



Stock Code: 5009

Gloria Material Technology Corp. Meeting Agenda for the 2024 Annual Shareholders' Meeting

Time: May 29, 2024 (Wednesday)

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.

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Meeting Procedure for the 2024 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 2024 Annual Shareholders' Meeting

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

Time: May 29, 2024 (Wednesday) 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 2023 Business Report.

Explanation: The 2023 Business Report, attached in Attachment I of the Meeting Agenda, page 10-20.

2. Discussion of the 2023 Final Report of the Audit Committee.

Explanation: The 2023 Final Report of the Audit Committee, attached in Attachment II of the Meeting Agenda, page 21.

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

Explanation: Status of implementation of investments in China as of December 31, 2023, attached in Attachment III of the Meeting Agenda, page 22-23.

4. Discussion of the compensation for employees and directors in 2023.

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 1.76% of pre-tax profit in 2023, totaling NT\$50,000,000, and the proportion of compensation for directors shall be 0.88% 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 2023.

5. Discussion of the earnings distribution and cash dividends for 2023.

Explanation: 1. GMTC has not distributed 2023 surplus earnings as cash dividends in Q1-Q3, but plans to distribute cash dividends of NT\$2.5 per share in Q4, totaling NT\$1,506,177,993 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 the 2023 Convertible Bonds Report.

Explanation: For the enrichment of working capital, the company issued domestic unsecured convertible bonds in 2023. The issuing

details are as follows:

Bond Type	7th issuance of GMTC's domestic unsecured convertible corporate bonds
Date of Approval	July 6, 2023
Issue Date	From July 31, 2023 to July 31, 2026
Face Value	NT\$100,000
Par Value	Bonds are distributed at a price equal to 100.5% of their par value
Total	NT\$5 billion
Interest Rate	Coupon rate of 0%
Tenure	3 years
Convertible price	56.4
Trustee	Taishin International Bank Co., Ltd.
Underwriter	KGI 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 (101.51% 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 first quarter of 2024

7. Review of the 2023 directors' remuneration report.

Explanation: Please refer to Attachment 4, page 24-25 of the meeting agenda for the Company's 2023 directors' remuneration policy and details.

IV. Proposals for Acceptance and Approval:

Proposal 1: 2023 business report and financial statements. For your adoption.
(Proposed by the Board of Directors)

Explanation: 1. The 2023 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 2023 Business Report, CPA audit report and financial statements, attached in Attachment 1, page 10-20

and Attachments 5 and 6, pages 26-46 of the Meeting Agenda.

Resolutions:

Proposal 2: Appropriation of 2023 earnings. For your adoption. (Proposed by the Board of Directors)

- Explanation:
1. The appropriation of 2023 earnings was approved by the 8th meeting of the 11th Board of Directors and submitted to the Audit Committee for review to receive the document review report.
 2. The Company's 2023 net profit after tax came in at NT\$2,339,562,995, after deducting the statutory surplus reserve of NT\$233,498,502 and the set aside special surplus reserve of NT\$24,378,252 as required by law. In addition, the undistributed surplus earnings at the beginning of the year are NT\$1,651,070,886, deducting the retained earnings under the equity method of NT\$8,307,312 and adding the retained earnings from the remeasurements of the net defined benefit of NT\$3,075,632, 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\$653,700, which bring about 2023 distributable earnings of NT\$3,728,179,147.
 3. Undistributed surplus in the first, second and third quarters of 2023. In Q4 of 2023, the company distributed NT\$1,506,177,993 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 by the order of the decimal numbers from large to small and the account numbers from

front to back to match the total cash dividend distribution amount.

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 2023 earnings, attached in Attachment 7, page 47.

Resolutions:

V. Election Matters:

Proposal 1: Proposal for the by-election of one independent director.
Please vote. (Proposed by the Board of Directors)

- Explanation:
1. The current independent director, Mr. Chin-Cheng Chien, resigned on January 31, 2024, and intends to elect a by-election as an independent director.
 2. In accordance with Article 15 of the Company's Articles of Incorporation and Article 192-1 of the Company Act, a candidate nomination system shall be adopted, and that shareholders shall elect independent directors from among the those listed in the independent director candidates list. For the independent director candidates list, please refer to Attachment 8 on page 48 of the meeting agenda.
 3. The new independent directors elected by election shall assume office immediately after the shareholders' meeting, and their term of office shall start from May 29, 2024 and end on May 24, 2026.
 4. For the Regulations Governing the Election of Directors and Independent Directors, please refer to Appendix 3 on pages 76-77

5. Please vote.

Results of the election:

VI. Discussion Items:

Proposal 1: Discussion on the lifting of non-competition restrictions on the newly elected independent directors. (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 independent directors 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 on the amendments to the Articles of Incorporation. (Proposed by the Board of Directors)

Explanation:

1. In view of the Company's future development, it is proposed to increase the total amount of the Company's authorized capital from NT\$8 billion to NT\$10 billion and to amend the Articles of Incorporation accordingly.
2. Comparison Table of Amendments to the Articles of

Incorporation, attached in Attachment 9, page 49.

Resolutions:

Proposal 3: Discussion on the amendments to the Procedures of the Acquisition and Disposal of Assets. (Proposed by the Board of Directors)

Explanation: 1. The Procedures are amended to meet the Company's operational needs.
2. Comparison Table of Amendments to the Procedures of the Acquisition and Disposal of Assets, attached in Attachment 10, pages 50-58.

Resolutions:

Proposal 4: Discussion on the amendments to the Rules of Procedure for Shareholders' Meetings. (Proposed by the Board of Directors)

Explanation: 1. These Rules are amended in accordance with Letter No. Taiwan-Stock-Governance-1120004167 of the Taiwan Stock Exchange Corporation dated March 17, 2023.
2. Comparison Table of Amendments to the Rules of Procedure for Shareholders' Meeting, attached in Attachment 11, pages 59-61.

Resolutions:

VII. Extemporaneous Motions:

VIII. Adjournment

Attachments

[Attachment I]

Business Report

I. Implementation results of the business plan of 2023

Benefitting from the post-COVID-19 boom in aerospace materials and the geo-economic advantages created by the international geopolitical changes such as the Russo-Ukrainian War, which consolidated differential competitive advantages, the aerospace materials with high gross profit margin recovered this year, which helped enhance the Company's profitability. Demand for tool steel products contracts due to the downstream applications being hit hard by the recession and the slow recovery of the Chinese market. However, due to the vigorous development of the aerospace and defense industries, the consolidated turnover of 2023 was \$13,525,251 thousand, a growth of 9.38% compared to 2022, and the net profit before tax of 2023 was \$2,896,244 thousand, an increase of 11.72% compared to 2022.

Growth of consolidated sales and pre-tax profit

Unit: NT\$ thousand

	Operating revenue	Gross margin	Operating profit	Pre-tax profit
2023	13,525,251	3,644,650	2,374,232	2,896,244
2022	12,365,317	3,955,630	2,414,961	2,592,521
Percentage Growth	9.38%	-7.86%	-1.69%	11.72%

(I) Budget implementation

Despite the recovery of demand from the aerospace industry and the defense industry, the orders received by downstream manufacturing industries, such as the automotive industry and the mold industry were not as good as expected due to the economic downturn. As the supply chain was overstocked, tool steel's orders did not grow in the second half of the year and annual revenues and profits lagged slightly behind the budget target. In 2023, the actual parent company only net operating revenue was \$12,439,123 thousand, achieving 95.72% of the budget; the actual parent company only net income after tax was \$2,339,563, with a budget achieving rate of 124.55%.

Unit: NT\$ thousand

Item \ Year	2023 parent company only budget	Actual 2023 parent company only	Achievement rate %
Net operating revenue	12,995,061	12,439,123	95.72%
Gross margin	3,649,869	3,101,019	84.96%
Operating profit	2,207,677	2,123,583	96.19%
Pre-tax profit	2,279,583	2,766,990	121.38%
Net profit	1,878,400	2,339,563	124.55%

(II) The capacity of financial revenue and profitability

1. The net cash inflow from consolidated operating activities was \$2,018,821 thousand, mainly due to the increase in revenue, decrease in inventories and increase in accounts receivable turnover; the net cash outflow from investment activities of NTD 661,974 thousand was mainly due to the purchase of fixed assets for plant expansion; NTD 2,658,712 thousand net cash inflow from financing activities is due to the issuance of corporate bonds.
2. Profitability analysis (consolidated)
 Return on assets: 9.20%
 Return on shareholders' equity: 18.15%
 Operating profit to paid-in capital ratio: 44.00%
 Income before tax to paid-in capital ratio: 53.68%
 Basic EPS (after tax): 4.66

(III) Description of the research and development review

In response to the development of high-end steel, GMTC has developed new types of steel for hot work tool steels that have both high strength and toughness, which can be effectively used in the die casting and aluminum extrusion industries. A new product launch was held in June of that year.

The main tasks of R&D and quality in 2023 are as follows:

1. In response to equipment replacement and regulations/standards revision, the Company will continue to negotiate with end customers to expand the scope of certified products and trial production of 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. We have been improving the steelmaking process, including source management of raw materials, optimized ingredients and adjustment of process parameters to shorten the melting time and improve the internal and external quality standards of ingots.
4. Regarding the physical testing of mold materials, we continue to collect data to verify and realize production localization of high-grade tool steel.
5. Expand various sizes and steel grades of roll bars.
6. We have made preparations for the introduction of the 50T into production to facilitate the subsequent hot commissioning.
7. Continuous research and development of new products: mirror steel, cold and hot work steel

II.2024 Business plan

(I) Business development

In 2023, due to factors such as high interest rates, high inflation, and China's post-pandemic weaker than expected economic performance, global demand for end products was weak, resulting in a slowdown of manufacturing activities in various countries. In addition, the Russian-Ukrainian war and the Israel-Hamas conflict have not yet ceased, resulting in impacts on global economic development and social stability.

Major international forecasting institutions believe that the global economic growth in 2024 will be slightly lower than that in 2023. However, it is still expected that global merchandise trade will show a recovery trend, which will help Taiwan's foreign trade performance become stable. The business development plans at home and abroad are summarized as follows:

Domestic sales market: As the inflation gradually eases and the global economy continues to recover, the demand in the domestic machinery/mold/automobile industry will also increase accordingly in 2024. As a local enterprise, GMTC is committed to continuously refining the production process and expanding the availability of product sizes and formats. Driven by the newly released high-grade tool steel products, general industrial materials are also expected to expand. It is anticipated that the start of mass production of continuous casting machines will increase the cost competitiveness of general commercial steel and will expand the scope of services in the domestic market in the future, providing domestic industries with more choices of self-made/customized materials.

