 40% of the net worth on the most current financial statements of the Company in accordance with Articles 7 and 8, and shall specify that the durations of such loans shall not exceed one year.</del></p> <p>When a responsible person of the Company violates paragraph 1 or the provision of the preceding paragraph,</p>	<p>Article 2</p> <p>The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:</p> <p>I. Where an inter-company or inter-firm business transaction calls for a loan arrangement.</p> <p>II. Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40% of the lender's net worth. The term "short-term" as used in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, one operating cycle. The term "financing amount" as used in subparagraph 2, paragraph 1, of this Article means the cumulative balance of the Company's short-term financing. The restriction in subparagraph 2, paragraph 1, shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to the loans of the fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company shall still prescribe limits on the aggregate amount of such loans and the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans in accordance with Articles 7 and 8.</p> <p>When a responsible person of the Company violates paragraph 1 or the provision of the preceding paragraph,</p>	<p>The Company shall prescribe limits on the aggregate amount of such loans and the amount of such loans permitted to a single borrower, and limits on the duration of such loans to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of the fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares.</p>

After Amendment	Before Amendment	Purpose of Amendment
the responsible person shall bear joint and several liabilities with the borrower for repayment; if the Company suffers damage, the responsible person also shall be liable for damages.	the responsible person shall bear joint and several liabilities with the borrower for repayment; if the Company suffers damage, the responsible person also shall be liable for damages.	
<p>Article 13</p> <p>The total amount of endorsements/guarantees may not exceed 100% of the Company's paid-in capital.</p> <p>The Company's amount of endorsements/guarantees for any single entity shall not exceed 50% of paid-in capital. However, <del>the above restriction shall not apply to</del> the Company's amount of endorsements/guarantees to subsidiaries, <del>which shall be restricted to less than 100% of the Company's paid-in capital.</del></p> <p>The aggregate amount of endorsements/guarantees of the Company and its subsidiaries shall not exceed 100% of the paid-in capital of the Company and its subsidiaries, and the amount of endorsements/guarantees for any single entity shall not exceed 50% of paid-in capital (except for subsidiaries).</p> <p>If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders' meeting.</p>	<p>Article 13</p> <p>The total amount of endorsements/guarantees may not exceed 100% of the Company's paid-in capital.</p> <p>The Company's amount of endorsements/guarantees for any single entity shall not exceed 50% of paid-in capital. However, the above restriction shall not apply to the Company's amount of endorsements/guarantees to subsidiaries.</p> <p>The aggregate amount of endorsements/guarantees of the Company and its subsidiaries shall not exceed 100% of the paid-in capital of the Company and its subsidiaries, and the amount of endorsements/guarantees for any single entity shall not exceed 50% of paid-in capital (except for subsidiaries).</p> <p>If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders' meeting.</p>	The Company shall prescribe the limit on the amount of endorsements/guarantees to subsidiaries.
Article 26: <u>Seventh amendment was effected on May 25, 2023.</u>	Article 26: Omitted.	Adding the date of amendment

## Four. Appendix

## [Appendix 1]

### Gloria Material Technology Corp. Articles of Incorporation

#### Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and registered under the business name of Gloria Material Technology Corp.

Article 2: The Company's scope of services are set out hereunder

- (1) CA01010 Iron and Steel Refining
- (2) CA01020 Iron and Steel Rolling and Extruding
- (3) CA02080 Metal Forging
- (4) CA01050 Aluminum Rolling, Drawing, and Extruding
- (5) CA01990 Other Non-ferrous Metal Basic Industries
- (6) CA02010 Metal Architectural Components Manufacturing
- (7) CA03010 Heat Treatment
- (8) CA04010 Surface Treatment
- (9) CA05010 Powder Metallurgy
- (10) CB01010 Mechanical Equipment Manufacturing
- (11) CC01080 Electronics Components Manufacturing
- (12) CD01010 Ships and Parts Manufacturing
- (13) CD01020 Tramway Cars Manufacturing
- (14) CD01030 Manufacture of automobiles and parts
- (15) CD01060 Aircraft and Parts Manufacturing
- (16) CD01990 Other Transport Equipment and Parts Manufacturing
- (17) CQ01010 Mold and Die Manufacturing
- (18) F401010 International Trade
- (19) ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.

