



Gloria Material Technology Corp.
Minutes of the 2025 Annual Shareholders' Meeting

Time: May 29, 2025 (Thursday) at 14:00 p.m.

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

Type of the meeting: Hybrid Shareholders' Meeting: Physical shareholders meeting supported by video conferencing.

E-Meeting Platform: "Shareholders meeting e-Voting Platform - Hybrid Shareholders' Meeting" by Taiwan Depository & Clearing Corporation (<https://www.stockvote.com.tw/evote/index.html>)

Attendants: The total outstanding shares is 602,471,197 shares. All shareholders and their proxy holders, representing 453,829, 471 shares (among them, 280,508,442 shares voted via electronic transmission), or 75.32% of the total outstanding shares.

Directors present: Chairman, Chiung-Fen Wang; Director, Cheng-Hsiang Chen; Director, Yi-Chang Hsieh; Independent Director, Chun-Hsiung Chu (the convener of the audit committee); Independent Director, Yi-Lang Lin; Independent Director, Tzu-Meng Liu.



Chairman: Chiung-Fen Wang

Recorder: Yu-Chun Chen,



Attendees: President, Yung-Chang Kang; CPA, Yong-xiang Zhao; Financing Manager, Yu-Chen Lee; Accounting Manager, Yi-Ting Tseng

I. Call Meeting to Order: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The chairman called the meeting to order.

II. Chairman's Address: omitted

III. Reporting Items:

1. Discussion of the 2024 Business Report. (No questions raised by the shareholders)

Explanation: The 2024 Business Report, attached in Attachment I.

2. Discussion of the 2024 Final Report of the Audit Committee. (No questions raised by the shareholders)

Explanation: The 2024 Final Report of the Audit Committee, attached in

Attachment II.

3. Discussion of the implementation status of investments in China. (No questions raised by the shareholders)

Explanation: Status of implementation of investments in China as of December 31, 2024, attached in Attachment III.

4. Discussion of the compensation for employees and directors in 2024. (No questions raised by the shareholders)

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 1.56% of pre-tax profit in 2024, totaling NT\$50,000,000, and the proportion of compensation for directors shall be 0.78% 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 2024.

5. Discussion of the earnings distribution and cash dividends for 2024. (No questions raised by the shareholders)

Explanation: 1. GMTC has not distributed 2024 surplus earnings as cash dividends in Q1-Q3, but plans to distribute cash dividends of NT\$2.6 per share in Q4, totaling NT\$1,566,425,112 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 2024 Convertible Bonds Report. (No questions raised by the shareholders)

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	53.7
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 2024 directors' remuneration report.(No questions raised by the shareholders)

Explanation: 2024 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. 2024 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.	-	-	-	-	7,750	7,750	-	-	7,750	7,750	-	-	-	-	-	-	-	-	7,750	7,750	0.30%	0.30%	-
Chairman	Chiung-Fen Wang	720	784	-	-	-	1,557	100	140	820	2,481	17,626	18,022	-	-	6,550	-	7,450	-	24,996	27,953	0.96%	1.08%	1,400
Director	Shih-Chieh Chao	600	600	-	-	-	-	40	40	640	640	-	-	-	-	-	-	-	-	640	640	0.02%	0.02%	288
Juristic (corporate) person director	Gloria Investments Limited	-	-	-	-	5,200	5,200	-	-	5,200	5,200	-	-	-	-	-	-	-	-	5,200	5,200	0.20%	0.20%	-
Director	Wen-Yuan Lin	600	600	-	-	-	-	70	70	670	670	-	-	-	-	-	-	-	-	670	670	0.03%	0.03%	-
Director	Cheng-Hsiang Chen	600	600	-	-	-	120	80	90	680	810	-	-	-	-	-	-	100	-	680	910	0.03%	0.04%	700
Juristic (corporate) person director	Baijiayuan Investment Co., Ltd.	-	-	-	-	2,600	2,600	-	-	2,600	2,600	-	-	-	-	-	-	-	-	2,600	2,600	0.10%	0.10%	-
Director	Yi-Ching Wu	600	600	-	-	-	-	70	70	670	670	-	-	-	-	-	-	-	-	670	670	0.03%	0.03%	-
Independent director	Chin-Chen Chien	160	160	-	-	200	200	30	30	390	390	-	-	-	-	-	-	-	-	390	390	0.02%	0.02%	-
Independent director	Chun-Hsiung Chu	960	960	-	-	2,600	2,600	210	210	3,770	3,770	-	-	-	-	-	-	-	-	3,770	3,770	0.15%	0.15%	-
Independent director	Yi-Lang Lin	960	960	-	-	2,600	2,600	210	210	3,770	3,770	-	-	-	-	-	-	-	-	3,770	3,770	0.15%	0.15%	-
Independent director	Tzu-Meng Liu	930	930	-	-	2,600	2,600	190	190	3,720	3,720	-	-	-	-	-	-	-	-	3,720	3,720	0.14%	0.14%	-
Independent director	Tian-lin Zhao	400	400	-	-	1,450	1,450	70	70	1,920	1,920	-	-	-	-	-	-	-	-	1,920	1,920	0.07%	0.07%	-

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 2024 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

8. Review of the 2024 Report on Significant Transactions with Related Parties. (No questions raised by the shareholders)

Explanation: Please refer to Attachment III of the Company's Significant transactions with related party S-Tech Corp. in 2024.

IV. Proposals for Acceptance and Approval:

Proposal 1: 2024 business report and financial statements. For your adoption.

(Proposed by the Board of Directors)

- Explanation
1. The 2024 business report and financial statements were approved by the Audit Committee and the Board of Directors. The financial statements were audited by auditors Yung-Hsiang Chao and Ming-Hsien Liu of Deloitte Taiwan.
 2. The Company's 2024 Business Report, CPA audit report and financial statements, attached in Attachment I, and Attachments V and VI.

Resolution: No questions raised by the shareholders. Shares represented at the time of voting: 450,599,471

Voting Results	
Votes in Favor :	430,378,095 votes
Votes Against :	42,259 votes
Votes Invalid :	0 vote
Votes Abstained :	20,179,117 votes

The number of votes in favor was accounting for 95.51 % of the total voting rights of the presenting shareholders.

The above proposal be and hereby was approved as proposed.

Proposal 2: Appropriation of 2024 earnings. For your adoption. (Proposed

by the Board of Directors)

- Explanation: 1. 1. The appropriation of 2024 earnings was approved by the 17th 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 2024 net profit came in at NTD 2,592,390,292, which was NTD 261,084,831 after deducting the statutory surplus reserve, giving a total of NTD 59,111,866 after the special surplus reserve was rotated. In addition, the undistributed surplus earnings at the beginning of the year are NTD 2,222,001,154, plus the retained earnings under the equity method of NTD 1,549,500 and retained earnings from the remeasurements of the net defined benefit of NTD 16,908,513, which bring about 2024 distributable earnings of NTD 4,630,876,494.
 3. Undistributed surplus in the first, second and third quarters of 2024. In Q4 of 2024, the Company distributed NTD 1,566,425,112 cash dividends at NTD 2.60 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 NTD 1 is rounded off. The remainder will be adjusted, and cash dividends are paid out in lump sum amounts.
 4. Subsequently, for the factors such as issuance of new shares for capital increase or cancellation of shares affecting the number of outstanding shares and dividend payout ratio, the shareholders' meeting shall authorize the Chairman to handle matters related to adjusting the dividend payout ratio.
 5. Appropriation of 2024 earnings, attached in Attachment

VII.

Resolution: No questions raised by the shareholders. Shares represented at the time of voting: 450,599,471

Voting Results	
Votes in Favor :	430,682,728 votes
Votes Against :	41,362 votes
Votes Invalid :	0 vote
Votes Abstained :	19,875,381 votes

The number of votes in favor was accounting for 95.57 % of the total voting rights of the presenting shareholders.

The above proposal be and hereby was approved as proposed.

V Discussion Items:

Proposal 1: Discussion on the lifting of non-competition restrictions on the new 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.

Identity	Name	Incumbent Positions
Director	Yi-Chang Hsieh	1.Wangpei Digital Co., Ltd., Compliance Officer 2. Jardine International Energy Corp., Advisor / Consultant 3.Kaohsiung Boheng Law Firm, Chief Strategy Officer (CSO) 4.Genewei Precision Technology Co., Ltd., Consultant

Resolution: No questions raised by the shareholders.Shares represented at the time of voting: 450,599,471

Voting Results
Votes in Favor : 393,463,074 votes
Votes Against : 33,589,657 votes
Votes Invalid : 0 vote
Votes Abstained : 23,546,740 votes

The number of votes in favor was accounting for 87.31% of the total voting rights of the presenting shareholders.

The above proposal be and hereby was approved as proposed.

Proposal 2: Discussion on the amendments to the Articles of Incorporation.
(Proposed by the Board of Directors)

Explanation: 1. In response to the amendment of Article 14 of the Securities and Exchange Act, the Company shall specify in its Articles of Incorporation a certain percentage of annual earnings to be allocated for adjusting salaries or distributing compensation to grassroots employees; therefore, the Articles of Incorporation are amended accordingly.

2. Comparison Table of Amendments to the Articles of Incorporation, attached in Attachment VIII.

Resolution: No questions raised by the shareholders.Shares represented at the time of voting: 450,599,471

Voting Results	
Votes in Favor :	430,584,183 votes
Votes Against :	75,898 votes
Votes Invalid :	0 vote
Votes Abstained :	19,939,390 votes

The number of votes in favor was accounting for 95.55 % of the total voting rights of the presenting shareholders.

The above proposal be and hereby was approved as proposed.

VI. Extemporaneous Motions: None.

VII. Adjournment: This meeting is closed at 14:35 pm.

(This meeting minutes is a summary of the meeting. Video record may be referenced for details of the event, procedures, and shareholder statements.)

Attachments

[Attachment I]

Business Report

I. 2024 Business Plan Implementation Results

In 2024, the prices of raw materials such as nickel and chromium remained at low levels. Additionally, factors such as the sluggish German economy in the European market, overcapacity in steel mills leading to price cuts and fire sales, cautious ordering by customers in the U.S. market due to the upcoming election and the downturn in the manufacturing industries in Taiwan and China contributed to a slight decline in revenue. However, benefiting from steady demand in the aerospace sector, as well as the geopolitical shifts in regions such as Ukraine, Russia and the Middle East, which have created geopolitical economic niches, the stable order intake in the defense industry has helped stabilize the Company's revenue and profitability. The consolidated revenue for the year 2024 was NT\$12,864,438 thousand, a decrease of 4.89% compared to 2023. The net profit before tax for 2024 was NT\$3,249,952 thousand, an increase of 12.11% compared to 2023.