Overseas markets: In the midst of the gradual easing of inflation, the U.S. infrastructure and other issues will continue to grow in the next few years, coupled with the benefits of order transfer derived from geopolitics and the issue of the international military technology transfer, the steel market will be driven to a feverish sales boom continually. In response to global carbon emissions and other related issues and supporting measures, the Company is actively building up to meet international standards. 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. After the newly constructed equipment is put into mass production, it is expected to enhance the competitiveness of the general industrial/commercial materials, and will be able to supply the relevant products to the market in a more comprehensive manner.

(II) Product development:

New product/ new process development:

In 2024, in addition to the concrete achievements of expanding the applications of high-grade hot work steels in end-users' molds, new products will also be developed and launched in the market this year, which will be mainly used in the precision plastic mold industry and will replace the competing products of foreign steel makers, so as to enhance the

overall domestic independent technological capabilities and cost competitiveness.

The key tasks of 2024 in line with the above product lines are as follows:

1. Production:

The expansion and adjustment of production equipment in the two plants have been completed. Each plant can produce competitive products. Firstly, the new equipment mass production yield increased; the cost is controlled; and a better maintenance capacity is set up; secondly, we focus on the precision of production management and logistics, the scheduling logic and the smoothness of the system interface, so that the new product line can be successfully introduced into the market. The new forging equipment will also eliminate the outlet of steel water to the sea and the actual consistent production of special steel will be completed this year, thereby becoming the most complete bar steel production base in Taiwan.

2. Sales:

- a. In response to the expansion of new production lines, the total sales volume is expanded in all sizes and steel types.
- b. The tool steel market share in each region has been increased.
- c. Americas market: The recovery of aerospace, oil and gas, coupled with the increase in demand for infrastructure, will help stabilize the market.
- d. European market: the aerospace industry will receive stable orders. In response to the issue of carbon tax in Europe. We will change the layout of our sales model and ordering arrangements for the market.
- e. Asian markets: The Indian market was stable due to strong domestic demand.

3. R&D:

As the 50T steelmaking plant is about to enter trial operation and production stage, detailed process planning has been carried out. Related production, testing and adjustment will be carried out in phases from Q2 to Q4, so that the new plant will be able to fulfill the functions, enable the quality and grade to reach the set target and introduce better products to the market through the expansion of the capacity of the equipment.

(III) The Company's business policy for 2024

In the face of ever-changing regional market dynamics in the post-pandemic era, in 2024, GMTCC's international operations will need to adjust its order portfolio in response to the rapidly changing characteristics of the market in order to maintain its share in the competitive market.

The focus of this year's business policy is as follows:

1. Continued expansion of business scale.
2. We will Improve the production scheduling system to ensure the smoothness of production and increase the speed of logistics.
3. Process design and improvement of new production lines.
4. To reduce work-in-progress inventory.
5. Sales and purchasing strategies will be aligned to create low cost raw material inventories.

III.Future development strategy

GMTCC's market is mainly based on export and the proportion of exported products has reached 87%, selling in nearly 50 countries around the world. In the face of global competitors and the ever-changing international situation, sales volume, price, cost, and quality determine the battlefield. Low price and sufficient material purchasing mechanism, as well as process cost control are the most important strategies to expand market share:

(I) Marketing strategy:

1. Formulating the strategy to achieve leading market share in the Asian tool steel market.
2. We will expand the global market share of 6 series of functional stainless steels and continue to develop in industries that require certification, such as the aerospace, energy,

oil and gas and defense industries.

3. We will strengthen market expansion in Northeast and Southeast Asia and India.
4. We will plan the domestic sales network and global layout for new products.
5. Expand the equipment and market for high purity steel.

(II) Production strategy:

1. Re-design the production process and execute the production positioning in the two factories.
2. Strengthen the competitiveness of different product sizes, specialization and division of labor, and scale production to reduce costs.
3. We will continue to improve the manufacturing process, increase the production efficiency, increase the competitiveness from large to small and stabilize the manufacturing quality.
4. We will expand the high purity steel production equipment.
5. We will install green power and design energy-saving and carbon-reducing production processes to minimize the impact on the environment and fulfill our responsibility for green energy and environmental protection.

(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, with stable profits, the Company has adjusted the salary for three consecutive years. In 2022 and 2023, salaries were adjusted by 5% and 3%, respectively, and in 2024, salaries were adjusted by 4% to share the operating results with employees.

In addition, the company has cooperated with Kao Yuan University to set up master's program for in-service adults, new type of specialized programs and so on. Through the multi-dimensional and multi-win platform of industry-academia cooperation, we are able to cultivate excellent talents and create a multi-win situation for both parties.

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

(I) Economic environment

In 2023, the world enters a period of turbulence that has not been seen in decades; the U.S. economy is in recession; the Federal Reserve keeps raising interest rates; and OPEC's production cuts have limited stimulus for oil prices. Meanwhile, frequent geopolitical conflicts, the spillover of the Israel-Palestine conflict into the Red Sea, coupled with the Russian-Ukrainian war and the impact of interest rate hikes in various countries, have slowed down the global economic growth, which led to a number of downward revisions to growth rates.

The global economic growth of about 2.9% in 2024 is mainly due to the expected lack of economic growth in the United States and China, which has slowed global economic growth; however, emerging countries with strong domestic demand, such as India and Southeast Asia, have a growth rate of more than 4%.

The iron and steel industry will gradually move out of the 2023 downturn and onto the path of growth, driven by the demand for infrastructure in emerging countries and the recovery from the Russian-Ukrainian war, high inflation and moderating high interest rates.

(II) Industry environment analysis:

In 2023, the global economy has experienced post-pandemic turbulence and restructuring. The two major economies, the U.S. and China, have not recovered as well as expected; the Federal Reserve has continued to raise interest rates; and frequent geopolitical conflicts have all had different impact on various industries. The following is a description of the speculative analyses of several important industries related to specialty steel:

I. Aviation industry:

The COVID-19 outbreak in 2020 brought the aviation industry through a three-year freeze and in 2023 the industry came out of the darkness. Airbus forecasts that by 2042, the global fleet size will be 46,560 aircraft, of which 23,680 will be new passenger aircraft and 17,170 will be replacements. As travel and commerce return to normal, the aerospace supply chain is gradually adjusting its inventory levels for the demand, resulting in the shipment of materials.

The main market for passenger aircraft is still Asia and Asia continues to lead the vigorous development of the global aviation industry.

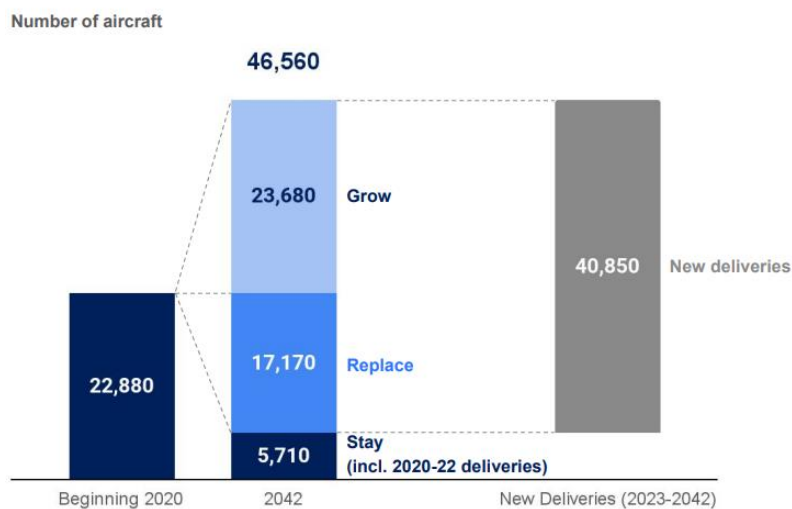


Chart Forecast of New Machine Demand in 2023 - 2042
Data source: Airbus, Global Market Forecast, 2023-2042

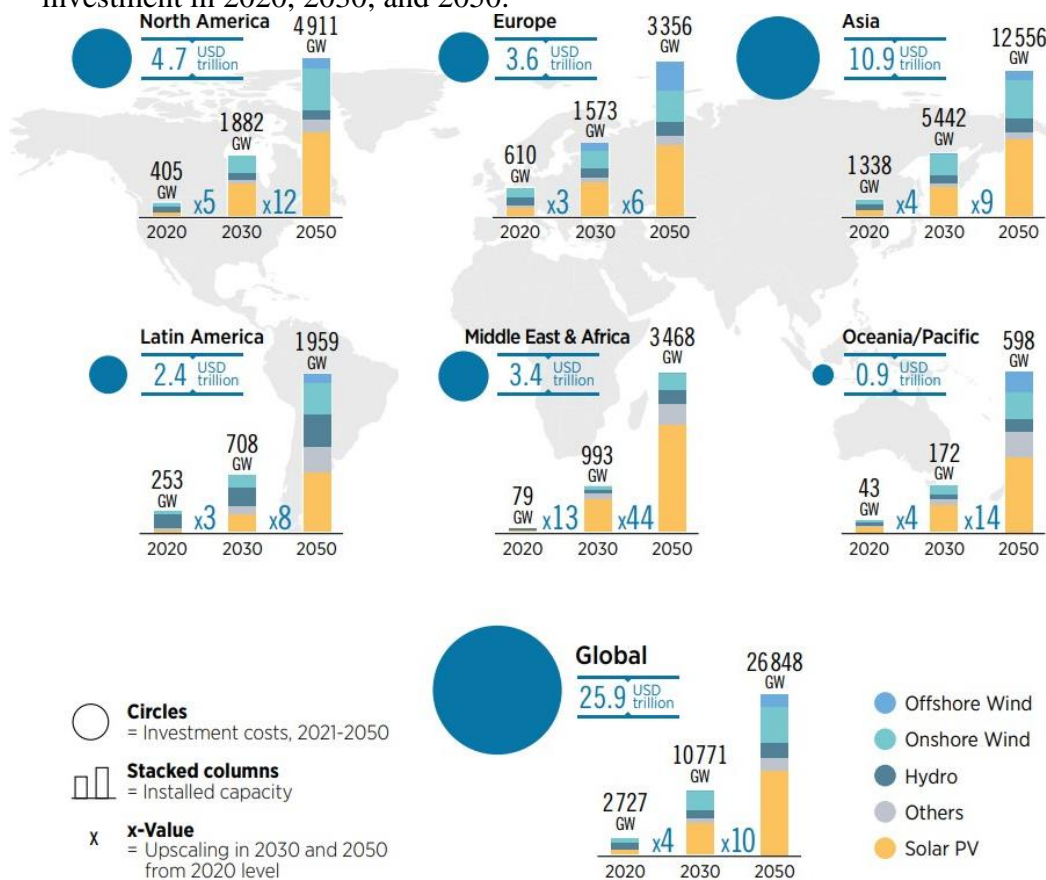
II. Power industry

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 a study by the International Renewable Energy Agency (IRENA), under the 1.5°C simulation scenario, Asia, North America and Europe will account for about 83% of the world's demand for installed renewable energy capacity by 2030. Whereas Asia will need to quadruple its installed renewable energy capacity, North America and Europe will have to increase their installed capacity by about five and three times respectively, and the cumulative investment globally will reach US\$25.9 trillion.