Article 3: The Company has its head office in Tainan City, and the Company may establish branches, factories or representative offices at proper locations at home and abroad.

Article 4: The total amount of the Company's investments shall not be restricted within the limit of 40% of the amount of its own paid-up capital as provided in Article 13 of the Company Act. The Company may issue a guarantee for foreigner(s).

#### Chapter 2 Shareholding

Article 5: The total amount of the Company's capital is NT\$8 billion, which is further divided into 800 million shares, with the value per share NT\$10. A total of 27 million shares are preserved for issuing employee stock options, and the Board is further authorized to issue them in installments thereof.

Article 5-1: If the Company transfers shares to employees at a price lower than the average price of share buy-back, or issues employee stock option at a subscription price lower than the market price (net asset value per share), the said resolution shall be adopted by a large majority representing two-thirds of the votes at a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares.

Article 6: The Company may be exempted from printing any share certificate for the shares issued but shall register the issued shares with a centralized securities depository enterprise and follow that enterprise's regulations.

Article 7: The transfer of shares shall not be registered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing Company for distribution of dividends, bonus or other benefits.

### Chapter 3 Shareholders' Meeting

Article 8: There are two types of shareholders' meeting, namely

- I. The regular meeting shall be convened within six months after the close of each fiscal year.
- II. Special meetings which are held in accordance with the law, when necessary.

Article 8-1: The company can convene physical shareholder meetings with video conferencing as assistance (hybrid meetings), virtual-only meetings (100% virtual shareholder meetings) or other methods announced by the central competent authority.

Article 9: The date, venue and cause or subject of a meeting shall be given to each shareholder no later than 30 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting.

Article 10: A shareholder, unless otherwise stipulated in Paragraph 2 Article 179 of the Company Act relating to the circumstances of having no voting right, shall have one voting right in respect of each share in his/her/its possession.

Article 11: When a shareholder is unable to attend the shareholders' meeting for whatever reason, that shareholder shall appoint a proxy to attend by offering company-issued solicitation document stipulating the extent of the authorization.

Article 12: Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, a resolution is passed at the shareholders' meeting by a majority of the shareholders present who represent more than half of the total number of its outstanding shares. According to the management department's provisions, shareholders of the Company may also exercise their voting rights through electronic means. Shareholders who exercise their voting rights electronically are deemed to be present in person. Its related matters shall be in accordance with the provisions of the law.

Article 13: The shareholders' meeting convened by the Board of Directors shall be chaired in accordance with Article 208 of the Company Act. If a shareholders' meeting is convened by a party with the power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 14: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be affixed with the signature or seal of the chairman of the meeting, kept persistently throughout the company's life, and shall be distributed to all shareholders of the company within 20 days after the close of the meeting by way of public announcement.

### Chapter 4 Directors and Managers

Article 15: The Company shall appoint five to nine directors. The election of the directors is done using the candidates' nomination system, and the shareholders shall elect the directors from among the nominees for director.

The following relationships may not exist among more than half of a company's directors:

- I. A spousal relationship.
- II. A familial relationship within the second degree of kinship.

The total number of registered shares held by all the directors of the Company shall be in accordance with the provision of the competent authority.