Growth of consolidated sales and pre-tax profit

Unit: NT\$ thousand

	Operating revenue	Gross margin	Operating profit	Pre-tax profit
2024	12,864,438	3,370,428	1,959,596	3,249,952
2023	13,525,251	3,644,650	2,374,232	2,896,244
Percentage Growth	-4.89%	-7.52%	-17.46%	12.21%

(I) Budget implementation

Although benefiting from the stable demand in the aerospace and defense industries, the sluggish performance of both domestic and international manufacturing sectors led to conservative order placements from customers. With excess inventory in the supply chain, no growth in orders was seen in the second half of the year. As a result, the full-year revenue and profit slightly declined, failing to meet the budget targets. In 2024, the actual parent company only net operating revenue was NT\$11,729,109 thousand, achieving 87.83% of the budget. The actual parent company only net income after tax was NT\$2,592,390, with a budget achieving rate of 128.65%.

Unit: NT\$ thousand

Year Item	2024 parent company only budget	Actual 2024 parent company only	Achievement rate %
Net operating revenue	13,425,521	11,792,109	87.83%
Gross margin	3,323,589	2,808,906	84.51%
Operating profit	2,312,097	1,712,800	74.08%
Pre-tax profit	2,518,816	3,134,192	124.43%
Net profit	2,015,054	2,592,390	128.65%

(II) The capacity of financial revenue and profitability

1. The net cash inflow from operating activities for the year amounted to NT\$876,128 thousand, primarily due to the increase in operating profit. The net cash outflow from investing activities was NT\$656,715 thousand, mainly due to the purchase of fixed assets for plant expansion. The net cash outflow from financing activities was NT\$274,137 thousand, primarily due to the distribution of dividends.
2. Profitability analysis (consolidated)
Return on assets: 8.49%
Return on shareholders' equity: 15.16%
Operating profit to paid-in capital ratio: 32.53%
Income before tax to paid-in capital ratio: 53.94%
Basic EPS (after tax): 4.40

(III) Description of the research and development review

In response to the R&D and improvement of high-end and traditional steel, GMTC has developed new types of steel for hot work tool steel and mirror-finished stainless steels that have both high strength and toughness, which can be effectively used in the die casting, aluminum extrusion and mold making industries. A new product launch was held in July of that year.

The main tasks of R&D and quality in 2024 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.
2. Continue to comply with the steel type, shape, size, weight, and simplified processes 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. Conducted trials with a 50-ton melting furnace and made preparations for the implementation of production operations.
7. Successfully developed new products: high-end mirror-finished stainless steel and hot work tool steel.

II. 2025 Business plan

(I) Business development

In 2024, the company was affected by the economic downturn in Germany, the European market, lower end-market demand, reduced inventory levels and a decline in the prices of nickel, chromium and other alloys, which led to a decrease in the average order price. Additionally, the slow recovery of the Chinese economy had an impact on global economic development and social stability.

International major forecasting institutions predict that global economic growth in 2025 will be around 3%, making it another year full of uncertainties. The U.S.-China trade war may intensify, dragging down the global economic expansion speed. Global tariffs and trade protectionism will all contribute to pressure on global economic adjustments. However, emerging markets such as India and ASEAN countries are expected to maintain strong economic growth, especially in manufacturing, which will add some bright spots to the global economy. GMTC, with its global marketing presence, has strategically planned its business development across different regions, ensuring stable order volumes in the market.

Domestic Market: Affected by the U.S.-China trade war and steel dumping from China, the Company has continued to actively develop high-end tool steels. Last year, two new products were launched (Advanced Hot Work Steel TS-GHA1 and High-End Mirror-finished Stainless Steel TS-GPX1), aimed at improving end customers' production efficiency and reducing costs, while replacing imported materials, achieving a win-win situation.

Additionally, with the new 50-ton furnace and continuous casting machine starting mass production, the Company will enhance the cost competitiveness of general commercial steel. It is anticipated that in the future, the domestic market will expand its service range, offering more in-house/customized material options to various domestic industries.

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. The group company, Golden Win International, is responsible for logistics in neighboring regions, coordinating with Taiwanese businesses to expand into Southeast Asian markets such as Vietnam, Indonesia and Malaysia. At the same time, the Company deepens its collaboration with professional transmission component manufacturers to seize the rapidly growing market for automation and industrial machinery materials supply.

The aerospace industry has been slightly affected by Boeing's flight safety issues and strikes, leading to a delay in demand. However, the market's demand for commercial aircraft remains urgent and Boeing's order intake and production have also begun to recover after restructuring their supply chain. In the long term, the market is expected to continue growing. In response to the new U.S. tariff system and the uncertainty of policies, the Company strengthens communication with customers and remains attentive to tariff and trade barrier information from various countries.

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. The aerospace and energy industries will focus on expanding product certifications and closely collaborate with system manufacturers to address the demand for forged and precision-machined components at overseas locations. The addition of new production capacity will help ensure a complete range of product sizes, further expanding market share.

(II) Product development:

New product / New process development:

In 2025, in addition to continuing to expand the application achievements of high-end hot work steel and mirror-finished stainless steel for end-users in mold applications, the development of new products such as plastic mold steel and cold work tool steel will be completed this year. These new products are primarily used in the plastic mold industry, with improved characteristics of the original materials, enhancing toughness and wear resistance, resulting in a higher grade.

The key tasks of 2025 in line with the above product lines are as follows:

1. Production:

The expansion of production equipment at the two major plants is underway, with their positioning completed. Each plant will focus on producing competitive products. The arrangements for capacity from the new equipment, cost control and the establishment of more comprehensive maintenance capabilities will be prioritized. Additionally, emphasis will be placed on the precision of production and logistics, the smooth scheduling logic and system interfaces, ensuring that new product lines successfully enter the market. The construction of new forging equipment is also underway and once completed, it will serve as an outlet for molten steel. After the completion of the specialized steel integrated production line, it will become Taiwan's most comprehensive rebar steel production base.

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. Aerospace and defense industries continue to receive stable orders for functional VAR-grade products.
- c. The Americas region monitors market changes in response to tariff issues and adjusts order-taking pace dynamically.
- d. In response to the imposition of the European carbon tax, sales strategies have been adjusted to expand sales of stainless steel, functional stainless steel and the development of semi-finished product sales.
- e. Asian markets: The Indian market is experiencing stable growth due to an increase in foreign direct investment.

The Japanese market established an overseas office last year and has been actively developing the JIS MARK market and high-end stainless steel products.

The Korean market is actively collaborating with local distributors to increase the market share of stainless steel products.

The economic growth in Southeast Asia and India is stable, with strong domestic demand; however, price competition is intense, and the market is approached based on product layout.

3. R&D:

Focusing on new product development, two new steel grades will be introduced, with process improvements and integration, along with the

establishment of production parameters, in preparation for mass production after the completion of the final trial run of the 50T steelmaking plant. The detailed process planning will be continuously carried out, along with relevant production, testing, and adjustments, to ensure the new plant functions effectively. This will enable the quality to meet the established targets and, combined with expanded equipment capacity, deliver better products to the market.

(III) The Company's business policy for 2025

In the face of ever-changing regional market dynamics in the post-pandemic era, in 2024, GMTC'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

GMTC's market is mainly based on export and the proportion of exported products has reached 85.72%, selling in nearly 50 countries around the world. In the face of global competitors and the ever-changing international protectionism 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. Deepen the expansion of the Southeast Asian and Indian markets and broaden the Northeast Asian market.
4. We will plan the domestic sales network and global layout for new products.
5. Develop different product types in the market.

(II) Production strategy:

1. Production positioning planning and execution for both plant areas, conducting production process reengineering and optimization.
2. Strengthen the competitiveness of different product sizes, specialization and division of labor, and scale production to reduce costs.
3. Continuously optimize the production process, improve production efficiency, expand product size range to enhance competitiveness and stabilize manufacturing quality.
4. Expanding the new forging capacity.
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 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. To achieve harmonious labor-management relations, we have established an Employee Welfare Committee. Each year, we provide employees with travel subsidies, three festival bonuses (for Lunar New Year, Labor Day and Mid-Autumn Festival) and birthday gifts. In addition, we offer relevant subsidies during employees' weddings, funerals or celebratory events. In 2024, we have increased the birthday gift, travel subsidy and maternity subsidy amounts by over 50%, with the maternity subsidy being tripled. We have also raised the budget for free lunches, all in the hope of enhancing employees' sense of happiness and satisfaction.

In addition, we actively encourage migrant workers to obtain certifications by offering incentives for crane and forklift certifications, as well as organizing training classes to improve the pass rate. We also offer Chinese language courses for migrant workers to help develop outstanding talent. Furthermore, we encourage and subsidize employees' further education, in collaboration with Taiwan Steel Institute of Technology to offer master's degree programs for working professionals and specialized courses. Through a diversified and mutually beneficial industry-academia cooperation platform, we aim to cultivate excellent talent and create a win-win situation for both parties.

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

(I) Economic environment

The global economy in 2024 experienced a year full of challenges and fluctuations, primarily influenced by changes in Federal Reserve policies, inflation trends, unemployment rate fluctuations, and uncertainties in international policies. Additionally, the impact of the U.S. presidential election created a strong market wait-and-see atmosphere and the uncertainty in policies further slowed economic growth, resulting in a year of economic downturn for steel industry players.

The global economic growth in 2025 is estimated to be around 2.7% to 3.3%, mainly due to the expected insufficient recovery of the U.S. and Chinese economies. President Trump's policies will keep countries and industries in an adjustment phase during the first half of the year, making significant growth difficult. His tariff policies have led to retaliatory measures from various countries, further hindering economic growth. However, emerging countries, benefiting from labor cost advantages and developed manufacturing industries, as well as strong domestic demand in regions such as India and Southeast Asia, are expected to experience growth rates higher than the global average.

(II) Industry environment analysis:

The global economic growth in 2024 was slow. The recovery of the two major economies, the United States and China, fell short of expectations, with the Federal Reserve continuously raising interest rates. Frequent geopolitical conflicts have impacted various industries differently. In 2025, a potential ceasefire in the Russia-Ukraine war may lead to post-war recovery, which could drive a rebound in the sluggish economy. All related basic industries are expected to benefit. Key industries have a long-term growth trend and the short-term low-growth trend before the ceasefire is expected to improve in the second half of the year. Below is an analysis and forecast of several key industries related to special steel:

I. Aviation industry:

After the pandemic, the passenger load factor of airlines has steadily increased,

with the global commercial aircraft fleet expected to grow by 3.2% annually, which is lower than the growth rate of air traffic volume. Although deliveries were delayed in 113 due to strikes, the industry remains a growing sector in the long term.

The air freight fleet is expected to increase by two-thirds over the next 20 years, with a growth rate of approximately 4.1% in air freight volume.

As emerging markets resume their previous growth trends, passenger traffic in South Asia is expected to grow by 7.4%, followed by Southeast Asia (7.2%) and Africa (6.4%).

It is expected that the Eurasian continent will have the highest aircraft delivery volume, accounting for 22% of the total, leading all markets, with North America (20%) and China (20%) following closely.

A total of 33,380 single-aisle aircraft will be delivered, with their share in the fleet reaching 71% by 2043. The global wide-body aircraft fleet is also expected to more than double in size, with twin-aisle aircraft accounting for 44% of the aircraft fleet in the Middle East.