Under the influence of the Russo-Ukrainian war, Russia has restricted the supply of natural gas and oil, resulting in sharp fluctuations in energy prices; however, this has also increased the demand in the energy industry, which is favorable to the demand for electric turbine blade materials in the energy industry. Furthermore, with the climate change and carbon emission reduction issues taking place, the Company is still optimistic about the energy market and have high expectations.

The chart shows the total installed capacity of renewable energy and cumulative investment in 2020, 2030, and 2050.

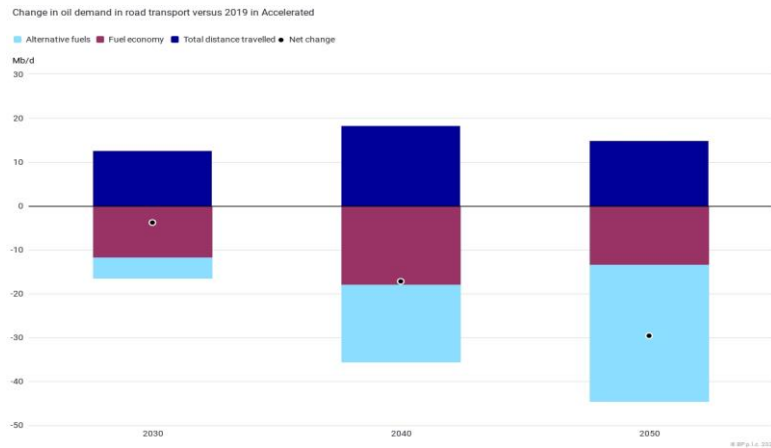


Source: IRENA, World Energy Transitions Outlook 2022

III. Crude oil industry

Global oil demand will remain stable for the next 10 years or so and then gradually decline, partly due to the decline in the use of oil in road transportation as vehicles become more efficient and increasingly use alternative energy sources as fuels, such as electricity. Nevertheless, demand for oil in emerging countries is growing modestly due to economic development.

The capacity of wind and solar installations will substantially increase to offset the reduction of electricity from oil and the cost of solar and wind technology and production will decline and eventually stabilize as additional installations are built.

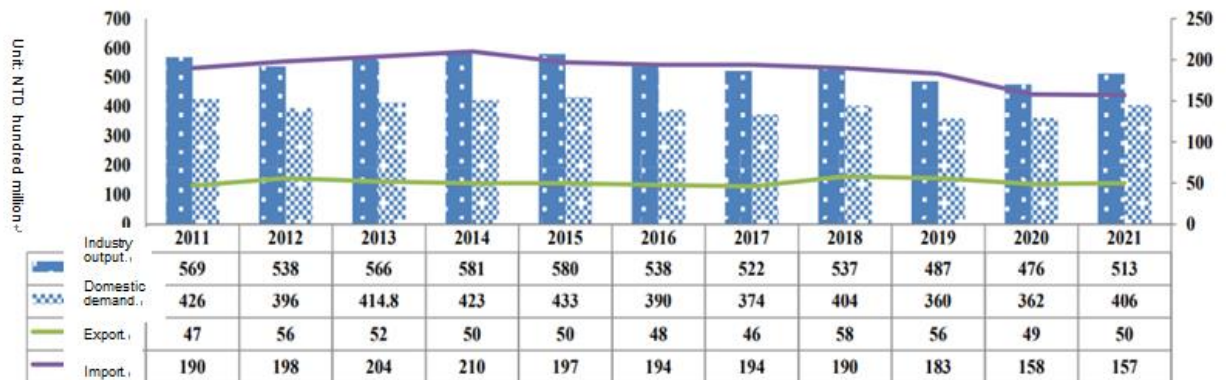


IV. Mold market

The output value of Taiwan's mold industry is quite stable. The materials are mainly used for plastic molds, die-casting molds and forging molds. Taiwan is also an important production center for 3C products such as notebooks and mobile phones. In recent years, the increased demand has led to a rise in orders for the mold industry; coupled with the growth of the automotive industry, the demand for aluminum extrusion dies has also increased, resulting in a significant increase in the demand for alloy tool steel, plastic film tool steel, and other materials in recent years.

At present, domestic mold materials are still imported to make up for the lack of self-sufficiency, especially in the high-end mold steel materials, which have long been dominated by imported materials. According to the estimates of the metal center, the domestic demand is about 45,000 - 50,000 tons.

R&D of high-end mold materials has been active in recent years and we have successfully launched the hot work tool steel, a double-remelting grade in 2023. This steel is mainly used in die casting and aluminum extrusion molds. Through the specialized alloy preparation technology and advanced production, the toughness, high-temperature strength, and fatigue resistance of the material are well demonstrated, and the service life of the molds is extended, which also improves the competitiveness of the mold industry.



V. Automotive industry:

In recent years, due to the pandemic's impact, people's transportation habits have changed. The automotive industry has experienced significant sales growth since 2020. Among them, hot work tool steel is the most used in the automotive industry, accounting for almost half. The demand for molds increases the demand for alloy tool steel.

Secondly, as environmental awareness rises, the appearance and structural parts of vehicles are all developing towards lightweight, energy-saving and electrification. As a result, the materials and structural strength are also changing, and the development of molds and materials must also undergo transformation.

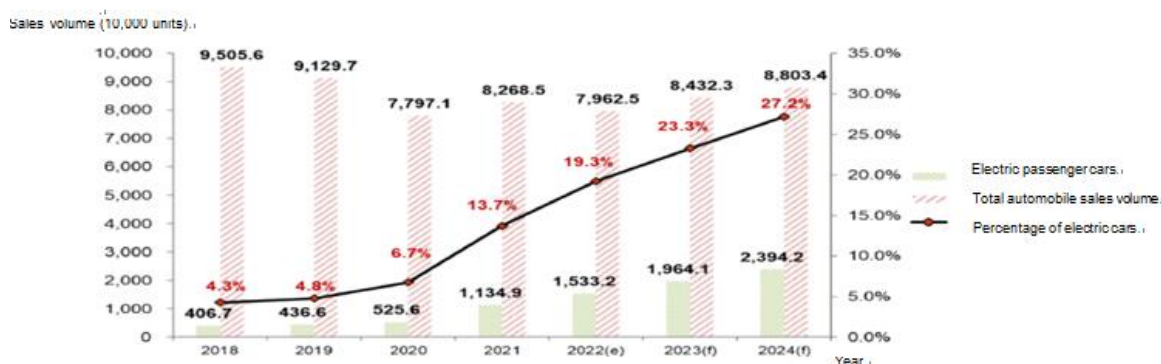


Figure 13 Trends in global auto sales

Source: OICA (2022/10); compiled by the Metal Industries Research and Development Centre

(III) Iron and steel industry:

World Steel Association forecasts the growth rate of global steel demand to be around 1.9% in 2024. Steel demand is expected to increase by 34.6 million tonnes from 2023, with major growth in Europe, India and Asia.

Taiwan Institute of Economic Research also estimated that Taiwan's economic growth rate will reach 3.15% in 2024, which is revised up by 1.72% compared to the original forecast and nearly twice the expected GDP growth rate in 2023.

In 2024, the global steel market is expected to perform better than last year as investment in the manufacturing industry rebounds significantly; investment demand for emerging technologies and net-zero emissions continues to increase; geopolitical risks decline; and interest rate hikes in Europe and the U.S. slow down.

However, the uncertainty of the impact of the Israel–Hamas conflict, the Russo-Ukrainian war and geopolitical risks in the Middle East, as well as the effective CBAM of the European Union and the global net-zero emission requirements will affect the cost of steel, which will need to be continuously monitored.

Economy	Million metric tons			Annual growth rate (%)		
	2022	2023(e)	2024(f)	2022	2023	2024
Western Europe + the U.K.	152.0	144.3	152.7	-7.8	-5.1	5.8
Other parts of Europe	39.2	45.0	47.3	-2.5	14.9	5.1
Russia, Ukraine and the Commonwealth of Independent States	51.6	54.6	55.2	-12.0	5.8	1.1
North America	132.9	134.1	136.1	-3.0	0.9	1.5
Central and South America	44.9	44.2	45.1	-11.5	-1.6	2.2
Africa	39.5	37.9	39.9	0.8	-4.1	5.4
Middle East	57.1	56.1	57.9	7.7	-1.7	3.2
Asia and the Pacific	1,265.3	1,298.3	1,314.9	-2.7	2.6	1.3

Source: Source: Worldsteel Short Range Outlook, 2023/10

Source: Compiled by Taiwan Institute of Economic Research

(IV)Regulatory environment and overall business environment

In recent years, global steel protectionism has continued to intensify, and the competition in the global market of alloy tool steel is particularly fierce.

After the pandemic, countries are still imposing a number of steel tariff quota and import strategies or additional import duties on the market to protect the regional markets from the impact. Until 2023, these measures had not been loosened and the global cold war has not yet been resolved, which has led to the shift of market segments.

Taiwan is a mineral resource-deficient country and relies on imported alloy iron raw materials, which is vulnerable to fluctuations in international raw materials prices. As a result, it is not easy to control production costs, which puts additional pressure on the iron and steel industry.

1. The global market competition of alloy tool steel is still fierce:
2. Obstacles to trade remain in place across countries
 - (1) Trade Barriers from the U.S Section 232: Some steel products have been exempted. However, the measure is still enforced in the United States.
 - (2) European Union: The trade barrier of steel tariff quota continues.
 - (3) Signing RCEP: The steel industry in Southeast Asia is in a price war. Although the impact of tariffs will not happen immediately, it will be a pressure for Taiwan's steel industry in the long run
3. In recent years, the global geopolitical frictions have affected the global economy and the steel industry.
4. Carbon emission topic:

In light of the global net zero trend, Taiwan has promoted the collection of carbon fees and will further promote the carbon tax and carbon border management mechanism in the future to improve the international carbon competitiveness of the domestic industry, which the steel industry needs to pay more attention to.

Taiwan is also considered an iron and steel exporting country; in the future, it will also realize the establishment of carbon footprints of products by organizing carbon inventories. In addition, the global demand for green iron and steel products will become increasingly high. In the face of the technical aspects, it should focus on low-carbon production processes, equipment development or replacement, in order to address the future effects of the industry as soon as possible.