- Article 15-1: In accordance with Article 14-2 of the Securities and Exchange Act, the number of appointed directors from the 6th term and after shall have no less than three independent directors and the same shall not be less than one-third of the total number of directors of the Company. The election of the directors is done using the candidates' nomination system in accordance with Article 192-1 of the Company Act, and the shareholders shall elect the directors from among the nominees for director. In accordance with Article 14.4 of the Securities and Exchange Act, the Company sets up the Audit Committee, which shall be composed of all independent directors.
- Article 16: Directors shall be elected from among the shareholders with disposing capacity in accordance with the law for a three-year term and may be re-elected after the term, but may be removed at any time by resolution of the shareholders meeting in accordance with Articles 199 and 227 of the Company Act.
- Article 17: When the number of directors falls short by one-third of the total number or when all independent directors are dismissed, the board of directors shall convene a special shareholders meeting to hold a by-election for directors in accordance with relevant laws. The term of the succeeding directors shall be limited to fulfill the predecessor's unexposed term of office.
- Article 18: The Board of Directors is composed of all directors. The Management Director is elected by two-thirds of the directors present at the meeting and represents one-half or more of the number of directors present. They may also elect in the same manner a vice chairman of the board. The Management Director internally is the Chairman of the shareholders' meeting and BOD meeting and externally represents the Company. In case the Managing Director is on leave or unable to exercise his/her duties for whatever reasons, his/her proxy shall act in accordance with Article 208 of the Company Act.
- Article 19: Business operations of a company shall be executed pursuant to the resolutions to be adopted by the board of directors, except for the matters the execution of which shall be effected pursuant the resolutions of the shareholders' meeting as required by this Act or the Articles of Incorporation of the company.
- Article 20: In case a director unable to attend a meeting, he/ she shall appoint another director to attend a meeting of the board of directors on his/her behalf by issuing a written proxy and stating therein the scope of authority regarding the subjects to be discussed at the meeting. Independent directors shall attend the meeting in person for matters that should be submitted to the board of directors for approval by resolution as stipulated in Article 14-3 of the Securities and Exchange Act and shall not appoint non-independent directors as proxies.
- Article 21: Unless otherwise provided for in this Act, a majority of the directors shall adopt resolutions of the Board of Directors at a meeting attended by a majority of the directors.
- Article 22: The Audit Committee shall perform duties in accordance with the Securities and Exchange Act, the Company Act and relevant laws and regulations.
- Article 23: The compensation of directors for performing duties shall be given regardless of business profit or loss. The Board of Directors is authorized to determine the amount of compensation to the directors of the Company based on the directors' level of operational

participation as well as the value of the contribution. The standard terms in the industry shall also be considered and shall not exceed the standard of the highest salary level stipulated in the Company's pay method.

During the term of office of the Directors and key staff members, the Company may purchase liability insurance in accordance with the law for the directors in accordance with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies.

Article 24: The Company shall have one executive officer, one deputy executive officer and one General Manager. Appointment, discharge and the remuneration thereto shall be subject to Article 29 of the Company Act.

Article 24-1: The BOD meeting may be convened at any time irrespective of whether or not there is an emergency. The above notice regarding convening the meeting shall be done in writing and delivered by post or by hand, by email, or by fax.

However, the Company must confirm whether the director has received the notice. If the notice is sent by e-mail or fax, a reply from the director must be received by e-mail or fax.

## Chapter 5 Financial Statement

Article 25: At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward a report to the Audit Committee for their auditing no later than the 30th day prior to the meeting date of a general meeting of shareholders, and submit to the shareholders for their ratification:

- I. The annual business report,
- II. The financial statements,
- III. The appropriation of profit and remedy in the event of loss proposal.

The Company's surplus earning distribution or loss off-setting proposal may be proposed at the close of each quarter. The surplus earning distribution or loss off-setting for each quarter, together with the business report and financial statements, shall be forwarded to supervisors for their audit and afterward be submitted to the board of directors for approval.

Article 26: If the company earns a profit in the current year, the proportion of the employees' compensation shall not be less than 1%, and a resolution shall be made by the Board of Directors whether to issue shares or cash distribution, with the issuance of the object containing a certain condition for the subsidiary employees. The proportion of the directors' compensation shall not be higher than 5%. The distribution of compensation for employees and directors shall be reported to the shareholders meeting.

However, a reserve is allotted to be used to make up for the accumulated losses, and the balance shall be handled according to the proportion in the preceding paragraph for the compensation of employees and directors.