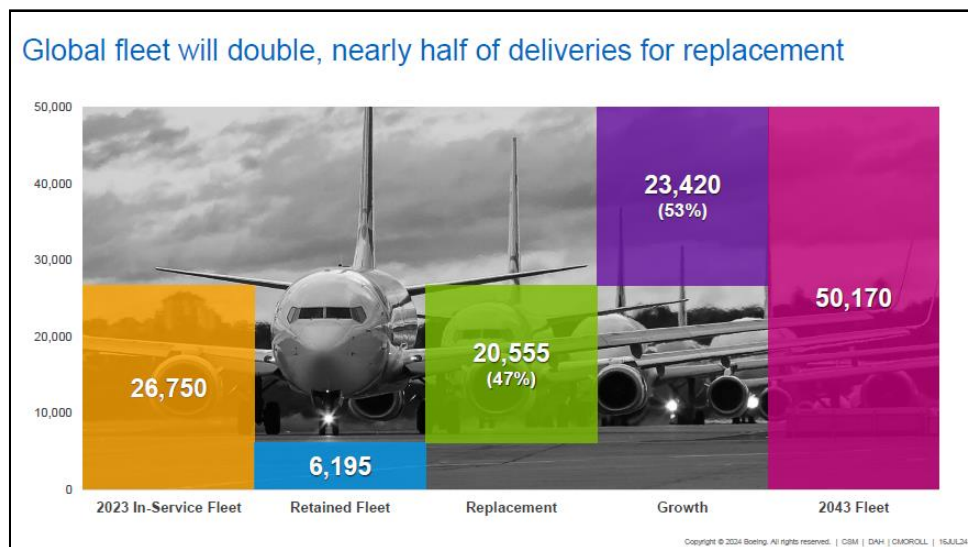


Fig.: Forecast of New Machine Demand in 2024 - 2043

Source: Boeing, CMO 2024-2043

II. Power industry

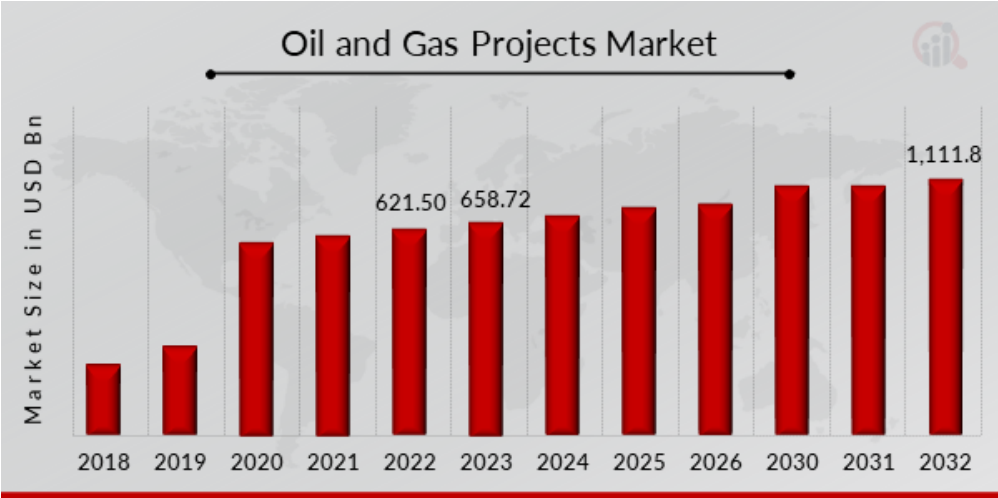
The global gas turbine market was valued at 18.9 billion USD in 2021 and is expected to reach 22.5 billion USD by 2026, with a compound annual growth rate (CAGR) of 3.6% from 2021 to 2026.

Due to the increase in economic activities in developing countries, rising industrialization, and the growing use of electrical appliances, the demand for electricity continues to rise. According to data from the Indian government and the Ministry of Statistic and Program Implementation, the electricity generation by utilities increased from 1,303,493 GWh in 2017 to 2018 to 1,371,779 GWh in 2018 to 2019, with an annual growth rate of approximately 5.24%. Therefore, the strict emission standards followed by developed countries and the growing demand for electricity are expected to drive the installation of natural gas power plants, as natural gas emits less carbon dioxide.

In 2020, the Asia-Pacific region dominated the gas turbine market, accounting for the largest share of the global gas turbine market in terms of value. In addition, due to rapid industrialization, urbanization, and economic growth in the region, emerging economies are expected to install new power plants, with power generation also projected to increase.

III. Crude oil industry

The market size of oil and gas projects was valued at USD 621.5 billion in 2022. The oil and gas market is expected to grow from USD 658.72 billion in 2023 to USD 1,111.8 billion by 2032, with a compound annual growth rate (CAGR) of 5.65% from 2024 to 2032. The increase in global energy demand and technological innovations are the main drivers of market growth.

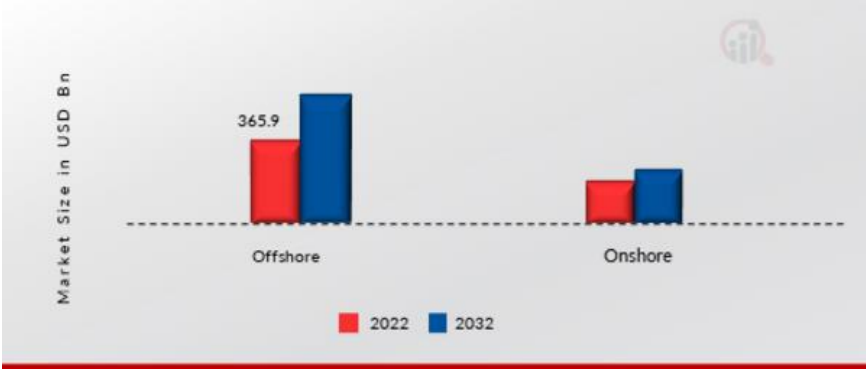


Source: Market Research Future

The market segmentation for oil and gas projects based on drilling includes offshore and onshore. The offshore category dominates the market due to the vast reserves hidden beneath the seabed, providing significant untapped resources for exploration and extraction.

The development of advanced drilling technologies and the upgrading of component materials have enhanced the ability to reach deeper and more remote offshore locations. Additionally, in areas where onshore exploration may face environmental or geopolitical challenges, offshore drilling can access large oil and gas reserves, further highlighting its strategic importance in the global oil and gas industry.

Fig.: Oil and Gas Market, by Drilling, in 2022 and 2032 (USD billions)



Source: MARKET RESEARCH FUTURE

The North American oil and gas market dominates, with abundant shale resources, thereby increasing exploration, extraction, and production activities. In addition, the demand for energy, technological advancements in extraction methods and the growing demand for natural gas in power generation are all driving forces behind market growth.

IV. Machinery and Molding Industry

The machinery industry holds a significant position in the global machinery and semiconductor equipment market. In recent years, with the rapid development of smart robots, unmanned vehicles, and generative AI technologies, the demand from global semiconductor, aerospace and energy industries has increased. This has led to a

rebound in machinery equipment demand. In 2024, the output value of Taiwan's machinery industry is expected to reach NTD 1.8279 trillion, representing a 3.4% growth compared to 2023. By 2025, the output value will rise to NTD 1.12241 trillion, with an annual growth of 3.7%. This is also expected to stimulate a recovery in the long-dormant orders for machine tools.

Molding technology is increasingly used in the manufacturing industry, with a growing demand for complex and precise plastic parts, such as those in the aerospace and automotive industries. This is especially true for the plastic mold industry. According to data from market research firm Dataintelo, the global plastic mold steel market size was USD 3.152 billion in 2022, and it is expected to reach USD 5.2 billion by 2030, with a projected compound annual growth rate of 5.9% from 2023 to 2031.

In 2022, the demand for plastic mold steel reached over 2.86 million tons, and it is expected to reach 3.76 million tons by 2031, with a compound annual growth rate of 3.2%. The market growth can be attributed to the expansion of the global automotive, packaging, and electronics industries, as well as the increasing demand for plastic mold steel in the construction, industrial, medical, and other applications. In recent years, GMTC has continuously invested in the research and development of new mold steel products and improvements. Coupled with the advantage of Asia being the main market, the market share and domestic production rate of plastic mold steel are expected to increase accordingly.

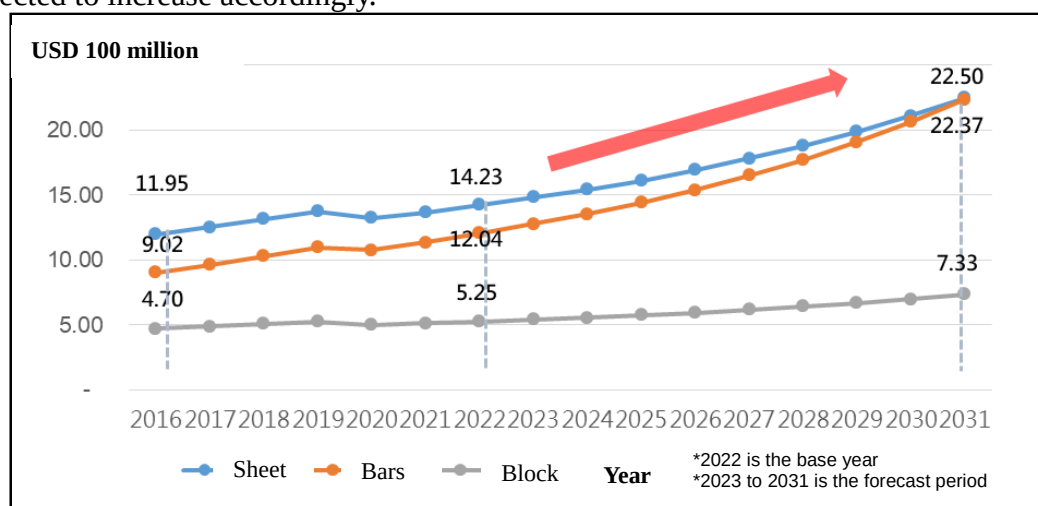


Fig.: Global Plastic Mold Steel Market Size from 2016 to 2031 Source: Metal Industries Research & Development Centre

(III) Iron and steel industry:

According to statistics from the World Steel Association, in 2024, global crude steel production decreased slightly by 0.6% compared to the previous year. The global steel demand growth rate for 2025 is projected to be around 1.2%. The crude steel industry remains dominated by China, where domestic demand has declined in recent years. The remaining production capacity is primarily exported to other countries, intensifying competition in various markets. With the U.S. implementing tariff policies, closing product exclusions and exemptions, the road to recovery for the steel industry is filled with challenges. The regions with stronger steel market demand are India, Southeast Asia, and North Africa, with an estimated growth of 3.5% to 4.5%.