Green subsidies are also a hidden concern of future trade wars and must be closely monitored.

5. In recent years, the implementation of the green power policy that requires large power users to provide their own green power will gradually come into effect, which will increase the cost of electricity for the iron and steel industry. In addition, adjusting the production schedule and the choice of green power is also one of the issues for the industry.

Looking ahead to 2024, all manufacturing industries, especially the automotive industry, are optimistic about a rebound this year. The slowdown in interest rate hikes in the U.S. is favorable to the construction industry and domestic demand in India and Southeast Asia can drive economic growth and steel demand. With the mitigation of geopolitical conflicts and post-war recovery, the iron and steel industry is expected to recover from the haze of 2023 in 2024.

GMTC makes adjustments to its operation and management at any time in response to changes in the macro environment. We have been implementing internal streamlined management and professional division of responsibilities, establishing a procurement and inventory mechanism, expanding production lines and equipment to make our products more complete, increasing production capacity, enhancing technical capabilities, increasing R&D energy, developing new products, and exploring new market segments. At the same time, we will stabilize our financial position and control costs to strengthen our market competitiveness and expand our market share in Asia. Finally, we would like to thank all shareholders for the support and recognition. Despite the downturn in the global economy in 2023, the Company's management team and employees still strived to create maximum business performance for shareholders and employees. In the future, we will continue to work hard to bring profits and 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 2023 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:

Chun-Hsiung Chu

February 29, 2024

GLORIA MATERIAL TECHNOLOGY CORP.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(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, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Guangzhou Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$3,000 thousand (paid-in capital of CNY24,856 thousand)	b	US\$ 2,837 HK\$ 700	\$ -	\$ -	US\$ 2,837 HK\$ 700	\$ 82,874	96	Note 2 (2) \$ 80,498	\$ 197,972	\$ -	
Zhejiang Jiaxing Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$3,000 thousand (paid-in capital of CNY22,124 thousand)	b	- (Note 4)	-	-	- (Note 4)	16,675	96	Note 2 (2) 15,980	142,625	-	
Tianjin Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$3,300 thousand (paid-in capital of CNY26,719 thousand)	b	US\$ 3,300	-	-	US\$ 3,300	(1,403)	96	Note 2 (2) (4,550)	152,418	18,007	
Xian Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$2,000 thousand (paid-in capital of CNY12,660 thousand)	b	- (Note 5)	-	-	- (Note 5)	21,760	96	Note 2 (2) 21,598	124,278	-	
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Production and sale of alloy steel	Registered capital US\$10,000 thousand (paid-in capital of CNY63,926 thousand)	b	US\$ 18,000	-	US\$ 8,000	US\$ 10,000	29,830	100	Note 2 (2) 29,830	331,398	24,773	

(Continued)

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
US\$ 16,137 HK\$ 700	\$ 936,503 (US\$ 30,500)	\$ 9,156,761 (Note 3)

Note 1: Methods of investment are classified as below:

- a. Investments through a holding company registered in a third region.
- b. Reinvestments through a holding company set up in a third region.
- c. Reinvestments through a holding company existing in a third region.
- d. Direct investment.
- e. Others.

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

- a. Companies that are still in the preparatory stage and therefore have no investment gain or loss should be disclosed.
- b. 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 upper limit on investments was 60% of the consolidated net asset value of the Group: $\$15,261,269 \times 60\% = \$9,156,761$.

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

Note 5: The amount represents the retained earnings of Faith Easy Enterprises Ltd. transferred to the share capital of Xian Goldway Special Material Co., Ltd.

[Attachment IV]

2023 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. 2023 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		The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	
																Cash	Stock	Cash	Stock					
Juristic (corporate) person director	Taiwan Steel Group United Co., Ltd.	-	-	-	-	7,812	7,812	-	-	7,812	7,812	0.33%	0.33%	-	-	-	-	-	-	7,812	7,812	0.33%	0.33%	-
Chairman	Chiung-Fen Wang	720	720	-	-	-	1,673	180	220	900	2,613	0.04%	0.11%	20,623	20,623	6,000	-	7,500	-	27,523	30,736	1.18%	1.31%	1,200
Director	Shih-Chieh Chao	600	600	-	-	-	-	160	160	760	760	0.03%	0.03%	-	-	-	-	-	-	760	760	0.03%	0.03%	600
Juristic (corporate) person director	Gloria Investments Limited	-	-	-	-	5,208	5,208	-	-	5,208	5,208	0.22%	0.22%	-	-	-	-	-	-	5,208	5,208	0.22%	0.22%	-
Director	Wen-Yuan Lin	600	600	-	-	-	-	160	160	760	760	0.03%	0.03%	-	-	-	-	-	-	760	760	0.03%	0.03%	-

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	Cash	Stock	Cash	Stock	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	
Director	Cheng-Hsiang Chen	600	600	-	-	-	120	160	200							-	-	100	-	760	1,020	0.03%	0.04%	600
Juristic (corporate) person director	Baijiayuan Investment Co., Ltd.	-	-	-	-	2,604	2,604	-	-	2,604	2,604	0.11%	0.11%	-	-	-	-	-	-	2,604	2,704	0.11%	0.11%	-
Director	Yi-Ching Wu	780	780	-	-	-	-	260	260	1,040	1,040	0.04%	0.04%	-	-	-	-	-	-	1,040	1,040	0.04%	0.04%	-
Independent director	Chin-Chen Chien	960	960	-	-	2,604	2,604	320	320	3,884	3,884	0.17%	0.17%	-	-	-	-	-	-	3,884	3,884	0.17%	0.17%	-
Independent director	Chun-Hsiung Chu	960	960	-	-	2,604	2,604	320	320	3,884	3,884	0.17%	0.17%	-	-	-	-	-	-	3,884	3,884	0.17%	0.17%	-
Independent director	Yi-Lang Lin	900	900	-	-	2,604	2,604	290	290	3,794	3,794	0.16%	0.16%	-	-	-	-	-	-	3,794	3,794	0.16%	0.16%	-
Independent director	Tzu-Meng Liu	420	420	-	-	1,563	1,563	110	110	2,093	2,093	0.09%	0.09%	-	-	-	-	-	-	2,093	2,093	0.09%	0.09%	-
Note: 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\$4,200thousand. 2.For the proposal of 2023 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																								

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, 2023 and 2022, 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 material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 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 are 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 and performed tests on sales revenue transactions for the year ended December 31, 2023. 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 auditors; 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\$ 361,966 thousand and NT\$290,931 thousand, representing 1.3% and 1.2%, of the Company's total assets as of December 31, 2023 and 2022, respectively, and the amount of the Company's total share of comprehensive income of such associates was NT\$57,771 thousand and NT\$40,153 thousand, representing 2.3% and 2.0%, of the Company's total comprehensive income for the year ended December 31, 2023 and 2022, 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, 2023, 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

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, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 5,374,279	19	\$ 1,949,371	8
Financial assets at fair value through profit or loss - current (Note 7)	17,202	-	52,879	-
Notes receivable (Note 9)	28,997	-	49,546	-
Trade receivables (Notes 9 and 27)	2,066,087	7	1,847,206	8
Other receivables (Note 27)	86,982	-	102,444	1
Inventories (Note 10)	5,395,650	19	5,189,508	22
Other current assets (Notes 15, 27 and 28)	<u>488,431</u>	<u>2</u>	<u>50,645</u>	<u>-</u>
Total current assets	<u>13,457,628</u>	<u>47</u>	<u>9,241,599</u>	<u>39</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	399,587	1	-	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	8,151	-	18,571	-
Investments accounted for using the equity method (Note 11)	2,432,826	9	2,303,709	10
Property, plant and equipment (Notes 12 and 28)	8,058,454	28	7,897,662	33
Right-of-use assets (Notes 13 and 27)	37,531	-	30,885	-
Investment properties (Notes 14 and 28)	400,195	1	613,930	3
Deferred tax assets (Note 22)	115,533	-	124,481	-
Prepayments for equipment (Note 27)	3,700,552	13	3,318,830	14
Other non-current assets (Notes 15 and 28)	<u>128,152</u>	<u>1</u>	<u>177,528</u>	<u>1</u>
Total non-current assets	<u>15,280,981</u>	<u>53</u>	<u>14,485,596</u>	<u>61</u>
TOTAL	<u>\$ 28,738,609</u>	<u>100</u>	<u>\$ 23,727,195</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 950,628	3	\$ 1,310,481	5
Short-term bills payable (Note 16)	-	-	20,000	-
Notes payable	283	-	391	-
Trade payables (Note 27)	434,212	2	702,399	3
Other payables (Notes 18 and 27)	697,972	2	662,589	3
Current tax liabilities	465,155	2	425,765	2
Lease liabilities - current (Notes 13 and 27)	4,475	-	1,430	-
Current portion of long-term bank borrowings (Notes 16 and 28)	13,350	-	1,211,877	5
Other current liabilities	<u>223,670</u>	<u>1</u>	<u>133,889</u>	<u>1</u>
Total current liabilities	<u>2,789,745</u>	<u>10</u>	<u>4,468,821</u>	<u>19</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 17 and 28)	6,251,817	22	4,337,043	18
Long-term borrowings (Notes 16 and 28)	4,822,405	17	4,034,901	17
Deferred tax liabilities (Note 22)	142,712	-	137,652	1
Lease liabilities - non-current (Notes 13 and 27)	34,467	-	30,616	-
Net defined benefit liabilities - non-current (Note 19)	20,405	-	121,082	1
Other non-current liabilities	<u>35,101</u>	<u>-</u>	<u>62,533</u>	<u>-</u>
Total non-current liabilities	<u>11,306,907</u>	<u>39</u>	<u>8,723,827</u>	<u>37</u>
Total liabilities	<u>14,096,652</u>	<u>49</u>	<u>13,192,648</u>	<u>56</u>
EQUITY (Note 20)				
Share capital				
Ordinary shares	<u>5,395,512</u>	<u>19</u>	<u>4,571,224</u>	<u>19</u>
Capital surplus	<u>4,438,857</u>	<u>15</u>	<u>2,178,236</u>	<u>9</u>
Retained earnings				
Legal reserve	1,116,835	4	914,627	4
Special reserve	43,415	-	103,107	-
Unappropriated earnings	<u>3,986,056</u>	<u>14</u>	<u>3,032,679</u>	<u>13</u>
Total retained earnings	<u>5,146,306</u>	<u>18</u>	<u>4,050,413</u>	<u>17</u>
Other equity	<u>(67,788)</u>	<u>-</u>	<u>(43,415)</u>	<u>-</u>
Treasury shares	<u>(270,930)</u>	<u>(1)</u>	<u>(221,911)</u>	<u>(1)</u>
Total equity	<u>14,641,957</u>	<u>51</u>	<u>10,534,547</u>	<u>44</u>
TOTAL	<u>\$ 28,738,609</u>	<u>100</u>	<u>\$ 23,727,195</u>	<u>100</u>