Article 26-1: The Company's surplus earning distribution or loss off-setting proposal may be proposed at the close of each quarter. If there is a surplus in the quarterly accounts of the Company, the tax shall be paid to make up for the losses, 10 percent shall be reserved as a statutory surplus reserve, and in accordance with the law, the special surplus reserve shall be increased or rotated. If there is a surplus still, the BOD shall prepare the surplus distribution case with the previous annual accumulation of undistributed surplus. If such surplus earning is distributed in the form of cash, it shall be approved by a meeting of the board of directors. If such surplus earning is distributed, it shall be presented in the shareholders' meeting for resolution.



If there is a surplus in the Company's final accounts, the tax shall be paid to make up for the losses, 10 percent shall be reserved as a statutory surplus reserve, and special surplus reserve shall be recognized based on business requirements and legal compliance. If there is a surplus still, the BOD shall prepare the surplus distribution case to accumulate undistributed surplus at the beginning of the year. If such surplus earning is distributed, it shall be presented in the shareholders' meeting for resolution. In accordance with Paragraph 5, Article 240 of the Company Act, the Company may, by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the Company, have the surplus profit distributable as dividends and bonuses in whole or in part distributed in the form of cash and reported to the shareholders' meeting. The Company's dividend policy is based on its current and future development plans, taking into account the investment environment, capital requirements, domestic and foreign competitors, and shareholders' interests. Dividend distribution may take the form of a cash dividend and/or stock dividends, of which the cash dividends may not be less than 50% of the total dividend amount.

#### Chapter 6 Supplementary Provisions

Article 27: The Company's Organizational Charters and various operating procedures shall be formulated separately by the board of directors.

Article 28: The incomplete matters in the Company's Articles of Incorporation shall be handled in accordance with the Company Act and related laws and regulations.

Article 29: These Provisions were drawn up on March 15, 1993.

First amendment was effected on March 18, 1994.

Second amendment was effected on April 20, 1994.

Third amendment was effected on April 20, 1994.

Fourth amendment was effected on May 20, 1994.

Fifth amendment was effected on May 11, 1995.

Sixth amendment was effected on May 24, 1996.

Seventh amendment was effected on May 15, 1997.

Eighth amendment was effected on May 6, 1998.

Ninth amendment was effected on May 18, 1999.

Tenth amendment was effected on May 16, 2000.

Eleventh amendment was effected on May 21, 2002.

Twelfth amendment was effected on May 20, 2004.

Thirteenth amendment was effected on May 9, 2005.

Fourteenth amendment was effected on May 22, 2006.

Fifteenth amendment was effected on June 21, 2007.

Sixteenth amendment was effected on January 15, 2008.

Seventeenth amendment was effected on June 10, 2009.

Eighteenth amendment was effected on June 25, 2010.

Nineteenth amendment was effected on June 24, 2011.

Twentieth amendment was effected on June 22, 2012.

Twenty first amendment was effected on June 17, 2014.

Twenty second amendment was effected on June 21, 2016.

Twenty third amendment was effected on June 2, 2017.

Twenty fourth amendment was effected on June 6, 2019.

Twenty-fifth amendment on Aug 23, 2021.

Twenty-sixth amendment on May 26, 2022.

**[Appendix 2]**

Gloria Material Technology Corp.  
Rules and Procedure of Shareholders' Meeting

Article 1: The procedures for the Company's shareholders' meetings shall be as provided in these Rules. Any incomplete matters shall be handled in accordance with the Company Act and related laws and regulations.

Article 2: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors. Changes to the date and location of the shareholders' meeting shall be submitted to the Board for resolution before the meeting announcement is sent by post.

The Company shall prepare the shareholders' meeting agenda. All shareholders shall be served with the convention notice of an annual shareholder meeting at least 30 days prior to the meeting, except for those shareholders each holding less than 1,000 registered shares that may be notified through an announcement on the Market Observation Post System at least 30 days prior to the meeting. All shareholders shall be served with the convention notice of a special shareholder meeting at least 15 days prior to the meeting, except for those shareholders each holding less than 1,000 registered shares that may be notified through an announcement on the Market Observation Post System at least 15 days prior to the meeting.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.