Table. Regional Steel Production

	2023 (Million tons)	2024 (Million tons)	Year-on-year ratio (%)
Africa	22.3	22	1.4%
Asia and Oceania	1,357.80	1,367.20	-0.7%
European Union (27 countries)	129.5	126.3	2.5%

Other European countries	43.2	41.7	3.6%
Middle East	54.1	53.2	1.7%
North America	105.9	109.6	-3.4%
Russia and other independent countries + Ukraine	84.8	88.1	-3.7%
South America	41.9	41.5	1.0%
Total for 71 countries/regions	1,839.40	1,849.70	-0.6%

Source: World Steel Association

(IV) Regulatory environment and overall business environment

Global steel protectionism continues to intensify, with the U.S. returning to a dominant protectionist stance. In response, countries have implemented steel tariff quota import strategies or imposed additional import taxes to protect their regional markets from the impact. These measures have not been relaxed. As the new year begins, the global trade war will trigger shifts in market sectors.

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. High competitiveness in the global alloy tool steel market

2. Obstacles to trade remain in place across countries

(1) The U.S. steel Section 232 trade barrier is expected to enter another wave of tariff policies in 2025. Some steel products had previously obtained exemptions, but these were canceled after President Trump took office, leveling the playing field for global competitors without any exemptions.

(2) European Union: The trade barriers of steel tariff quotas continue to be in effect.

(3) Signing RCEP: The steel industry in Southeast Asia is a battleground of price wars, and the impact of tariffs is gradually starting to take effect. In the long term, this will be one of the pressures on Taiwanese steel manufacturers.

3. In recent years, the global geopolitical frictions have affected the global economy and the steel industry.

4. Carbon emission topic:

The global net-zero trend is advancing, and our country has announced a carbon fee collection policy. In response to the gradual increase in national policy strength, businesses should implement organizational carbon auditing and establish product carbon footprints. From a technical perspective, efforts should focus on low-carbon production processes, equipment development, or replacement, accelerating carbon reduction to face future industry effects as early as possible. From a national perspective, promoting the carbon border management mechanism and establishing a fair competitive environment for domestic manufacturers is an urgent task.

5. The grace period for the clause regarding large electricity consumers' self-supply of green energy will expire at the end of this year and full implementation will begin in 2026. The electricity costs for the steel industry are expected to rise and adjusting production schedules and selecting green energy are among the challenges faced by industry players.

Looking ahead to 2025, the economic recovery of all manufacturing industries is slowing down. The tariff policies in the U.S. are leading the speed of growth of all industrial activities. This uncertainty in the global trade environment may lead to trade disputes and revenge between countries. In addition, many risks such as the slowdown of the anti-inflation trend may further delay the expansion of the interest rate. In 2025, the Company will adopt a prudent strategy. Management will respond to the changes in

the external environment and adjust accordingly. The Company will continue to implement internal and lean management, professional division of responsibilities, and establish a procurement and inventory mechanism. The expansion of new production lines and equipment will be completed on schedule, and the output will be increased and the quality will be improved. The Company will also enhance technological value, develop new products, while maintaining a robust financial position and controlling various costs, strengthening market competitiveness, and ensuring the stability and growth of market share in each region.

Finally, we would like to thank all shareholders for their support and recognition. Despite the global economic downturn in 2024, the GMTC management team and employees have continued to work hard to achieve the best operational performance for our shareholders and employees. While many challenges lie ahead, we will continue to strive and bring profits to our 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 2024 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 25, 2025

GLORIA MATERIAL TECHNOLOGY CORP.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(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, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024
					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	\$ (5,162)	96	b- \$ (4,921)	\$ 107,387	\$ 109,064
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)	1,851	96	b- 1,803	151,934	112,926
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	5,444	96	b- 5,428	141,240	40,597
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)	39,462	96	b- 38,505	171,695	-
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\$ 10,000	-	-	US\$ 10,000	381,458	100	b- 381,458	670,367	87,296
Nantong Sihe Stainless-steel Products Co., Ltd.	Manufacture of stainless-steel products	Registered capital US\$7,500 thousand (paid-in capital of CNY245,888 thousand)	b	US\$ 7,500	-	-	US\$ 7,500	(3,073)	54	b- (1,392)	(52,313)	-
Henan Sihe Industrial Co., Ltd.	Manufacture of stainless-steel products	Registered capital US\$1,000 thousand (paid-in capital of CNY32,785 thousand)	e	US\$ 1,000	-	-	US\$ 1,000	(44,321)	54	b- (17,999)	(33,500)	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
US\$ 24,637 HK\$ 700	\$ 1,278,615 (US\$ 39,000)	\$ 11,521,790 (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.

(Continued)

- 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: $\$19,202,984 \times 60\% = \$11,521,790$.

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 Jiaying 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.

2024 Report on Significant Assets Transactions with Related Parties

I. Summary of Asset Transactions with Related Parties for 2024:

1. 2024 Sale of Land, Plant, and Equipment of the Vacuum induction melting to S-Tech Corp.:

Transaction counterparty	Item	Transaction date	Asset transactions amount (NTD thousand) (untaxed)	Profit (NTD thousand)	Approval date of Board of Directors	Approval date of shareholders' meeting
GMTC	Land	August 2024	1,135,436	785,848	April 15, 2024	N/A
GMTC	Buildings and structures	August 2024	165,728		April 15, 2024	N/A
GMTC	Machinery and other equipment	August 2024	160,933		April 15, 2024	N/A
	Subtotal		1,462,097			

2. In 2024, the Company leased the land and buildings of the VIM plant from S-Tech Corp.:

Transaction counterparty	Item	Transaction date	Right of use asset amount (NTD thousand) (untaxed)	Approval date of Board of Directors	Approval date of shareholders' meeting
GMTC	Lease land	August 2024	146	July 25, 2024	N/A
GMTC	Lease buildings	August 2024	6,104	July 25, 2024	N/A
	Subtotal		6,250		

II. Sale of Land, Plant, and Equipment of the Vacuum induction melting to S-Tech Corp.:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets: In response to the Group's overall operational planning, to effectively utilize resources.

2. The reason for choosing the related party as a transaction counterparty:

The land, plant, and various machinery and equipment assets of the VIM facility were originally leased and used by S-Tech Corp. As there were no other companies interested in bidding, it is proposed to sell them to S-Tech Corp.

3. In accordance with Subparagraphs 1 and 4, Paragraph 3, Article 9 of the Procedures for Acquisition or Disposal of Assets, relevant information regarding the assessment of the reasonableness of the proposed transaction terms for the acquisition of real property or right-of-use assets from a related party.

The Company engaged Dingsheng Real Estate Appraisers Joint Office and Zenith Management Consulting Co., Ltd. to conduct valuations of the subject property for the purpose of determining a fair transaction price. Based on the valuation reports issued by the aforementioned appraisal firms, using the appraised value as of the end of July 2024, the average fair market value was used as the basis for setting the transaction price. The property will be sold to as company for a total of NTD 1,462,097 thousand (excluding tax). After deducting tax expenses of NTD 196,470 thousand, the expected gain on disposal is NTD 785,848 thousand, of which NTD 79,945 thousand will be deferred and recognized at a later time.

Unit: NTD thousand

	Book value as of July 31, 2024	Appraised amount		Median appraised value		Selling price (untaxed)
		Zenith	Dingsheng	Total amount	Unit price: NTD/Ping	
Land	153,289	1,140,574	1,130,298	1,135,436	110,500	1,135,436
Buildings and structures	165,614	166,568	164,889	165,728	49,758	165,728
Machinery and other equipment	160,876	159,585	162,283	160,933		160,933
Total	479,778	1,466,727	1,457,470	1,462,097		1,462,097

Unit: NTD thousand

Subject	Area (Ping)	Cost: NTD/Ping	Book value as of July 31, 2024	Selling price	Tax expenses	Estimated profit	Estimated contribution to earnings per share (EPS)
Land	10,275	14,919	153,289	1,135,436	196,470	785,848	1.17
Buildings and structures	3,416	-	165,614	165,728			
Machinery and other equipment	-	-	160,876	160,933			
Subtotal			479,778	1,462,097			

4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party: Not applicable for disposal.

5. Monthly cash flow forecasts for the year commencing from the anticipated month of

signing the contract, evaluation of the necessity of the transaction, and reasonableness of the funds' utilization:

(1) Savings in interest expense

It is estimated that 10% of the deposit and 90% of the final payment for the sale of the VIM will be received in June 2024 and September 2024, respectively. Upon receipt of the disposal proceeds, it is planned to repay short-term borrowings of NTD 960,000 thousand, which is expected to result in savings in interest expense of approximately NTD 42,900 thousand. The remaining NTD 500,000 thousand will be used to support working capital. Based on the current share capital of NTD 6 billion, it is estimated to increase earnings per share by approximately NTD 0.07.

(2) Improve the debt ratio:

The sale is expected to increase working capital and reduce the debt ratio, which is estimated to decrease by 1.65% to 47.64%