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 27)	\$ 12,439,123	100	\$ 11,265,158	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 21 and 27)	<u>(9,338,104)</u>	<u>(75)</u>	<u>(7,969,055)</u>	<u>(71)</u>
GROSS PROFIT	3,101,019	25	3,296,103	29
UNREALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	(57,140)	(1)	(91,031)	(1)
REALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	<u>91,031</u>	<u>1</u>	<u>78,075</u>	<u>1</u>
REALIZED GROSS PROFIT	3,134,910	25	3,283,147	29
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	(567,127)	(5)	(887,418)	(8)
General and administrative expenses	(419,420)	(3)	(339,388)	(3)
Research and development expenses	(26,296)	-	(39,940)	-
Expected credit loss reversed (recognized)	<u>1,516</u>	<u>-</u>	<u>(1,615)</u>	<u>-</u>
Total operating expenses	<u>(1,011,327)</u>	<u>(8)</u>	<u>(1,268,361)</u>	<u>(11)</u>
PROFIT FROM OPERATIONS	<u>2,123,583</u>	<u>17</u>	<u>2,014,786</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)				
Other income	119,066	1	107,941	1
Other gains and losses	341,171	3	152,317	1
Finance costs	(186,399)	(2)	(160,958)	(1)
Interest income	28,711	-	3,743	-
Share of profit of subsidiaries and associates	<u>340,858</u>	<u>3</u>	<u>313,439</u>	<u>3</u>
Total non-operating income and expenses	<u>643,407</u>	<u>5</u>	<u>416,482</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	2,766,990	22	2,431,268	22
INCOME TAX EXPENSE (Note 22)	<u>(427,427)</u>	<u>(3)</u>	<u>(412,499)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>2,339,563</u>	<u>19</u>	<u>2,018,769</u>	<u>18</u>

(Continued)

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	3,845	-	876	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	3,051	-	(2,110)	-
Share of other comprehensive income of subsidiaries and associates accounted for using equity method - unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	11,635	-	(8,063)	-
Share of other comprehensive income of subsidiaries and associates accounted for using equity method - remeasurement of defined benefit plans	(41)	-	394	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)	(769)	-	(175)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	(36,110)	-	38,375	-
Other comprehensive (loss)/income for the year, net of income tax	(18,389)	-	29,297	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,321,174</u>	<u>19</u>	<u>\$ 2,048,066</u>	<u>18</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 4.66</u>		<u>\$ 4.52</u>	
Diluted	<u>\$ 4.18</u>		<u>\$ 4.22</u>	

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

(With Deloitte & Touche review report dated February 29, 2024)

(Concluded)

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Capital Surplus											Other Equity		Treasury Shares	Total Equity
	Ordinary Shares	Additional Paid-in Capital	Additional Paid-in Capital - Bond Conversion	Treasury Share Transactions	Donated Assets	Employee Share Options	Adjustment from Changes in Equity of Subsidiaries and Associates	Changes in Ownership Interests in Subsidiaries	Retained 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		
									Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2022	\$ 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	-	-	-	-
Cash 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
Appropriation of 2022 earnings															
Legal reserve	-	-	-	-	-	-	-	-	202,208	-	(202,208)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	(59,692)	59,692	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	(1,239,092)	-	-	-	(1,239,092)
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	2,339,563	-	-	-	2,339,563
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	3,035	(36,110)	14,686	-	(18,389)
Conversion of corporate bonds to ordinary shares	887,578	-	2,152,945	-	-	(114,193)	-	-	-	-	-	-	-	-	2,926,330
Cancellation of treasury shares	(63,290)	(2,731)	(32,378)	(1,336)	-	-	-	-	-	-	-	-	-	99,735	-
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(118,721)	(118,721)
Disposal of the Company's shares held by subsidiaries	-	-	-	5,260	-	-	-	-	-	-	-	-	-	7,032	12,292
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	13,081	-	-	-	-	-	-	-	-	-	-	13,081
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	(4,074)	-	-	-	727	-	(727)	-	(4,074)
Differences between the consideration and the carrying amount of the subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	(10,562)	-	-	-	(10,562)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	(194)	-	-	-	-	-	(37,065)	(37,259)
Equity component of convertible bonds issued by the Company	-	-	-	-	-	244,241	-	-	-	-	-	-	-	-	244,241
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	2,222	-	(2,222)	-	-
BALANCE AT DECEMBER 31, 2023	\$ 5,395,512	\$ 213,918	\$ 3,592,624	\$ 341,564	\$ 3,502	\$ 249,211	\$ 9,539	\$ 28,499	\$ 1,116,835	\$ 43,415	\$ 3,986,056	\$ (43,667)	\$ (24,121)	\$ (270,930)	\$ 14,641,957

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

(With Deloitte & Touche review report dated February 29, 2024)

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,766,990	\$ 2,431,268
Adjustments for:		
Depreciation expense	435,010	390,555
Amortization expense	925	579
Expected credit loss (reversed) recognized on trade receivables	(1,516)	1,615
Net (gain)/loss on fair value changes of financial assets at fair value through profit or loss	(251,282)	14,556
Finance costs	186,399	160,958
Interest income	(28,711)	(3,743)
Dividend income	(573)	(1,220)
Share of profit of subsidiaries and associates	(340,858)	(313,439)
Loss/(gain) on disposal of property, plant and equipment	2,985	(5,796)
Expenses arising from property, plant and equipment	131,976	82,617
Gain on disposal of investments accounted for using equity method	(139,746)	(160,573)
Write-down of inventories	94,940	23,589
Unrealized gain on transactions with subsidiaries	57,140	91,031
Realized gain on transactions with subsidiaries	(91,031)	(78,075)
Net loss on foreign currency exchange	48,369	84,011
Others	(38)	(719)
Changes in operating assets and liabilities		
Notes receivable	20,716	(8,034)
Trade receivables	(264,444)	(405,232)
Other receivables	15,462	93,446
Inventory	(301,082)	(876,105)
Other current assets	(94,880)	6,890
Notes payable	(108)	204
Trade payables	(266,880)	105,740
Other payables	(24,214)	144,904
Other current liabilities	89,781	79,161
Net defined benefit liabilities	(96,832)	(13,961)
Cash generated from operations	1,948,498	1,844,227
Interest received	28,711	3,743
Dividends received	70,886	110,450
Interest paid	(106,643)	(118,103)
Income tax paid	(374,746)	(51,284)
Net cash generated from operating activities	<u>1,566,706</u>	<u>1,789,033</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(176)	(3,547)
Proceeds from sale of financial assets at fair value through other comprehensive income	13,647	1,486
Purchase of financial assets at amortized cost	(342,906)	-

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from sale of financial assets at amortized cost	-	37,452
Purchase of financial assets at fair value through profit or loss	(184,897)	-
Proceeds from sale of financial assets at fair value through profit or loss	72,269	5,063
Acquisition of associates	(97,898)	(51,964)
Proceeds from disposal of associates	251,180	349,427
Proceeds from capital reduction of investments accounted for using equity method	248,560	-
Payments for property, plant and equipment	(1,397,203)	(912,355)
Proceeds from disposal of property, plant and equipment	355,110	5,908
Payments for investment properties	(2,095)	-
Proceeds from disposal of investment properties	207,438	-
Decrease in other non-current assets	<u>48,449</u>	<u>155,845</u>
Net cash used in investing activities	<u>(828,522)</u>	<u>(412,685)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	23,613
Repayments of short-term borrowings	(362,615)	-
Repayments of short-term bills payable	(20,000)	(250,000)
Proceeds from issuance of convertible bonds	5,019,630	3,024,680
Repayments of bonds payable	(1,300)	-
Proceeds from long-term borrowings	4,750,280	1,153,400
Repayments of long-term borrowings	(5,172,690)	(3,489,816)
Repayments of principal portion of lease liabilities	(3,521)	(6,474)
Decrease in other non-current liabilities	(25,554)	(88)
Dividends paid to owners of the Company	(1,239,092)	(630,570)
Acquisition of additional interests in subsidiaries	<u>(258,414)</u>	<u>(74,182)</u>
Net cash generated from (used in) financing activities	<u>2,686,724</u>	<u>(249,437)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,424,908	1,126,911
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,949,371</u>	<u>822,460</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,374,279</u>	<u>\$ 1,949,371</u>

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, 2023 and 2022, 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 material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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.

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, 2023. 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, 2023 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 are 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 and performed tests on sales revenue transactions for the year ended December 31, 2023. 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 the 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 auditors; 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\$361,966 thousand and NT\$290,931 thousand, representing 1.2% and 1.2%, of the Group's total assets as of December 31, 2023 and 2022, respectively, and the amount of the Group's total share of comprehensive income of such associates was NT\$57,771 thousand and NT\$40,153 thousand, representing 2.4% and 1.9%, of the Group's total comprehensive income for the year ended December 31, 2023 and 2022, respectively.

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified 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, 2023, 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 29, 2024

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.