For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform

The cause(s) or subject(s) of the shareholders' meeting to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given through electronic transmission, after obtaining prior consent from the recipient(s) thereof.

Matters pertaining to election or discharge of directors and supervisors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

The cause or subject for the shareholders' meeting has been indicated as the election of directors, stipulating the date which the directors assumed office, which shall not be changed by extemporary motions or other means after the election of directors is completed.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in every proposal. If a proposal contains more than one matter, such a proposal shall not be included in the agenda. However, a shareholder proposal proposed for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. For any of the circumstances in Paragraph 4, Article 172-1 of the Company Act is satisfied, the board of directors of the company may not include the proposal in the list of proposals to be discussed.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting. The period for accepting such proposals shall not be less than ten (10) days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words. Any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting at which his proposal is to be discussed and shall participate in the discussion of such proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 3: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or exercise voting rights by traditional correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. After a proxy form has been delivered to the Company, if the shareholder intends to participate in the meeting through video conferencing or exercise voting rights by traditional correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4: The venue for the shareholders' meeting shall be within the Company's premises or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The venue will not be restricted by Article 4 of the Rules and Procedure of Shareholders' Meeting when the shareholders' meeting is held via video conferencing.

Article 5: The Company shall specify in its notice of shareholders' meeting the time during which shareholder attendance registrations of the shareholder, proxy solicitor, and proxy agent (hereinafter referred to as the shareholders) will be accepted, the place to register for attendance, and other matters for attention. If the shareholders meeting is held via video conferencing, the company shall stipulate the methods for how to participate in virtual shareholder meetings and how to exercise relevant rights, incorporate associated matters in their shareholder meeting notice, including shareholders' participation methods and ways of exercising their rights, countermeasures against virtual meeting failures caused by force majeure events or other problems and the new dates of shareholder meetings if they need to postpone or reconvene meetings, as well as proper alternative measures for shareholders who have difficulty attending shareholder meetings virtually.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel will be assigned to handle the registrations.

The virtual meeting shall only accept shareholder register in 30 minutes before the meeting is called to order, and shareholders who completed the registration shall be deemed to have attended the said shareholders meeting in person.

The Company shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

Shareholders shall attend the shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing proof of attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, only one person may be designated to represent in the meeting.

If the shareholders' meeting is held by video conferencing, and the shareholders intends to attend the virtual meeting, he/she/it shall register with the company 2 days prior to the scheduled meeting date of the shareholders' meeting.

If the shareholders' meeting is held by video conferencing, the company shall upload the meeting agenda, annual report and other relevant information to the video-conferencing platform at least 30 minutes prior to the time the meeting commences, and this information shall be disclosed until the end of the meeting.

Article 6: For a representative of a juristic person director that serves as Chair, it is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairperson of the Board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the minutes of the meeting.

If a shareholders' meeting is convened by a party with the power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among

themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained to attend a shareholders meeting in a non-voting capacity.

Article 7: The Company shall make an uninterrupted audio and video recording of all meeting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. If the shareholders' meeting is held by video conferencing, the company should record sign-ups, registration, check-ins, raising questions, voting, ballot counting, and conduct audio or video recording throughout the entire virtual meeting. The company shall retain the above-mentioned information and audio/ video recordings within the duration period, and the audio or video recordings of the shareholders' meeting shall be provided to the shareholder services agencies for record retention.

Article 8: Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in as well as the number of shares registered in video conferencing..

The Chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent the majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the Chair shall declare the meeting adjourned. Where a shareholders' meeting is held via video conferencing, the company shall also announce the adjournment of the meeting on the video-conferencing platform

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. Where a shareholders' meeting is held via video conferencing, the shareholders who wish to participate through video conferencing shall re-register according to Article 5 of the Rules and Procedure of Shareholders' Meeting.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote during the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The Chair may not declare the meeting adjourned prior to completion of deliberation on the preceding two paragraphs' meeting agenda (including extraordinary motions), except by a resolution of the shareholders' meeting. If the Chair declares the

adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting. The Chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed and call for a vote, arranging the time limit.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the Chair's consent, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the Chair's consent and the shareholder that has the floor; the Chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives appointed may speak on the same proposal.