Estimated Revenue and Expenditure for the Coming Year – After VIM Sale



Item	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025
Capital balance of the previous period	6,072,078	6,258,025	4,640,734	4,947,266	5,141,500	4,737,396	4,327,973	3,822,016	3,721,678	3,634,840	3,760,479	4,008,116	3,725,666
Accounts receivable revenue	1,097,833	1,121,947	1,128,624	1,071,422	1,067,431	1,094,794	1,141,622	1,208,849	1,279,034	1,392,894	1,447,930	1,437,410	1,451,468
Accounts receivable revenue - Adjust													
Technology project subsidies and miscellaneous/Tax refunds	58,183	6,000	57,341	114,750	61,552	6,000	75,043	6,000	73,015	79,950	73,399	6,000	75,043
Estimated cash inflow	1,156,016	1,127,947	1,185,965	1,186,172	1,128,983	1,100,794	1,216,665	1,214,849	1,352,049	1,472,844	1,521,329	1,443,410	1,526,511
Operating turnover													
Material procurement	522,363	508,979	600,993	613,727	637,457	660,490	808,408	642,570	674,699	649,794	649,794	682,283	682,283
Subcontracting	11,092	11,131	11,491	11,197	11,021	11,301	11,823	12,330	12,015	14,136	14,842	14,295	14,295
Operating turnover	438,554	474,473	448,553	634,791	453,493	424,660	438,349	496,700	590,737	516,940	549,693	954,351	516,527
Wages and overtime compensation	58,000	58,000	58,000	58,000	58,000	58,000	58,000	67,500	58,000	58,000	58,000	58,000	58,000
Labor insurance and national health insurance premiums	12,470	12,470	12,470	12,470	12,470	12,470	12,470	14,513	12,470	12,470	12,470	12,470	12,470
Bonus		39,900	2,100		39,900	2,100		39,900	152,100		39,900	2,100	
Material+heavy fuel oil#650910	127,557	128,012	132,149	128,763	126,743	129,964	135,968	141,795	138,176	162,560	170,688	164,387	164,387
Fuel Costs (natural gas)#226605	36,049	36,177	37,347	36,390	35,819	36,729	38,426	40,072	39,050	45,941	48,238	46,457	46,457
Electricity costs#721629	69,838	65,639	68,944	62,396	46,319	45,465	49,117	44,579	46,370	50,376	50,366	57,562	69,838
Others	94,281	94,617	97,676	95,173	93,680	96,061	100,498	104,805	102,130	120,153	126,161	121,503	121,503
Income tax/commodity tax	22,894	22,842	22,803	223,047	24,000	30,019	30,019	29,005	28,569	28,569	30,019	430,019	30,019
Interest expense	15,965	15,615	15,265	15,952	13,902	11,852	11,852	11,852	11,852	11,852	11,852	11,852	11,852
Land rent#722128A	0	0	0	0	0	0	0	0	0	0	0	0	0
Remuneration for directors and supervisors/Employee compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	27,000	2,000	50,000	2,000
Estimated operating turnover balance	184,007	133,363	124,928	-73,542	27,013	4,343	-41,916	63,248	74,598	291,974	307,000	-207,518	313,406
Purchase of fixed assets	5,902	244,477	228,396	242,816	431,116	413,766	464,041	163,586	161,436	166,336	59,362	74,932	25,902
Long-term equity investment (Dividends)		1,506,178											
Repayment of long-term loans (CB)													
Capital expenditure and long-term loans	5,902	1,750,655	228,396	242,816	431,116	413,766	464,041	163,586	161,436	166,336	59,362	74,932	25,902
Balance	6,250,182	4,640,734	4,537,266	4,630,908	4,737,396	4,327,973	3,822,016	3,721,678	3,634,840	3,760,479	4,008,116	3,725,666	4,013,170
Other available sources of funds:													
1. Business activities													
2. Investment activities													
Short-term investment/Disposal of fixed assets	147,843			1,330,592									
3. Fundraising activities													
Treasury shares/Capital increase													
Financing activities													
CB/Syndicated loan/Long-term loans			410,000										
Short term loans	(140,000)	0	0	(820,000)	0	0	0	0	0	0	0	0	0
Balance as of the end of the period (deposit)	6,258,025	4,640,734	4,947,266	5,141,500	4,737,396	4,327,973	3,822,016	3,721,678	3,634,840	3,760,479	4,008,116	3,725,666	4,013,170

Basic assumptions:

1. For the VIM sale, a 10% deposit of NTD 147,843 thousand (including tax) was paid in June 2024, and the remaining 90% final payment of NTD 1,330,592 thousand (including tax) will be paid in September 2024.
2. "Upon receiving the proceeds from the VIM sale, loan repayments of NTD 140,000 thousand and NTD 820,000 thousand were made in June 2024 and September 2024, respectively. The interest expense for the period from June 2024 to June 2025 amounted to NTD 171,515 thousand.

Teamwork, Innovation, Challenge

6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.



Zenith Management Consulting Co., Ltd.
Grand Elite Property Appraisal Co.ltd.

Summary of appraisal for movable property

I. Report filing number: 112BT07169

II. Entrusting entity: Gloria Material Technology Corp., S-Tech Corp.

III. Entity under appraisal: Gloria Material Technology Corp.

IV. Appraisal date: March 5, 2024

V. Pricing date: March 20, 2024

VI. Purpose of appraisal: Reference for purchase and sale transactions

(The Company assumes no responsibility for any unauthorized use of this report or use for purposes other than those intended by the client)

VII. Location of the property: VIM Plant, No. 1, Sec. 2, Huanyuan W. Rd., Liuying Dist., Tainan City

VIII. Appraisal conclusion:

Based on the analysis of factors such as the equipment's physical life, economic life, and technological life in this report, and further considering the actual configuration and production performance of the subject assets, along with reference to original purchase information and current market prices, a reasonable present value has been estimated.

Total appraised value: **NTD 164,259,000**

Furthermore, as the commissioning entity anticipates the disposal date to be the end of July 2024, the estimated market value of the subject assets as of July 31, 2024, is **NTD 159,585,000**



Grand Elite Property Appraisal Co. Ltd.

Report summary table

Report case number: 113AT02049

Location of the property: Building of No. 1, Sec. 2, Huanyuan W. Rd., Liuying Dist., Tainan City

Entrusting entity: S-Tech Corp. Gloria Material Technology Corp.		Pricing date: March 20, 2024
Owner: Gloria Material Technology Corp.		Appraisal date: February 5, 2024
Purpose of appraisal: Reference for purchase and sale transactions		Type of price: Normal price
The land designation: Land Parcel Numbers 240, 241, 242, 243, 244, 245 in the Yishi Section, Liuying District, Tainan City.		
Building address: No. 1, Sec. 2, Huanyuan W. Rd., Alley 8, Danong Village, Liuying District, Tainan City.		
Land area: 33,968.4000 m ² (10,275.4411 ping)		Building area: 11,010.6100 m ² (3,330.7095 ping)
Estimated land value: NTD 1,140,573,962		
Estimated building value: NTD 166,567,851		
Estimated total value: NTD 1,307,141,813		
Value-added tax calculated based on the announced current value: NTD 0		
Net value after deducting the value-added tax based on the announced current value from the assessed total value: NT\$1,307,141,813		
Building structure: Steel frame, reinforced concrete construction		
Land use zoning: Industrial zone, Type D building land		
Current use: Factory, office, and related uses		



Note:

1. We hereby declare that neither this firm nor the personnel responsible for the valuation in this case have any relationship with the client. The appraisal work has been carried out with complete independence.
2. The contents of this valuation report are prepared based on the principle of

integrity, with no falsehoods or concealment of any facts.

【Appraisal report summary】

One. Entrusting entity: S-Tech Corp., Gloria Material Technology Corp.

Two. Appraisal item: (As detailed in the attached - Real Property and Equipment Market Value Appraisal Table)

“Fixed assets such as liquid crystal displays, with a total of 282 items appraised.”

Three. Location of the appraised property:

Building address: No. 1, Sec. 2, Huanyuan W. Rd., Alley 8, Danong Village, Liuying District, Tainan City.

Four. Pricing date: March 20, 2024

Five. Appraisal result: (As detailed in the attached - Real Property and Equipment Market Value Appraisal Table)

NTD 169,188,700 (NT\$ 169,188,700)

Six. Estimate of the movable property equipment price as of July 31, 2024, as requested by the client:

Furthermore, as the commissioning entity anticipates the disposal date to be the end of July 2024, the estimated market value of the subject assets as of July 31, 2024, is NTD 162,282,700.

Summary of the movable property appraisal report

I. Real Estate Appraisal Report Case Number: 113 Ding (Bei) Appraisal No. 0103

II. Entrusting entity: S-Tech Corp., Gloria Material Technology Corp.

III. Basic information

(1) Subject of appraisal

1. Land description and ownership

Item number	Administrative district	Section	Land number	Land use zoning and classification	Area (m ²)	Owner	Scope of right	Assessed area (m ²)	Assessed area (ping)
1	Liuying Dist., Tainan City	Yishi	240	Type D of industrial zone, building land	7,928.38	Gloria Material Technology Corp.	1/1	7,928.38	2,398.33
2	Liuying Dist., Tainan City	Yishi	241	Type D of industrial zone, building land	8,066.79	Gloria Material Technology Corp.	1/1	8,066.79	2,440.20
3	Liuying Dist., Tainan City	Yishi	242	Type D of industrial zone, building land	8,591.93	Gloria Material Technology Corp.	1/1	8,591.93	2,599.06
4	Liuying Dist., Tainan City	Yishi	243	Type D of industrial zone, building land	9,068.49	Gloria Material Technology Corp.	1/1	9,068.49	2,743.22
5	Liuying Dist., Tainan City	Yishi	244	Type D of industrial zone, building land	190.14	Gloria Material Technology Corp.	1/1	190.14	57.52
6	Liuying Dist., Tainan City	Yishi	245	Type D of industrial zone, building land	122.67	Gloria Material Technology Corp.	1/1	122.67	37.11
Total					33,968.40			33,968.40	10,275.44

2. Building description and ownership

Item number	Building number	Address	Area (m ²)	Owner	Scope of right	Assessed area (m ²)	Assessed area (ping)
1	15-1	No. 1, Sec. 2, Huanyuan W. Rd.,	6,024.49	Gloria Material	1/1	6,024.49	1,822.41
2	15-2	No. 1, Sec. 2, Huanyuan W. Rd.,	427.99	Gloria Material	1/1	427.99	129.47
3	15-3	No. 1, Sec. 2, Huanyuan W. Rd.,	214.72	Gloria Material	1/1	214.72	64.95

Item number	Building number	Address	Area (m2)	Owner	Scope of right	Assessed area (m2)	Assessed area (ping)
4	15-4	No. 1, Sec. 2, Huanyuan W. Rd.,	36.72	Gloria Material	1/1	36.72	11.11
5	15-5	No. 1, Sec. 2, Huanyuan W. Rd.,	660.28	Gloria Material	1/1	660.28	199.73
6	15-6	No. 1, Sec. 2, Huanyuan W. Rd.	3,622.21	Gloria Material	1/1	3,622.21	1,095.72
7	15-7	No. 1, Sec. 2, Huanyuan W. Rd.	24.20	Gloria Material	1/1	24.20	7.32
Total			11,010.61			11,010.61	3,330.71

(II) Legal use of building

Item	Building	Legal function
1	15-1	Plant
2	15-2	Machine room
3	15-3	Machine room, water tank,
4	15-4	Machine room
5	15-5	Office
6	15-6	Industrial use
7	15-7	Industrial use

(III) Current use of subject of appraisal

The property is currently used as a factory and is the site of Gloria Material Technology Corp.'s plant

(IV) Product Type: The appraised property is planned to be a factory among other uses

IV. Valuation premise

(I) Purpose of appraisal: Reference of price for purchase and sale transactions

(II) Type of price: Normal price

(III) Valuation Condition: The results assessed under normal conditions (the details of the valuation conditions are as described in the report)

(IV) Pricing date: March 20, 2024

(V) Appraisal date: February 5, 2024

V. Valuation conclusion

After our appraisers conducted an analysis of the ownership, general factors, regional factors, individual factors, current real estate market conditions, the most effective use, and professional judgment regarding the subject property, the evaluation was performed using the cost approach. The evaluation results and final price determination are as follows:

Item	Assessed total price (NTD)
Land market value	1,130,298,400
Building market value	164,889,655
Total	1,295,188,055

The above appraisal results are only applicable as a reference for the transaction price of the appraised property. Users of this appraisal report are advised to carefully read the basic disclaimers, limitations, explanations of key matters, and appraisal conditions contained in the report to avoid any misuse of the appraisal results. Due to the nature of real estate value fluctuations, the validity of the contents of this appraisal report is limited to six months from the pricing date

VI. The land value increment tax calculated based on the announced land current value

The total land value increment tax calculated based on the announced current value for the year: No land value increment tax is required to be paid.

(The land value increment tax stated in this report is calculated based on the current announced land value in the land registration transcript and the previous transfer value or the original regulated land price as a reference. The actual land value increment tax payable will be determined by the tax authority.)