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GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 6,478,921	21	\$ 2,508,593	10
Financial assets at fair value through profit or loss - current (Note 7)	39,046	-	52,879	-
Notes receivable (Note 9)	166,113	1	227,332	1
Trade receivables (Notes 9 and 29)	2,411,128	8	2,316,468	9
Other receivables (Note 29)	93,505	-	103,352	1
Inventories (Note 10)	6,514,612	22	6,418,021	25
Other current assets (Notes 16, 29 and 30)	<u>522,524</u>	<u>2</u>	<u>350,692</u>	<u>1</u>
Total current assets	<u>16,225,849</u>	<u>54</u>	<u>11,977,337</u>	<u>47</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	399,587	1	-	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	269,873	1	230,853	1
Investments accounted for using the equity method (Note 12)	361,966	1	380,361	2
Property, plant and equipment (Notes 13, 29 and 30)	8,420,471	28	8,307,632	33
Right-of-use assets (Note 14)	141,024	1	125,205	-
Investment properties (Notes 15 and 30)	400,195	1	613,930	2
Deferred tax assets (Note 24)	131,518	1	142,243	1
Prepayments for equipment (Note 29)	3,700,552	12	3,320,249	13
Other non-current assets (Notes 16 and 30)	<u>125,470</u>	<u>-</u>	<u>161,185</u>	<u>1</u>
Total non-current assets	<u>13,950,656</u>	<u>46</u>	<u>13,281,658</u>	<u>53</u>
TOTAL	<u>\$ 30,176,505</u>	<u>100</u>	<u>\$ 25,258,995</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 30)	\$ 1,163,941	4	\$ 1,586,969	6
Short-term bills payable (Note 17)	5,000	-	40,000	-
Notes payable	283	-	395	-
Trade payables (Note 29)	487,728	2	746,383	3
Other payables (Notes 19 and 29)	738,652	2	730,912	3
Current tax liabilities	496,141	2	465,763	2
Lease liabilities - current (Notes 14 and 29)	16,855	-	6,687	-
Current portion of long-term borrowings (Notes 17 and 30)	13,350	-	1,211,877	5
Other current liabilities	<u>182,675</u>	<u>-</u>	<u>108,042</u>	<u>-</u>
Total current liabilities	<u>3,104,625</u>	<u>10</u>	<u>4,897,028</u>	<u>19</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 18 and 30)	6,251,817	21	4,337,043	17
Long-term borrowings (Notes 17 and 30)	4,822,405	16	4,034,901	16
Deferred tax liabilities (Note 24)	145,884	-	148,223	1
Lease liabilities - non-current (Notes 14 and 29)	54,334	-	39,931	-
Net defined benefit liabilities - non-current (Note 21)	34,021	-	133,870	1
Other non-current liabilities (Note 20)	<u>502,150</u>	<u>2</u>	<u>535,719</u>	<u>2</u>
Total non-current liabilities	<u>11,810,611</u>	<u>39</u>	<u>9,229,687</u>	<u>37</u>
Total liabilities	<u>14,915,236</u>	<u>49</u>	<u>14,126,715</u>	<u>56</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Share capital				
Ordinary shares	<u>5,395,512</u>	<u>18</u>	<u>4,571,224</u>	<u>18</u>
Capital surplus	<u>4,438,857</u>	<u>15</u>	<u>2,178,236</u>	<u>9</u>
Retained earnings				
Legal reserve	1,116,835	4	914,627	4
Special reserve	43,415	-	103,107	-
Unappropriated earnings	<u>3,986,056</u>	<u>13</u>	<u>3,032,679</u>	<u>12</u>
Total retained earnings	<u>5,146,306</u>	<u>17</u>	<u>4,050,413</u>	<u>16</u>
Other equity	<u>(67,788)</u>	<u>-</u>	<u>(43,415)</u>	<u>-</u>
Treasury shares	<u>(270,930)</u>	<u>(1)</u>	<u>(221,911)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	14,641,957	49	10,534,547	42
NON-CONTROLLING INTERESTS	<u>619,312</u>	<u>2</u>	<u>597,733</u>	<u>2</u>
Total equity	<u>15,261,269</u>	<u>51</u>	<u>11,132,280</u>	<u>44</u>
TOTAL	<u>\$ 30,176,505</u>	<u>100</u>	<u>\$ 25,258,995</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 29, 2024)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 29)	\$ 13,525,251	100	\$ 12,365,317	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 23 and 29)	<u>(9,880,601)</u>	<u>(73)</u>	<u>(8,409,687)</u>	<u>(68)</u>
GROSS PROFIT	<u>3,644,650</u>	<u>27</u>	<u>3,955,630</u>	<u>32</u>
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	(709,759)	(5)	(1,037,694)	(8)
General and administrative expenses	(529,442)	(4)	(463,947)	(4)
Research and development expenses	(26,296)	-	(39,940)	-
Expected credit loss (recognized) reversed	<u>(4,921)</u>	<u>-</u>	<u>912</u>	<u>-</u>
Total operating expenses	<u>(1,270,418)</u>	<u>(9)</u>	<u>(1,540,669)</u>	<u>(12)</u>
PROFIT FROM OPERATIONS	<u>2,374,232</u>	<u>18</u>	<u>2,414,961</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 29)				
Interest income	38,108	-	6,154	-
Other income	127,843	1	148,871	1
Other gains and losses	495,525	4	148,852	1
Finance costs	(194,285)	(1)	(171,111)	(1)
Share of profit of associates	<u>54,821</u>	<u>-</u>	<u>44,794</u>	<u>-</u>
Total non-operating income and expenses	<u>522,012</u>	<u>4</u>	<u>177,560</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	2,896,244	22	2,592,521	21
INCOME TAX EXPENSE (Note 24)	<u>(500,993)</u>	<u>(4)</u>	<u>(494,506)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>2,395,251</u>	<u>18</u>	<u>2,098,015</u>	<u>17</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	3,735	-	1,550	-

(Continued)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	30,410	-	(35,487)	-
Share of the other comprehensive income of associates accounted for using the equity method	2,950	-	8,998	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(747)	-	(310)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	<u>(38,599)</u>	<u>-</u>	<u>42,646</u>	<u>-</u>
Other comprehensive (loss)/income for the year, net of income tax	<u>(2,251)</u>	<u>-</u>	<u>17,397</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,393,000</u>	<u>18</u>	<u>\$ 2,115,412</u>	<u>17</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,339,563	17	\$ 2,018,769	16
Non-controlling interests	<u>55,688</u>	<u>1</u>	<u>79,246</u>	<u>1</u>
	<u>\$ 2,395,251</u>	<u>18</u>	<u>\$ 2,098,015</u>	<u>17</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,321,174	17	\$ 2,048,066	17
Non-controlling interests	<u>71,826</u>	<u>1</u>	<u>67,346</u>	<u>-</u>
	<u>\$ 2,393,000</u>	<u>18</u>	<u>\$ 2,115,412</u>	<u>17</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$4.66</u>		<u>\$4.52</u>	
Diluted	<u>\$4.18</u>		<u>\$4.22</u>	

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

(With Deloitte & Touche auditors' report dated February 29, 2024)

(Concluded)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											Other Equity			Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	Capital Surplus								Retained 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				
	Ordinary Shares	Additional Paid-in Capital	Additional Paid-in Capital - Bond Conversion	Treasury Share Transactions	Donated Assets	Employee Share Options	Adjustment from Changes in Equity of Subsidiaries and Associates	Changes in Ownership Interests in Subsidiaries	Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2022	\$ 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
Appropriation of 2022 earnings																	
Legal reserve	-	-	-	-	-	-	-	-	202,208	-	(202,208)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	(59,692)	59,692	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	(1,239,092)	-	-	-	(1,239,092)	-	(1,239,092)
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	2,339,563	-	-	-	2,339,563	55,688	2,395,251
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	3,035	(36,110)	14,686	-	(18,389)	16,138	(2,251)
Conversion of corporate bonds to ordinary shares	887,578	-	2,152,945	-	-	(114,193)	-	-	-	-	-	-	-	-	2,926,330	-	2,926,330
Cancellation of treasury shares	(63,290)	(2,731)	(32,378)	(1,336)	-	-	-	-	-	-	-	-	-	99,735	-	-	-
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(118,721)	(118,721)	(80,770)	(199,491)
Disposal of the Company's shares held by subsidiaries	-	-	-	5,260	-	-	-	-	-	-	-	-	-	7,032	12,292	9,827	22,119
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	13,081	-	-	-	-	-	-	-	-	-	-	13,081	-	13,081
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	(4,074)	-	-	-	727	-	(727)	-	(4,074)	-	(4,074)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	(10,562)	-	-	-	(10,562)	10,562	-
Change in percentage of ownership interest in subsidiaries	-	-	-	-	-	-	-	(194)	-	-	-	-	-	(37,065)	(37,259)	36,840	(419)
Equity component of convertible bonds issued by the Group	-	-	-	-	-	244,241	-	-	-	-	-	-	-	-	244,241	-	244,241
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	2,222	-	(2,222)	-	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(26,706)	(26,706)
BALANCE AT DECEMBER 31, 2023	\$ 5,395,512	\$ 213,918	\$ 3,592,624	\$ 341,564	\$ 3,502	\$ 249,211	\$ 9,539	\$ 28,499	\$ 1,116,835	\$ 43,415	\$ 3,986,056	\$ (43,667)	\$ (24,121)	\$ (270,930)	\$ 14,641,957	\$ 619,312	\$ 15,261,269

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

(With Deloitte & Touche auditors' report dated February 29, 2024)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,896,244	\$ 2,592,521
Adjustments for:		
Depreciation expense	477,689	426,836
Amortization expense	971	712
Expected credit loss recognized (reversed)	4,921	(912)
Net (gain)/loss on fair value changes of financial assets at fair value through profit or loss	(252,826)	12,611
Finance costs	194,285	171,111
Interest income	(38,108)	(6,154)
Dividend income	(25,667)	(8,380)
Share of profit of associates	(54,821)	(44,794)
Gain on disposal of property, plant and equipment	(52,829)	(5,642)
Expenses arising from property, plant and equipment	131,976	82,617
Gain on disposal of right-of-use assets	(53,476)	-
Gain on disposal of investments accounted for using equity method	(173,781)	(160,573)
Write-down of inventories	103,391	39,517
Net loss on foreign currency exchange	9,929	83,872
Others	(38)	(36,333)
Changes in operating assets and liabilities		
Notes receivable	61,586	68,460
Trade receivables	(70,993)	(536,899)
Other receivables	9,847	14,297
Inventory	(199,326)	(1,109,229)
Other current assets	(92,934)	1,562
Notes payable	(112)	200
Trade payables	(261,997)	140,301
Other payables	(51,823)	163,606
Other current liabilities	74,633	43,363
Net defined benefit liabilities	(96,055)	(13,336)
Cash generated from (used in) operations	2,540,686	1,919,334
Interest received	38,108	6,154
Dividends received	39,798	17,561
Interest paid	(113,885)	(127,820)
Income tax paid	(485,886)	(118,038)
Net cash generated from operating activities	<u>2,018,821</u>	<u>1,697,191</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(123,883)	(59,157)
Proceeds from disposal of financial assets at fair value through other comprehensive income	115,273	93,054
Purchase of financial assets at amortized cost	(77,467)	(229,112)

(Continued)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Purchase of financial assets at fair value through profit or loss	(224,866)	(12,604)
Proceeds from sale of financial assets at fair value through profit or loss	91,938	19,612
Acquisition of associates	(97,898)	(51,964)
Proceeds from disposal of associates	326,480	350,599
Payments for property, plant and equipment	(1,403,129)	(921,757)
Proceeds from disposal of property, plant and equipment	434,893	6,922
Proceeds from disposal of right-of-use assets	57,343	-
Payments for investment properties	(2,095)	-
Proceeds from disposal of investment properties	207,438	-
Decrease in other non-current assets	<u>33,999</u>	<u>188,169</u>
Net cash used in investing activities	<u>(661,974)</u>	<u>(616,238)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(458,694)	(37,694)
Repayments of short-term bills payable	(35,000)	(280,000)
Proceeds from issuance of convertible bonds	5,019,630	3,024,680
Repayments of bonds payable	(1,300)	-
Proceeds from long-term borrowings	4,750,280	1,153,400
Repayments of long-term borrowings	(5,172,690)	(3,489,816)
Repayment of principal of lease liabilities	(16,620)	(12,281)
Proceeds from other non-current liabilities	-	460,699
Repayments of other non-current liabilities	(24)	-
Cash dividends paid to owners of the Company	(1,217,164)	(623,665)
Proceeds from disposal of the Company's shares by subsidiary	22,119	75,507
Acquisition of additional interests in subsidiaries	(57,954)	-
Payments for buy-back of the Company's shares as treasury shares by subsidiary	(199,491)	(31,883)
Cash dividends paid by subsidiaries	(66,540)	(71,139)
Proceeds from issuance of ordinary shares for cash by subsidiaries	<u>92,160</u>	<u>-</u>
Net cash generated from financing activities	<u>2,658,712</u>	<u>167,808</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(45,231)</u>	<u>33,851</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,970,328	1,282,612
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>2,508,593</u>	<u>1,225,981</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	<u>\$ 6,478,921</u>	<u>\$ 2,508,593</u>