After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond. Where the shareholders meeting is held by video conferencing, the shareholders may type their questions on the video-conferencing platform after the chair calls the meeting to order and before it is adjourned. A shareholder may not speak more than twice on the same proposal, while a single speech may not exceed 200 words, and paragraphs 1 to 4 hereof do not apply. If questions mentioned in the preceding paragraph do not violate the regulations nor exceed the scope of the agenda, they shall be disclosed on the video-conferencing platform for public notice.

Article 11: Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder has an interest concerning an agenda item, and there is the likelihood that such a relationship would prejudice the Company's interests, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in the total number of issued shares. If

that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 12: A shareholder, unless otherwise stipulated in Paragraph 2, Article 179 of the Company Act relating to the circumstances of having no voting right, shall have one voting right in respect of each share in his/her/its possession.

The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders if the voting power will be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders' meeting in writing or by way of electronic transmission as set forth in the preceding Paragraph shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. Therefore, the Company should avoid extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s).

In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission, his/her/its declaration of intention shall be served to the company no later than the second day prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration, which comes later.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person or via video conferencing, he/she/it shall, at least one day prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph II. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his/her/its voting power in writing or by way of electronic transmission and has also authorized a proxy to attend the shareholders' meeting on his/her/its behalf. The voting power exercised by the authorized proxy for the said shareholder shall prevail.

Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of the majority of the voting rights represented by the attending shareholders. The proposal passed in the Meeting by the shareholders represented a majority of the balloting rights. The result of the votes of approval, objection, or waiver cast by shareholders will be posted on the MOPS (Market Observation Post System) at the end of the Meeting.

When there is an amendment or an alternative to a proposal, the Chair shall decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall be the Company's shareholders.

The vote counting or election proposal shall be conducted publicly in the shareholders' meeting, and the result of the vote shall be announced immediately on-site and recorded in writing. If the shareholders' meeting is held by video conference, after the chair announces the end of voting, followed by ballot counting, the election results

shall be announced. When the company convenes physical shareholder meetings with video conferencing as assistance, the shareholder, proxy solicitor, and proxy agent who have registered to attend the shareholders' meeting by video-conferencing in accordance with Article 6 hereof, but intends to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner previously used for the register for participation 2 business days before the meeting date. In the absence of a timely rescission, the shareholder shall be deemed as only attending the virtual meeting.

In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission without rescinding his/her/its previous declaration of intention, and participated in the shareholders' meeting by video conferencing, he/ she/ it shall, apart from extemporary motion(s), neither exercise his/her/its voting power on the original proposal(s), nor suggest amendments to original proposal(s), nor exercise his/her/its voting power for the amendment(s) to the contents of the original proposal(s).

Article 13: The election of directors in the shareholders' meeting shall be handled in accordance with the Company's relevant regulations, with the election results announced on-site. The ballots for the election referred to in the preceding paragraph shall be sealed with the monitoring personnel's signatures and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 14: Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, signed or sealed by the Chairman of the shareholders' meeting and distributed to the shareholders within 20 days after the meeting. The production and distribution of proceedings could be made in electronic form.

After the public offering of the Company's stocks, the distribution of the former proceedings shall be made by way of a public announcement on the MOPS.

The minutes of shareholders' meeting shall record the date and place of the meeting, the chairman's name, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting (including the number of votes). When directors and supervisors are elected, the number of votes for each candidate shall be disclosed. The minutes shall be kept persistently throughout the life of the company. If the shareholders meeting is held via video conferencing, the minutes of the shareholders' meeting shall record the important matters stipulated in the preceding paragraph, the duration, date and location of the shareholders' meeting, and the name of the chair and the minutes taker, as well as proper alternative measures for shareholders who have difficulty attending shareholder meetings virtually, and incorporate associated matters in their shareholder meeting notice, including shareholders' participation methods and ways of exercising their rights, countermeasures against virtual meeting failures caused by force majeure events or other problems.