VII. Other encumbrances record: No other encumbrances record found

VIII. Real estate appraiser

Tsai, Lien-Chun

蔡連春



Real estate appraiser certificate: (94) Tai Nei Estimation No. 000225

Business license: (101) Zhong Shi Di Estimation No. 000034

Local association membership certificate: (113) Zhong Estimator Certificate No. 052

7. Restrictive covenants and other important stipulations associated with the transaction: None

III. The Company leased the land and buildings of the VIM plant from S-Tech Corp.:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets: In response to the Group's overall operational planning, to effectively utilize resources.
2. The reason for choosing the related party as a transaction counterparty: In response to the Company's Board of Directors' resolution on April 15, 2024, approving the sale of the VIM plant land, factory buildings, and equipment, the ESR and VAR equipment at the VIM plant are still owned by Gloria Material Technology Corp. After the sale of the VIM plant land and buildings to S-Tech Corp., the company will lease the land and buildings occupied by the equipment from S-Tech Corp. for use.
3. The acquisition of real property or its right-of-use assets from related parties shall be evaluated for the reasonableness of the preliminary transaction terms in accordance with the provisions of Articles 16 and 17, with relevant data provided for the assessment.
The lease period is from August 1, 2024 to July 31, 2029, a total of 5 years.

	Rent calculation	Monthly rent amount	Right of use asset
Land	Monthly rental unit price: NTD 10.15/m ²	NTD 19,082 (untaxed)	NTD 146,456
Buildings	Depreciation amount (excluding tax) of leased fixed assets based on monthly closing, calculated with the addition of the leased proportion	NTD 107,362 (untaxed)	NTD 6,103,583
Total		NTD 126,444 (untaxed)	NTD 6,250,039

4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party:
S-Tech Corp. and our company signed the sales contract for the VIM plant land and buildings on June 5, 2024. The transfer of ownership to S-Tech Corp. was completed in August 2024. The total acquisition amount for the VIM plant land and buildings was NTD 1,462,097 thousand, of which approximately NTD 97,033 thousand pertains to the sale and leaseback portion.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract month of signing the contract

Estimated Revenue and Expenditure for the Coming Year – After VIM



Unit: NTD thousand

Item		August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025
Capital balance of the previous period		4,640,734	4,947,140	5,141,248	4,737,018	4,327,469	3,821,386	3,720,922	3,633,958	3,759,471	4,006,982	3,724,406	4,011,784	4,295,187
Accounts receivable revenue		1,128,624	1,071,422	1,067,431	1,094,794	1,141,622	1,208,849	1,279,034	1,392,894	1,447,930	1,437,410	1,451,468	1,517,966	1,576,406
Accounts receivable revenue - Adjust														
Technology project subsidies and miscellaneous/Tax refunds		57,341	114,750	61,552	6,000	75,043	6,000	73,015	79,950	73,399	6,000	75,043	6,000	75,043
Estimated cash inflow		1,185,965	1,186,172	1,128,983	1,100,794	1,216,665	1,214,849	1,352,049	1,472,844	1,521,329	1,443,410	1,526,511	1,523,966	1,651,449
Operating turnover	Material procurement	600,993	613,727	637,457	660,490	808,408	642,570	674,699	649,794	649,794	682,283	682,283	682,283	682,283
	Subcontracting	11,491	11,197	11,021	11,301	11,823	12,330	12,015	14,136	14,842	14,295	14,295	15,009	15,990
	Operating turnover	448,679	634,917	453,619	424,786	438,475	496,826	590,863	517,066	549,819	954,477	516,653	533,271	556,080
Wages and overtime compensation		58,000	58,000	58,000	58,000	58,000	67,500	58,000	58,000	58,000	58,000	58,000	58,000	58,000
Labor insurance and national health insurance premiums		12,470	12,470	12,470	12,470	12,470	14,513	12,470	12,470	12,470	12,470	12,470	12,470	12,470
Bonus		2,100		39,900	2,100		39,900	152,100		39,900	2,100			
Material + heavy fuel oil#650910		132,149	128,763	126,743	129,964	135,968	141,795	138,176	162,560	170,688	164,387	164,387	172,606	183,888
Fuel Costs (natural gas) #226605		37,347	36,390	35,819	36,729	38,426	40,072	39,050	45,941	48,238	46,457	46,457	48,780	51,968
Electricity costs#721629		68,944	62,396	46,319	45,465	49,117	44,579	46,370	50,376	50,366	57,562	69,838	69,839	69,840
Others		97,676	95,173	93,680	96,061	100,498	104,805	102,130	120,153	126,161	121,503	121,503	127,579	135,917
Income tax/commodity tax		22,603	223,647	24,660	30,019	30,019	29,685	28,589	28,589	30,019	430,019	30,019	30,019	30,019
Interest expense		15,265	15,952	13,902	11,852	11,852	11,852	11,852	11,852	11,852	11,852	11,852	11,852	11,852
Land rent#722128A		126	126	126	126	126	126	126	126	126	126	126	126	126
Remuneration for directors and supervisors/Employee compensation		2,000	2,000	2,000	2,000	2,000	2,000	2,000	27,000	2,000	50,000	2,000	2,000	2,000
Estimated operating turnover balance		124,802	-73,668	26,887	4,217	-42,042	63,122	74,472	291,848	306,874	-207,644	313,280	293,402	397,095
Purchase of fixed assets		228,396	242,816	431,116	413,766	464,041	163,586	161,436	166,336	59,362	74,932	25,902	10,000	12,000
Long-term equity investment (Dividends)														1,500,000
Repayment of long-term loans (CB)														
Capital expenditure and long-term loans		228,396	242,816	431,116	413,766	464,041	163,586	161,436	166,336	59,362	74,932	25,902	10,000	1,512,000
Balance		4,537,140	4,630,656	4,737,018	4,327,469	3,821,386	3,720,922	3,633,958	3,759,471	4,006,982	3,724,406	4,011,784	4,295,187	3,180,281

Basic assumptions:

1. From August 2024 to August 2025, a monthly rent of approximately NTD 126 thousand will be paid, totaling an estimated NTD 1,638 thousand over 13 months.

6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article: Not applicable for the case.

7. Restrictive covenants and other important stipulations associated with the transaction:
None

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Gloria Material Technology Corp.

Opinion

We have audited the accompanying parent company only financial statements of Gloria Material Technology Corp. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only 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 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 Parent Company Only 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 parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only 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, 2024 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, 2024. 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 and share of the comprehensive income of subsidiaries and associates 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\$1,241,744 thousand and NT\$361,966 thousand, representing 3.5% and 1.3% of the Company's total assets as of December 31, 2024 and 2023, respectively. The amount of the Company's total share of comprehensive (loss) income of subsidiaries and associates accounted for using the equity method was NT\$(350) thousand and NT\$57,771 thousand, representing 0.01% and 2.3% of the Company's total comprehensive income for the years ended December 31, 2024 and 2023, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only 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 parent company only financial statements for the year ended December 31, 2024, 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 25, 2025

Notice to Readers

The accompanying parent company only 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 parent company only 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 parent company only financial statements shall prevail.

GLORIA MATERIAL TECHNOLOGY CORP.

B PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$5,570,806	16	\$5,374,279	19
Financial assets at fair value through profit or loss - current (Note 7)	10,651	-	17,202	-
Notes receivable (Note 9)	9,859	-	28,997	-
Trade receivables (Notes 9 and 28)	1,961,140	6	2,066,087	7
Other receivables (Note 28)	157,017	-	86,982	-
Inventories (Note 10)	7,091,661	20	5,395,650	19
Other current assets (Notes 15, 28 and 29)	<u>261,639</u>	<u>1</u>	<u>488,431</u>	<u>2</u>
Total current assets	<u>15,062,773</u>	<u>43</u>	<u>13,457,628</u>	<u>47</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	225,900	1	399,587	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	112,829	-	8,151	-
Investments accounted for using the equity method (Note 11)	6,061,249	17	2,432,826	9
Property, plant and equipment (Notes 12, 28 and 29)	8,217,312	24	8,058,454	28
Right-of-use assets (Notes 13 and 28)	51,276	-	37,531	-
Investment properties (Notes 14, 28 and 29)	143,396	-	400,195	1
Deferred tax assets (Note 22)	151,776	1	115,533	-
Prepayments for equipment (Note 28)	4,872,128	14	3,700,552	13
Other non-current assets (Notes 15 and 29)	<u>108,792</u>	<u>-</u>	<u>128,152</u>	<u>1</u>
Total non-current assets	<u>19,944,658</u>	<u>57</u>	<u>15,280,981</u>	<u>53</u>
TOTAL	<u>\$35,007,431</u>	<u>100</u>	<u>\$28,738,609</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$1,672,503	4	\$950,628	3
Notes payable	104	-	283	-
Trade payables (Note 28)	662,677	2	434,212	2
Other payables (Notes 18 and 28)	662,667	2	697,972	2
Current tax liabilities	378,031	1	465,155	2
Lease liabilities - current (Notes 13 and 27)	8,631	-	4,475	-
Current portion of long-term bank borrowings (Notes 16 and 29)	376,550	1	13,350	-
Other current liabilities	<u>278,699</u>	<u>1</u>	<u>223,670</u>	<u>1</u>
Total current liabilities	<u>4,039,862</u>	<u>11</u>	<u>2,789,745</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 17 and 29)	6,363,353	18	6,251,817	22
Long-term borrowings (Notes 16 and 29)	5,512,125	16	4,822,405	17
Deferred tax liabilities (Note 22)	241,570	1	142,712	-
Lease liabilities - non-current (Notes 13 and 28)	45,200	-	34,467	-
Net defined benefit liabilities - non-current (Note 19)	-	-	20,405	-
Other non-current liabilities	<u>36,464</u>	<u>-</u>	<u>35,101</u>	<u>-</u>
Total non-current liabilities	<u>12,198,712</u>	<u>35</u>	<u>11,306,907</u>	<u>39</u>
Total liabilities	<u>16,238,574</u>	<u>46</u>	<u>14,096,652</u>	<u>49</u>
EQUITY (Note 20)				
Share capital				
Ordinary shares	<u>6,024,712</u>	<u>17</u>	<u>5,395,512</u>	<u>19</u>
Capital surplus	<u>6,854,018</u>	<u>20</u>	<u>4,438,857</u>	<u>15</u>
Retained earnings				
Legal reserve	1,350,333	4	1,116,835	4
Special reserve	67,793	-	43,415	-
Unappropriated earnings	<u>4,832,849</u>	<u>14</u>	<u>3,986,056</u>	<u>14</u>
Total retained earnings	<u>6,250,975</u>	<u>18</u>	<u>5,146,306</u>	<u>18</u>
Other equity	<u>(8,680)</u>	<u>-</u>	<u>(67,788)</u>	<u>-</u>
Treasury shares	<u>(352,168)</u>	<u>(1)</u>	<u>(270,930)</u>	<u>(1)</u>
Total equity	<u>18,768,857</u>	<u>54</u>	<u>14,641,957</u>	<u>51</u>
TOTAL	<u>\$35,007,431</u>	<u>100</u>	<u>\$28,738,609</u>	<u>100</u>