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

Gloria Material Technology Corp.
Appropriation of Earnings
2023

Item	Amount	
Undistributed Surplus Earnings at the Beginning of the Year		1,651,070,886
Plus: Remeasurements of the net defined benefit	3,075,632	
Plus: Adjusted retained earnings under the equity method	(8,307,312)	
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	653,700	
Undistributed Surplus Earnings After Adjustments		1,646,492,906
Plus: Net Profit	2,339,562,995	
Less: Legal Reserve (10%)		(233,498,502)
Less : Reverse from Special Reserve Arising		(24,378,252)
Distributable Earnings		3,728,179,147
Assign Items:		(1,506,177,993)
Shareholder Dividends - Cash (NT\$2.5per share)	(1,506,177,993)	
Shareholder Dividends - stock (NT\$0)	0	
Undistributed Surplus Earnings at the End of the Year		2,222,001,154
Note1: Shareholder dividends shall be first allocated from the 2023 surplus earnings 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.		

Chairman:
Chiung-Fen Wang

General Manager:
Yung-Chang Kang

Accounting Manager:
Yi-Ting Tseng

The Nominated List of Candidates for Independent Directors

Name	Tien-Lin Chao
Shareholding	0 share
Incumbent positions	Associate Professor, Department of Public Policy and Management, Shih Hsin University
Educational Background	Doctoral Program in Industrial Engineering and Management, National Kaohsiung University of Science and Technology Master of Public Policy, National Sun Yat-sen University
Experience	Member of the 8th, 9th and 10th term of the Legislative Council of the Republic of China Director of the Straits Exchange Foundation
Whether the Independent Director serves for more than 3 consecutive terms.	No

Comparison Table of Amendments to the Articles of Incorporation of Gloria Material Technology Corp.

After amendment	Before amendment	Purpose of amendment
Article 5: The total amount of the Company's capital is NT\$ <u>10 billion</u> , which is further divided into <u>1 billion</u> 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: 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.	In view of the Company's future development, it is proposed to increase the total amount of the Company's authorized capital
Article 29: Adding <u>"Twenty-seventh Amendment on May 29, 2024" to the existing provision.</u>	Article 29: Omitted.	Adding the date of amendment

Comparison Table of Amendments to the Procedures of the Acquisition or Disposal of Assets of Gloria Material Technology Corp.

After amendment	Before amendment	Purpose of amendment
<p>Article 7: Procedures for acquisition or disposal of real estate, equipment or its right-of-use assets</p> <p>I. Assessment and operating procedures</p> <p>The Company's acquisition or disposal of property, equipment or its right-of-use assets shall be handled in accordance with the property, plant and equipment cycle procedures of the Company's internal control system.</p> <p>II. The procedure for determining the terms and conditions of the transaction and the authorized amount</p> <p>(I) For the acquisition or disposal of real estate, the transaction conditions and price shall be determined based on the announced fair value, assessed value, actual transaction prices of adjacent real estate, etc. An analysis report shall be prepared and submitted to the Chairman for approval. For transactions involving amounts below NTD 50 million, approval from the Chairman shall be sought and reported in</p>	<p>Article 7: Procedures for acquisition or disposal of real estate, equipment or its right-of-use assets</p> <p>I. Assessment and operating procedures</p> <p>The Company's acquisition or disposal of property, equipment or its right-of-use assets shall be handled in accordance with the property, plant and equipment cycle procedures of the Company's internal control system.</p> <p>II. The procedure for determining the terms and conditions of the transaction and the authorized amount</p> <p>(I) For the acquisition or disposal of real estate, the transaction conditions and price shall be determined based on the announced fair value, assessed value, actual transaction prices of adjacent real estate, etc. An analysis report shall be prepared and submitted to the Chairman for approval. For transactions involving amounts below NTD 50 million, approval from the Chairman shall be sought and reported in</p>	<p>In order to meet the Company's practical operating needs, the relevant authorization limits for the Chairman in the Procedures for the Acquisition and Disposal of Assets has been amended.</p>

After amendment	Before amendment	Purpose of amendment
<p>the next board meeting for the record. If the amount exceeds NTD 50 million, it shall also be submitted to the board of directors for approval before proceeding.</p> <p>(II) For the acquisition or disposal of equipment, one of the following methods shall be used: inquiry, comparison, negotiation or bidding. <u>For transactions involving amounts up to (and including) NTD 50 million, it shall be submitted to the General Manager for approval. For amounts exceeding NTD 50 million up to (and including) NTD 100 million, it shall be submitted to the Vice Chairman for approval. For amounts exceeding NTD 100 million up to (and including) NTD 300 million, it shall be submitted to the Chairman for approval. Transactions exceeding NTD 300 million shall require approval from the Chairman and submitted to the Board of Directors for approval before proceeding.</u></p>	<p>the next board meeting for the record. If the amount exceeds NTD 50 million, it shall also be submitted to the board of directors for approval before proceeding.</p> <p>(II) For the acquisition or disposal of equipment, one of the following methods shall be used: inquiry, comparison, negotiation or bidding. For transactions involving amounts below (and including) NTD 20 million, it shall be submitted to the General Manager for approval. For amounts exceeding NTD 20 million up to (and including) NTD 30 million, it shall be submitted to the Vice Chairman for approval. For amounts exceeding NTD 30 million up to (and including) NTD 50 million, it shall be submitted to the Chairman for approval. Transactions exceeding NTD 50 million shall require approval from the Chairman and submitted to the Board of Directors for approval before proceeding.</p>	

After amendment	Before amendment	Purpose of amendment
<p>Article 8: Procedures for acquisition or disposal of securities investment</p> <p>I. Assessment and operating procedures</p> <p>The Company shall handle the purchase and sale of long-term and short-term securities in accordance with the Company's internal control system investment cycle.</p> <p>II. The procedure for determining the terms and conditions of the transaction and the authorized amount</p> <p>(I) For the trading of securities on the centralized trading market or the OTC market, the responsible unit shall determine the amount according to the market conditions. <u>For transactions involving amounts up to (and including) NTD 50 million, it shall be submitted to the General Manager for approval. For amounts exceeding NTD 50 million up to (and including) NTD 100 million, it shall be submitted to the Vice Chairman for approval. For amounts exceeding NTD 100 million up to (and including) NTD 300 million, it shall be submitted to the Chairman for approval.</u> And all transactions shall be reported in the next</p>	<p>Article 8: Procedures for acquisition or disposal of securities investment</p> <p>I. Assessment and operating procedures</p> <p>The Company shall handle the purchase and sale of long-term and short-term securities in accordance with the Company's internal control system investment cycle.</p> <p>II. The procedure for determining the terms and conditions of the transaction and the authorized amount</p> <p>(I) For the trading of securities on the centralized trading market or the OTC market, the responsible unit shall determine the amount according to the market conditions. For transactions involving amounts below (and including) NTD 20 million, it shall be submitted to the General Manager for approval. For amounts exceeding NTD 20 million up to (and including) NTD 30 million, it shall be submitted to the Vice Chairman for approval. <u>For amounts exceeding NTD 30 million up to (and including) NTD 50 million, it shall be submitted to the Chairman for approval.</u> And all transactions shall be reported in the next board</p>	<p>In order to meet the Company's practical operating needs, the relevant authorization limits for the Chairman in the Procedures for the Acquisition and Disposal of Assets has been amended.</p>

After amendment	Before amendment	Purpose of amendment
<p>board meeting for the record, accompanied by an analysis report of unrealized gains or losses on securities in the short and long term. Transactions <u>exceeding NTD 300 million shall require approval from the Chairman and submitted to the Board of Directors for approval before proceeding.</u></p> <p>(II) For the trading of securities not on the centralized trading market or the OTC market, the Company shall obtain the most recent financial statements audited and certified or reviewed by a CPA of the subject company before the date of occurrence of the fact as a reference for assessing the transaction price. Factors to consider include per-share net worth, profitability, and potential for future development. <u>For transactions involving amounts up to (and including) NTD 50 million, it shall be submitted to the General Manager for approval. For amounts exceeding NTD 50 million up to (and including) NTD 100 million, it shall be submitted to the Vice Chairman for approval. For amounts exceeding NTD 100 million up to (and including) NTD 300 million, it shall be</u></p>	<p>meeting for the record, accompanied by an analysis report of unrealized gains or losses on securities in the short and long term. Transactions exceeding NTD 50 million shall require approval from the Chairman and submitted to the Board of Directors for approval before proceeding.</p> <p>(II) For the trading of securities not on the centralized trading market or the OTC market, the Company shall obtain the most recent financial statements audited and certified or reviewed by a CPA of the subject company before the date of occurrence of the fact as a reference for assessing the transaction price. Factors to consider include per-share net worth, profitability, and potential for future development. For transactions involving amounts below (and including) NTD 20 million, it shall be submitted to the General Manager for approval. For amounts exceeding NTD 20 million up to (and including) NTD 30 million, it shall be submitted to the Vice Chairman for approval. For amounts exceeding NTD 30 million up to (and including) NTD 50 million, it shall be submitted to</p>	