Article 15: The number of shares acquired by the solicitor, the number of shares represented by the entrusted agent and the number of shares in attendance exercised in writing or by way of electronic transmission shall be statistically disclosed in the prescribed format at the shareholders' meeting. If the shareholders' meeting is held by video conferencing, the company shall upload the meeting agenda, annual report and other relevant information to the video-conferencing platform at least 30 minutes prior to the time the meeting commences, and this information shall be disclosed until the end of the meeting. Where the shareholders' meeting is held by video conferencing, the quorum requirements shall be disclosed on the video-conferencing platform when the meeting is called to order. This applies if the quorum requirements is counted during the meeting.



If the resolutions of the shareholders' meeting include material information as stipulated in the laws and regulations of the Taiwan Stock Exchange and Taipei Exchange, the Company shall disclose the content to MOPS within the given time.

Article 16: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the Chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the Chair's correction, obstructing the proceedings and refusing to heed calls to stop, the Chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17: When a meeting is in progress, the Chair may announce a break based on time considerations. If a force majeure event occurs, the Chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 18: When the shareholders' meeting is held by video conferencing, the company shall immediately disclose the voting and election results on the video-conferencing platform in accordance with relevant regulations, and this information shall be disclosed for at least 15 minutes after the adjournment of the meeting..

Article 19: When the company holds the shareholders' meeting via video-conferencing, the chair and minutes taker shall be at the same place where the address is announced by the chair when the meeting is called to order..

Article 20: When the shareholders' meeting is held by video-conferencing, the company may provide relevant services for shareholders to test the connectivity before the meeting, and timely handle problems in technical communication before and during the shareholders' meeting. Apart from the matters stipulated in Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not need to postpone or reconvene the meeting, when the virtual meeting is called to order, the chair shall separately announce, before the adjournment of the meeting, the associated matters in their shareholder meeting notice, including shareholders' participation methods and ways of exercising their rights, countermeasures against virtual meeting failures caused by force majeure events or other problems which lasts for more than 30 minutes, they need to postpone or reconvene meetings. The provisions of Article 182 of the Company Act shall not apply. When the shareholders' meeting is postponed or reconvened in accordance with the provisions of the preceding paragraph, the voting results or director/ supervisor election results shall be announced, without further discussions and resolutions after voting and vote counting. The company shall postpone the meeting or reconvene the meeting in accordance with Paragraph 2 hereof, and preliminary works shall be based on the date of the original shareholders' meeting and the provisions set forth in Paragraph 4, Article 44-20 of the Company Act and the Regulations Governing the

Administration of Shareholder Services of Public Companies. The shareholders listed in the shareholders' register as of the book closure date for that shareholders' meeting reserve the right to attend the meeting. During the period as fixed in the second half of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2, Article 44-5, Article 44-15 and Paragraph 1, Article 44-17 of the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies, the company shall postpone the meeting or reconvene the meeting in accordance with Paragraph 2 hereof. When the company convenes physical shareholder meetings with video conferencing as assistance, and the video conferencing has been interrupted. It cannot continue, the physical meeting shall still continue if the total shares represented by shareholders present in person reaches the legal quota by resolution of the shareholders meeting after deducting the number of shares represented by shareholders attending via video-conferencing. The company need not postpone the meeting or reconvene the meeting in accordance with Paragraph 2 hereof.

When the shareholders' meeting is held via video-conferencing, the company shall provide proper alternative measures for shareholders who have difficulty attending shareholder meetings virtually

Article 21: When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online..

Article 22 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Article 23: The Articles of Incorporation was drawn up on May 24, 1996.

First amendment was effected on May 6, 1998.

Second amendment was effected on May 21, 2002.

Third amendment was effected on May 22, 2006.

Fourth amendment was effected on June 10, 2009.

Fifth amendment was effected on June 22, 2012.

Sixth amendment was effected on June 29, 2015.