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

GLORIA MATERIAL TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OPERATING REVENUE				
Sales (Note 28)	\$11,792,109	100	\$12,439,123	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 21 and 28)	<u>(8,983,203)</u>	<u>(76)</u>	<u>(9,338,104)</u>	<u>(75)</u>
GROSS PROFIT	2,808,906	24	3,101,019	25
UNREALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	(29,842)	-	(57,140)	(1)
REALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	<u>57,140</u>	<u>-</u>	<u>91,031</u>	<u>1</u>
REALIZED GROSS PROFIT	2,836,204	24	3,134,910	25
OPERATING EXPENSES (Notes 21 and 28)				
Selling and marketing expenses	(631,919)	(5)	(567,127)	(5)
General and administrative expenses	(421,167)	(3)	(419,420)	(3)
Research and development expenses	(70,556)	(1)	(26,296)	-
Expected credit gain	<u>238</u>	<u>-</u>	<u>1,516</u>	<u>-</u>
Total operating expenses	<u>(1,123,404)</u>	<u>(9)</u>	<u>(1,011,327)</u>	<u>(8)</u>
PROFIT FROM OPERATIONS	<u>1,712,800</u>	<u>15</u>	<u>2,123,583</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)				
Other income	59,686	-	119,066	1
Other gains and losses	831,602	7	341,171	3
Finance costs	(233,329)	(2)	(186,399)	(2)
Interest income	72,476	1	28,711	-
Share of profit of subsidiaries and associates	<u>690,957</u>	<u>6</u>	<u>340,858</u>	<u>3</u>
Total non-operating income and expenses	<u>1,421,392</u>	<u>12</u>	<u>643,407</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	3,134,192	27	2,766,990	22
INCOME TAX EXPENSE (Note 22)	<u>(541,802)</u>	<u>(5)</u>	<u>(427,427)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>2,592,390</u>	<u>22</u>	<u>2,339,563</u>	<u>19</u>
(Continued)				

GLORIA MATERIAL TECHNOLOGY CORP.

**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<u>2024</u>		<u>2023</u>	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	\$21,136	-	\$3,845	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	5,279	-	3,051	-
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	(18,563)	-	11,635	-
Share of other comprehensive income of subsidiaries and associates accounted for using equity method - remeasurement of defined benefit plans	543	-	(41)	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)	(4,227)	-	(769)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	83,748	1	(36,110)	-
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	<u>830</u>	=	=	=
Other comprehensive (loss)/income for the year, net of income tax	<u>88,746</u>	<u>1</u>	<u>(18,389)</u>	=
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$2,681,136</u>	<u>23</u>	<u>\$2,321,174</u>	<u>19</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$4.40</u>		<u>\$4.66</u>	
Diluted	<u>\$3.96</u>		<u>\$4.18</u>	

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

(Concluded)

GLORIA MATERIAL TECHNOLOGY CORP.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

												Other Equity		Treasury Shares	Total Equity
	Ordinary Shares	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		
		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, 2023	\$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	-	-	-	-	-	-	-	-	202,208	-	(202,208)	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	(59,692)	59,692	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	(1,239,092)	-	-	-	(1,239,092)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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
Appropriation of 2023 earnings	-	-	-	-	-	-	-	-	233,498	-	(233,498)	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	24,378	(24,378)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	(1,506,178)	-	-	-	(1,506,178)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	-	2,592,390	-	-	-	2,592,390
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	-	17,452	83,748	(12,454)	-	88,746
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(136,307)	(136,307)
Disposal of the Company's shares held by subsidiaries	-	-	-	(507)	-	-	-	-	-	-	-	-	-	55,069	54,562
Issuance of new shares in exchange for the shares of another company	629,200	2,365,792	-	-	-	-	-	-	-	-	-	-	-	-	2,994,992
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	23,731	-	-	-	-	-	-	-	-	-	-	23,731
Differences between the consideration and the carrying amount of the subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	(11,181)	-	-	-	(11,181)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	3,585	-	-	-	-	-	-	3,585
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	-	22,560	-	-	-	-	-	-	-	22,560
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	12,186	-	(12,186)	-	-
BALANCE AT DECEMBER 31, 2024	<u>\$6,024,712</u>	<u>\$2,579,710</u>	<u>\$3,592,624</u>	<u>\$364,788</u>	<u>\$3,502</u>	<u>\$249,211</u>	<u>\$32,099</u>	<u>\$32,084</u>	<u>\$1,350,333</u>	<u>\$67,793</u>	<u>\$4,832,849</u>	<u>\$40,081</u>	<u>\$(48,761)</u>	<u>\$(352,168)</u>	<u>\$18,768,857</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

GLORIA MATERIAL TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,134,192	\$ 2,766,990
Adjustments for:		
Depreciation expense	461,361	435,010
Amortization expense	2,507	925
Expected credit gain reversed on trade receivables	(238)	(1,516)
Net gain on fair value changes of financial assets at fair value through profit or loss	(103,790)	(251,282)
Finance costs	233,329	186,399
Interest income	(72,476)	(28,711)
Dividend income	(278)	(573)
Share of profit of subsidiaries and associates	(690,957)	(340,858)
Loss on disposal of property, plant and equipment	8,538	2,985
Expenses arising from property, plant and equipment	138,978	131,976
Gain on disposal of non-current assets held for sale	(868,349)	-
Gain on disposal of investments accounted for using equity method	-	(139,746)
Write-down of inventories	17,804	94,940
Impairment loss recognized on non-financial assets	132,534	-
Unrealized gain on transactions with subsidiaries	29,842	57,140
Realized gain on transactions with subsidiaries	(57,140)	(91,031)
Net (gain) loss on foreign currency exchange	(1,385)	48,369
Loss on sale-leasebacks	938	-
Gain on lease modification	(4)	-
Gain on redemption of corporate bonds	-	(38)
Changes in operating assets and liabilities		
Notes receivable	19,240	20,716
Trade receivables	170,759	(264,444)
Other receivables	(68,805)	15,462
Inventory	(1,713,815)	(301,082)
Other current assets	(54,776)	(94,880)
Notes payable	(179)	(108)
Trade payables	225,621	(266,880)
Other payables	4,218	(24,214)
Other current liabilities	55,029	89,781
Net defined benefit liabilities	(17,216)	(96,832)
Cash generated from operations	985,482	1,948,498
Interest received	71,246	28,711
Dividends received	637,418	70,886
Interest paid	(106,532)	(106,643)
Income tax paid	(570,538)	(374,746)
Net cash generated from operating activities	<u>1,017,076</u>	<u>1,566,706</u>

(Continued)

GLORIA MATERIAL TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (99,400)	\$ (176)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	13,647
Purchase of financial assets at amortized cost	-	(342,906)
Proceeds from sale of financial assets at amortized cost	299,515	-
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	10,323	72,269
Acquisition of associates	(310,797)	(97,898)
Proceeds from disposal of associates	295,483	251,180
Proceeds from capital reduction of investments accounted for using equity method	133,765	248,560
Proceeds from disposal of non-current assets held for sale	1,454,104	-
Payments for property, plant and equipment	(2,345,292)	(1,397,203)
Proceeds from disposal of property, plant and equipment	575	355,110
Payments for investment properties	-	(2,095)
Proceeds from disposal of investment properties	-	207,438
Decrease in other non-current assets	17,727	48,449
Net cash used in investing activities	<u>(543,997)</u>	<u>(828,522)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	660,384	-
Repayments of short-term borrowings	-	(362,615)
Repayments of short-term bills payable	-	(20,000)
Proceeds from issuance of convertible bonds	-	5,019,630
Repayments of bonds payable	-	(1,300)
Proceeds from long-term borrowings	1,349,720	4,750,280
Repayments of long-term borrowings	(300,250)	(5,172,690)
Repayments of principal portion of lease liabilities	(6,750)	(3,521)
Increase in other non-current liabilities	7	-
Decrease in other non-current liabilities	-	(25,554)
Dividends paid to owners of the Company	(1,506,178)	(1,239,092)
Acquisition of additional interests in subsidiaries	<u>(473,485)</u>	<u>(258,414)</u>
Net cash (used in) generated from financing activities	<u>(276,552)</u>	<u>2,686,724</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	196,527	3,424,908
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,374,279</u>	<u>1,949,371</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,570,806</u>	<u>\$ 5,374,279</u>

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

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024 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, 2024. 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 the Group, which includes certain subsidiary in the consolidated financial statements of the Group, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for the Group, is based solely on the report of other auditors. The total assets of such subsidiaries amounted to NT\$263,259 thousand and 0.7% of consolidated total assets as of December 31, 2024; total revenue was NT\$4,403 thousand and 0.03% of consolidated total revenue for the years then ended, respectively. 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\$834,868 thousand and NT\$361,966 thousand, representing 2.3% and 1.2%, of the Group's total assets as of December 31, 2024 and 2023, respectively. The amount of the Group's total share of comprehensive income of such associates was NT\$16,638 thousand and NT\$57,771 thousand and, representing 0.6% and 2.4%, of the Group's total comprehensive income for the years ended December 31, 2024 and 2023, respectively.

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2024 and 2023 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, 2024, 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 25, 2025