After amendment	Before amendment	Purpose of amendment
<p><u>submitted to the Chairman for approval</u>. And all transactions shall be reported in the next board meeting for the record, accompanied by an analysis report of unrealized gains or losses on securities in the short and long term. Transactions <u>exceeding NTD 300 million shall require approval from the Chairman and submitted to the Board of Directors for approval before proceeding</u>.</p>	<p>the Chairman for approval. And all transactions shall be reported in the next board meeting for the record, accompanied by an analysis report of unrealized gains or losses on securities in the short and long term. Transactions exceeding NTD 50 million shall require approval from the Chairman and submitted to the Board of Directors for approval before proceeding.</p>	
<p>Article 10: Procedures for acquisition or disposal of membership cards or intangible assets</p> <p>I. Assessment and operating procedures</p> <p>The Company's acquisition or disposal of intangible assets or its right-of-use assets or membership cards shall be handled in accordance with the property, plant and equipment cycle procedures of the Company's internal control system.</p> <p>II. The procedure for determining the terms and conditions of the transaction and the authorized amount</p> <p>(I) For the acquisition or disposal of membership cards, the transaction conditions and prices shall be determined with reference to the fair market</p>	<p>Article 10: Procedures for acquisition or disposal of membership cards or intangible assets</p> <p>I. Assessment and operating procedures</p> <p>The Company's acquisition or disposal of intangible assets or its right-of-use assets or membership cards shall be handled in accordance with the property, plant and equipment cycle procedures of the Company's internal control system.</p> <p>II. The procedure for determining the terms and conditions of the transaction and the authorized amount</p> <p>(I) For the acquisition or disposal of membership cards, the transaction conditions and prices shall be determined with reference to the fair market</p>	<p>In order to meet the Company's practical operating needs, the relevant authorization limits for the Chairman in the Procedures for the Acquisition and Disposal of Assets has been amended.</p>

After amendment	Before amendment	Purpose of amendment
<p>price and an analysis report shall be prepared. <u>For transactions involving amounts up to (and including) NTD 50 million, it shall be submitted to the General Manager for approval. For amounts exceeding NTD 50 million up to (and including) NTD 100 million, it shall be submitted to the Vice-Chairman for approval. For amounts exceeding NTD 100 million up to (and including) NTD 300 million, it shall be submitted to the Chairman for approval.</u> All transactions shall be reported in the next board meeting for the record. <u>Transactions exceeding NTD 300 million shall require approval from the Chairman and submitted to the Board of Directors for approval before proceeding.</u></p> <p>(II) For the acquisition or disposal of intangible assets or the right-of-use assets thereof, the terms and conditions of the transaction and the transaction price shall be determined with reference to the expert evaluation report or the fair market price, and an analysis report shall be prepared. <u>For transactions involving amounts up to (and including) NTD 50 million, it shall be submitted to</u></p>	<p>price and an analysis report shall be prepared. For transactions involving amounts up to (and including) NTD 2 million, it shall be submitted to the General Manager for approval. For amounts exceeding NTD 2 million up to (and including) NTD 3 million, it shall be submitted to the Vice Chairman for approval. For amounts exceeding NTD 3 million up to (and including) NTD 5 million, it shall be submitted to the Chairman for approval. All transactions shall be reported in the next board meeting for the record. Transactions exceeding NTD 5 million shall also be submitted to the Board of Directors for approval before proceeding.</p> <p>(II) For the acquisition or disposal of intangible assets or the right-of-use assets thereof, the terms and conditions of the transaction and the transaction price shall be determined with reference to the expert evaluation report or the fair market price, and an analysis report shall be prepared. For transactions involving amounts below (and including) NTD 20 million, it shall be submitted to the General Manager for approval. For amounts</p>	

After amendment	Before amendment	Purpose of amendment
<p><u>the General Manager for approval. For amounts exceeding NTD 50 million up to (and including) NTD 100 million, it shall be submitted to the Vice-Chairman for approval. For amounts exceeding NTD 100 million up to (and including) NTD 300 million, it shall be submitted to the Chairman for approval.</u></p> <p>And all transactions shall be reported in the next board meeting for the record.</p> <p><u>Transactions exceeding NTD 300 million shall require approval from the Chairman and submitted to the Board of Directors for approval before proceeding.</u></p>	<p>exceeding NTD 20 million up to (and including) NTD 30 million, it shall be submitted to the Vice Chairman for approval. For amounts exceeding NTD 30 million up to (and including) NTD 50 million, it shall be submitted to the Chairman for approval. All transactions shall be reported at the next board meeting for the record. Transactions exceeding NTD 50 million shall also be submitted to the Board of Directors for approval before proceeding.</p>	
<p>Article 12: Procedures for the acquisition and disposal of assets</p> <p>Omitted.</p> <p>(V) Determination of the total contract amount and the maximum loss limit</p> <p>1. Total contract amount</p> <p>(1) Hedging transaction amount limit</p> <p>The financial department shall monitor the Company's overall position to avoid transaction risks. <u>The total contract amount shall be limited to the net operating revenue of the month.</u> If it exceeds two-thirds of the amount, it shall be reported to the General Manager for approval.</p>	<p>Article 12: Procedures for the acquisition and disposal of assets</p> <p>Omitted.</p> <p>(V) Determination of the total contract amount and the maximum loss limit</p> <p>1. Total contract amount</p> <p>(1) Hedging transaction amount limit</p> <p>The finance department shall monitor the Company's overall positions to avoid transaction risks. The amount of hedging transactions shall not exceed the overall net position of the Company. Anything exceeding two-thirds of the amount shall be reported to the General Manager</p>	<p>The total contract amount for hedging transactions is amended to conform to the Company's practical needs, and the position generated due to the Company's business is used as the risk hedging amount.</p>

After amendment	Before amendment	Purpose of amendment
	for approval.	
<p>Article 13: Procedures for mergers and consolidations, splits, acquisitions, and assignment of shares</p> <p>Omitted.</p> <p>(III) Principles for <u>setting and</u> changing the share exchange ratio or acquisition price: <u>The company conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.</u> In principle, the</p>	<p>Article 13</p> <p>Omitted.</p> <p>(III) Principles for setting and changing the share exchange ratio or acquisition price: The company conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders and submit it to the board of directors for deliberation and passage. In principle, the share exchange ratio or acquisition price may not be changed at will, except when the conditions for</p>	<p>Subparagraphs 1 and 2 of Article 13 have already described the procedure for setting the share exchange ratio and acquisition price. In order to meet the Company's practical operation needs, it is proposed to amend Article 13 so that the purpose of this subparagraph is only changed in principle.</p>

After amendment	Before amendment	Purpose of amendment
<p>share exchange ratio or acquisition price may not be changed at will, except when the conditions for change have been stipulated in the contract and have been publicly disclosed.</p> <p>Omitted.</p>	<p>change have been stipulated in the contract and have been publicly disclosed.</p> <p>Omitted.</p>	
<p>Article 17: Implementation and amendment</p> <p><u>Tenth amendment was effected on May 29, 2024.</u></p>	<p>Article 17:</p> <p>Omitted.</p>	<p>Adding the date of the amendment</p>

[Attachment XI]

**Comparison Table of Amendments to the Rules of
Procedure for Shareholders' Meeting of Gloria Material
Technology Corp.**

After amendment	Before amendment	Purpose of amendment
<p>Article 2</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.</p> <p><u>Unless otherwise provided in these Regulations, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.</u></p> <p>Omitted.</p>	<p>Article 2</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.</p> <p>Omitted.</p>	<p>As the Company convenes the video conference, the shareholders are not allowed to attend the meeting in person, and can only participate in the shareholders' meeting by video conference, which imposes more restrictions on the rights and interests of shareholders. In order to protect shareholders' rights, the second paragraph is hereby added to stipulate that in addition to the provisions of the Regulations of Governing the Administration of Shareholder Services of Public Companies otherwise provides, the Company convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote (special resolution) at a meeting of the board of directors attended by at least two-thirds of the total number of directors.</p>
<p>Article 6-1</p> <p>The Company shall specify the following in the shareholder meeting notice when convening a shareholder meeting via videoconference:</p> <p>Sub-paragraphs I and II omitted.</p> <p>III. When the Company convenes a virtual-only shareholders'</p>	<p>Article 6-1</p> <p>The Company shall specify the following in the shareholder meeting notice when convening a shareholder meeting via videoconference:</p> <p>Sub-paragraphs I and II omitted.</p> <p>III. When the Company convenes a virtual-only</p>	<p>I. When the company convenes a virtual-only shareholders' meeting, it furthermore shall specify appropriate alternative measures available to shareholders who have</p>

After amendment	Before amendment	Purpose of amendment
<p>meeting, it furthermore shall specify appropriate alternative measures available to shareholders who have difficulty taking part in a virtual shareholders' meeting.</p> <p><u>Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations of Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.</u></p>	<p>shareholders' meeting, it furthermore shall specify appropriate alternative measures available to shareholders who have difficulty taking part in a virtual shareholders' meeting.</p>	<p>difficulty taking part in a virtual shareholders' meeting. The Company shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.</p> <p>2. If, due to a natural disaster, unforeseen event or other force majeure event described in paragraph 6, Article 44-9 of the Regulations Governing the Administration of Stock Services of Public Companies, the Ministry of Economic Affairs announces that within a certain period of time companies may hold their shareholders' meetings by means of video conferencing, companies may be exempted during that period from the requirement of express provision in their Articles of Incorporation under sub-paragraph 3, which states that in the event described in paragraph 6, Article 44-9 of the Regulations Governing the Administration of Stock Services of Public Companies, the</p>

After amendment	Before amendment	Purpose of amendment
		latter part of sub-paragraph 3 shall not apply.
<p>Article 21</p> <p>When the shareholders' meeting is held via video-conferencing, the company shall provide proper alternative measures for shareholders who have difficulty attending shareholders' meetings virtually.</p> <p><u>Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations of Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.</u></p>	<p>Article 21</p> <p>When the shareholders' meeting is held via video-conferencing, the company shall provide proper alternative measures for shareholders who have difficulty attending shareholders' meetings virtually.</p>	<p>The purpose of amendment is the same as Article 6-1.</p>
<p>Article 23:</p> <p><u>Ninth amendment was effected on May 29, 2024.</u></p>	<p>Article 23:</p> <p>Omitted.</p>	<p>Adding the date of the amendment</p>

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 unexpired 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.

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 extemporaneous 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 extemporaneous 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 31, 2024

Title	Name	Shareholding	% (Note)
Chairman	Taiwan Steel Group United Co., Ltd. Representative: Chiung-Fen Wang	19,636,000	3.26
Director	Taiwan Steel Group United Co., Ltd. Representative: Shih-Chieh Chao		
Director	Gloria Investments Limited Representative: Wen-Yuan Lin	1,000	0.00
Director	Gloria Investments Limited Representative: Shih-Chieh Chao		
Director	Baijiayuan Investment Co., Ltd Representative: Yi-Ching Wu	477,000	0.08
Independent director	Chun-Hsiung Chu	-	-
Independent director	Yi-Lang Lin	-	-
Independent director	Tzu-Meng Liu	-	-
Total		20,114,000	3.34

1. The total shares issued on March 31, 2024: 602,471,197 shares.

2: Independent Director Chien resigned from the position of independent director on January 31, 2024.

Note:

1. The number of shares required to be held by the entire bodies of directors: 19,279,078 shares. The number of shares held by the entire bodies of directors thereof as of March 31, 2024: 20,114,000 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.