Seventh amendment was effected on June 20, 2020.

Eighth amendment was effected on May 26, 2022.

# Gloria Material Technology Corp.

## Procedures for Election of Directors

Article 1: The election of directors shall be conducted in accordance with these Procedures.

Article 2: The cumulative voting method shall be used for the election of the Directors at the Company. Each share will have voting rights in number equal to the directors to be elected and cast for a single candidate or split among multiple candidates. Independent directors and non-independent directors should be elected together, respectively, to calculate the elected places separately.

Article 3: Before the election begins, the Chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

Article 4: Independent directors and non-independent directors should be elected together, respectively, with voting rights separately calculated, while the number of directors will be as specified. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective number of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

If the elected director's personal information does not comply with relevant laws and regulations, or if his/her election as a director becomes invalid in accordance with relevant laws and regulations, the vacant seat shall be made up by the member announced in the shareholders meeting according to the vote gained in the original election.

Article 4-1: The election of the Company's independent directors shall be conducted using the candidates' nomination system in accordance with Article 192-1 of the Company Act. The shareholders shall elect the independent and non-independent directors from among the nominees. The Company's board of directors or a shareholder holding one percent or more of the total number of issued shares may provide a recommended slate of independent/ non-independent director candidates in accordance with the Company Act.

Qualifications of the Company's independent directors shall comply with Articles 2, 3 and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of the Company's independent directors shall be conducted in accordance with Articles 5, 6, 8 and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and Article 24 of the Corporate Governance Best-Practice Principles for TWSE/ TPEX

Listed Companies.

Article 5: The ballots shall be prepared by convening party, and the attendance card numbers and the number of voting rights associated with each ballot shall be specified on the ballots.

Article 6: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared in accordance with Article 5 of these Procedures.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable.
4. The candidate's name does not conform with those given in the roster of director candidates.
5. Apart from the number of voting rights associated with each ballot, other characters or symbols are marked.
6. There are two or more persons to be elected on the same ballot.
7. The election as director shall become invalid if it does not meet Article 26-3 of the Securities and Exchange Act.

Article 7: The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation shall be announced by the Chair or designated personnel.

Article 8: Except as otherwise provided in the Company Act, Securities and Exchange Act, relevant laws and regulations, and the Articles of Incorporation, unspecified matters shall be operated according to the Chair.

Article 9: These Procedures, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Article 10: The Procedures for Election of Directors was drawn up on May 24, 1996.

First amendment was effected on May 21, 2002.

Second amendment was effected on June 21, 2007.

Third amendment was effected on January 15, 2008.

Fourth amendment was effected on June 10, 2009.

Fifth amendment was effected on June 21, 2016.

Sixth amendment was effected on August 23, 2021

## Gloria Material Technology Corp.

**[Appendix 4]**

## Shareholding of All Directors

As of March 27, 2023

Title	Name	Shareholding	% (Note)
Chairman	Taiwan Steel Group United Co., Ltd. Representative: Chiung-Fen Wang	19,636,000	3.91
Director	Taiwan Steel Group United Co., Ltd. Representative: Wen-Yuan Lin		
Director	Taiwan Steel Group United Co., Ltd. Representative: Shih-Yi Chiang		
Director	Taiwan Steel Group United Co., Ltd. Representative: Shih-Chieh Chao		
Director	Taiwan Steel Group United Co., Ltd. Representative: Cheng-Hsiang Chen		
Independent director	Chin-Chen Chien	-	-
Independent director	Chun-Hsiung Chu	-	-
Independent director	Yi-Ching Wu	-	-
Independent director	Yi-Lang Lin	-	-
Total		19,636,000	3.91

Note: The total shares issued on March 27, 2023: 501,965,992 shares.

Note: 1. The number of shares required to be held by the entire bodies of directors: 16,000,000 shares.

The number of shares held by the entire bodies of directors thereof as of March 27, 2023: 19,636,000

shares (excluding independent directors).

2. The number of shares required to be held by supervisors is not applicable as the Company has set up an Audit Committee.