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, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 6,506,988	18	\$ 6,478,921	21
Financial assets at fair value through profit or loss - current (Note 7)	51,746	-	39,046	-
Notes receivable (Note 9)	179,025	-	166,113	1
Trade receivables (Notes 9 and 30)	2,304,969	6	2,411,128	8
Other receivables (Note 30)	189,905	1	93,505	-
Inventories (Note 10)	8,220,654	23	6,514,612	22
Other current assets (Notes 16, 30 and 31)	<u>212,316</u>	<u>1</u>	<u>522,524</u>	<u>2</u>
Total current assets	<u>17,665,603</u>	<u>49</u>	<u>16,225,849</u>	<u>54</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	225,900	1	399,587	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	234,167	1	269,873	1
Investments accounted for using the equity method (Note 12)	3,770,224	10	361,966	1
Property, plant and equipment (Notes 13, 30 and 31)	8,469,603	24	8,420,471	28
Right-of-use assets (Notes 14 and 30)	121,144	-	141,024	1
Investment properties (Notes 15, 30 and 31)	143,396	-	400,195	1
Deferred tax assets (Note 24)	178,587	-	131,518	1
Prepayments for equipment (Note 30)	4,873,302	14	3,700,552	12
Other non-current assets (Notes 16, 26 and 31)	<u>214,387</u>	<u>1</u>	<u>125,470</u>	<u>-</u>
Total non-current assets	<u>18,230,710</u>	<u>51</u>	<u>13,950,656</u>	<u>46</u>
TOTAL	<u>\$ 35,896,313</u>	<u>100</u>	<u>\$ 30,176,505</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 31)	\$ 1,975,359	6	\$ 1,163,941	4
Short-term bills payable (Note 17)	-	-	5,000	-
Notes payable	108	-	283	-
Trade payables (Note 30)	736,846	2	487,728	2
Other payables (Notes 19 and 30)	793,192	2	738,652	2
Current tax liabilities	448,342	1	496,141	2
Lease liabilities - current (Notes 14 and 30)	23,666	-	16,855	-
Current portion of long-term borrowings (Notes 17 and 31)	376,550	1	13,350	-
Other current liabilities	<u>60,716</u>	<u>-</u>	<u>182,675</u>	<u>-</u>
Total current liabilities	<u>4,414,779</u>	<u>12</u>	<u>3,104,625</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 18 and 31)	6,363,353	18	6,251,817	21
Long-term borrowings (Notes 17 and 31)	5,512,125	15	4,822,405	16
Deferred tax liabilities (Note 24)	244,081	1	145,884	-
Lease liabilities - non-current (Notes 14 and 30)	94,699	-	54,334	-
Net defined benefit liabilities - non-current (Note 21)	-	-	34,021	-
Other non-current liabilities (Note 20)	<u>64,292</u>	<u>-</u>	<u>502,150</u>	<u>2</u>
Total non-current liabilities	<u>12,278,550</u>	<u>34</u>	<u>11,810,611</u>	<u>39</u>
Total liabilities	<u>16,693,329</u>	<u>46</u>	<u>14,915,236</u>	<u>49</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Share capital				
Ordinary shares	<u>6,024,712</u>	<u>17</u>	<u>5,395,512</u>	<u>18</u>
Capital surplus	<u>6,854,018</u>	<u>19</u>	<u>4,438,857</u>	<u>15</u>
Retained earnings				
Legal reserve	1,350,333	4	1,116,835	4
Special reserve	67,793	-	43,415	-
Unappropriated earnings	<u>4,832,849</u>	<u>14</u>	<u>3,986,056</u>	<u>13</u>
Total retained earnings	<u>6,250,975</u>	<u>18</u>	<u>5,146,306</u>	<u>17</u>
Other equity	<u>(8,680)</u>	<u>-</u>	<u>(67,788)</u>	<u>-</u>
Treasury shares	<u>(352,168)</u>	<u>(1)</u>	<u>(270,930)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	18,768,857	53	14,641,957	49
NON-CONTROLLING INTERESTS	<u>434,127</u>	<u>1</u>	<u>619,312</u>	<u>2</u>
Total equity	<u>19,202,984</u>	<u>54</u>	<u>15,261,269</u>	<u>51</u>
TOTAL	<u>\$ 35,896,313</u>	<u>100</u>	<u>\$ 30,176,505</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 30)	\$ 12,864,438	100	\$ 13,525,251	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 23 and 30)	<u>(9,494,010)</u>	<u>(74)</u>	<u>(9,880,601)</u>	<u>(73)</u>
GROSS PROFIT	<u>3,370,428</u>	<u>26</u>	<u>3,644,650</u>	<u>27</u>
OPERATING EXPENSES (Notes 23 and 30)				
Selling and marketing expenses	(774,211)	(6)	(709,759)	(5)
General and administrative expenses	(566,743)	(4)	(529,442)	(4)
Research and development expenses	(70,556)	(1)	(26,296)	-
Expected credit gain (loss)	<u>678</u>	<u>-</u>	<u>(4,921)</u>	<u>-</u>
Total operating expenses	<u>(1,410,832)</u>	<u>(11)</u>	<u>(1,270,418)</u>	<u>(9)</u>
PROFIT FROM OPERATIONS	<u>1,959,596</u>	<u>15</u>	<u>2,374,232</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 30)				
Interest income	80,715	1	38,108	-
Other income	91,628	1	127,843	1
Other gains and losses	1,201,379	9	495,525	4
Finance costs	(241,237)	(2)	(194,285)	(1)
Share of profit of associates	<u>157,871</u>	<u>1</u>	<u>54,821</u>	<u>-</u>
Total non-operating income and expenses	<u>1,290,356</u>	<u>10</u>	<u>522,012</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	3,249,952	25	2,896,244	22
INCOME TAX EXPENSE (Note 24)	<u>(637,753)</u>	<u>(5)</u>	<u>(500,993)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>2,612,199</u>	<u>20</u>	<u>2,395,251</u>	<u>18</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	22,365	-	3,735	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	6,260	-	30,410	-

(Continued)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Share of the other comprehensive income of associates accounted for using the equity method	\$ (20,773)	-	\$ 2,950	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(4,473)	-	(747)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	76,396	1	(38,599)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	<u>830</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>80,605</u>	<u>1</u>	<u>(2,251)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,692,804</u>	<u>21</u>	<u>\$ 2,393,000</u>	<u>18</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,592,390	20	\$ 2,339,563	17
Non-controlling interests	<u>19,809</u>	<u>-</u>	<u>55,688</u>	<u>1</u>
	<u>\$ 2,612,199</u>	<u>20</u>	<u>\$ 2,395,251</u>	<u>18</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,681,136	21	\$ 2,321,174	17
Non-controlling interests	<u>11,668</u>	<u>-</u>	<u>71,826</u>	<u>1</u>
	<u>\$ 2,692,804</u>	<u>21</u>	<u>\$ 2,393,000</u>	<u>18</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$4.40</u>		<u>\$4.66</u>	
Diluted	<u>\$3.96</u>		<u>\$4.18</u>	

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

(Concluded)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(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	Treasury Shares			
	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, 2023	\$ 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, net of income tax	-	-	-	-	-	-	-	-	-	-	3,035	(36,110)	14,686	-	(18,389)	16,138	(2,251)
Convertible bonds converted 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
Appropriation of 2023 earnings																	
Legal reserve	-	-	-	-	-	-	-	-	233,498	-	(233,498)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	24,378	(24,378)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	(1,506,178)	-	-	-	(1,506,178)	-	(1,506,178)
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	-	2,592,390	-	-	-	2,592,390	19,809	2,612,199
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	-	-	-	-	17,452	83,748	(12,454)	-	88,746	(8,141)	80,605
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(136,307)	(136,307)	(8,854)	(145,161)
Disposal of the Company's shares held by subsidiaries	-	-	-	(507)	-	-	-	-	-	-	-	-	-	55,069	54,562	(43,015)	11,547
Issuance of new shares in exchange for the shares of another company	629,200	2,365,792	-	-	-	-	-	-	-	-	-	-	-	-	2,994,992	-	2,994,992
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	23,731	-	-	-	-	-	-	-	-	-	-	23,731	-	23,731
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	(11,181)	-	-	-	(11,181)	11,181	-
Change in percentage of ownership interest in subsidiaries	-	-	-	-	-	-	-	3,585	-	-	-	-	-	-	3,585	(3,437)	148
Generated in a business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	281,768	281,768
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	-	22,560	-	-	-	-	-	-	-	22,560	-	22,560
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(434,496)	(434,496)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	12,186	-	(12,186)	-	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 6,024,712	\$ 2,579,710	\$ 3,592,624	\$ 364,788	\$ 3,502	\$ 249,211	\$ 32,099	\$ 32,084	\$ 1,350,333	\$ 67,793	\$ 4,832,849	\$ 40,081	\$ (48,761)	\$ (352,168)	\$ 18,768,857	\$ 434,127	\$ 19,202,984

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,249,952	\$ 2,896,244
Adjustments for:		
Depreciation expense	499,594	477,689
Amortization expense	3,121	971
Expected credit loss recognized/(reversed) on trade receivables	(678)	4,921
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(105,773)	(252,826)
Finance costs	241,237	194,285
Interest income	(80,715)	(38,108)
Dividend income	(23,747)	(25,667)
Share of profit of associates	(157,871)	(54,821)
Gain on disposal of property, plant and equipment	(207,100)	(52,829)
Expenses arising from property, plant and equipment	138,978	131,976
Gain on disposal of right-of-use assets	(155,501)	(53,476)
Gain on disposal of non-current assets held for sale	(868,349)	-
Gain on disposal of investments accounted for using equity method	-	(173,781)
Write-down of inventories	92,249	103,391
Impairment loss recognized on non-financial assets	138,571	-
Net loss (gain) on foreign currency exchange	(2,656)	9,929
Loss on sale - leasebacks	938	-
Gains on redemption of corporate bonds	-	(38)
Loss on lease modification	1,648	-
Changes in operating assets and liabilities		
Notes receivable	(12,743)	61,586
Trade receivables	174,593	(70,993)
Other receivables	(83,148)	9,847
Inventories	(1,784,665)	(199,326)
Other current assets	36,036	(92,934)
Notes payable	(175)	(112)
Trade payables	222,890	(261,997)
Other payables	52,141	(51,823)
Other current liabilities	(125,186)	74,633
Net defined benefit liabilities	(12,206)	(96,055)
Cash generated from operations	1,231,435	2,540,686
Interest received	79,485	38,108
Dividends received	310,769	39,798
Interest paid	(113,364)	(113,885)
Income tax paid	(632,197)	(485,886)
Net cash generated from operating activities	876,128	2,018,821

(Continued)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (291,690)	\$ (123,883)
Proceeds from disposal of financial assets at fair value through other comprehensive income	334,312	115,273
Purchase of financial assets at amortized cost	(1,500)	(77,467)
Proceeds from sale of financial assets at amortized cost	299,515	-
Purchase of financial assets at fair value through profit or loss	(113,092)	(224,866)
Proceeds from sale of financial assets at fair value through profit or loss	106,147	91,938
Acquisition of associates	(358,500)	(97,898)
Proceeds from disposal of associates	-	326,480
Proceeds from disposal of non-current assets held for sale	1,454,104	-
Payments for property, plant and equipment	(2,348,500)	(1,403,129)
Proceeds from disposal of property, plant and equipment	105,958	434,893
Proceeds from disposal of right-of-use assets	15,862	57,343
Cash received through a merger (Note 26)	123,996	-
Payments for investment properties	-	(2,095)
Proceeds from disposal of investment properties	-	207,438
Decrease in other non-current assets	<u>16,673</u>	<u>33,999</u>
Net cash used in investing activities	<u>(656,715)</u>	<u>(661,974)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(458,694)
Proceeds from short-term borrowings	749,797	-
Repayments of short-term bills payable	(5,000)	(35,000)
Proceeds from issuance of convertible bonds	-	5,019,630
Repayments of bonds payable	-	(1,300)
Proceeds from long-term borrowings	1,349,720	4,750,280
Repayments of long-term borrowings	(300,250)	(5,172,690)
Repayments of the principal portion of lease liabilities	(22,445)	(16,620)
Increase in other non-current liabilities	3,947	-
Decrease in other non-current liabilities	-	(24)
Cash dividends paid to owners of the Company	(1,466,988)	(1,217,164)
Proceeds from disposal of the Company's shares by subsidiaries	11,547	22,119
Acquisition of additional interests in subsidiaries	(206,859)	(57,954)
Payments for buy-back of the Company's shares as treasury shares by subsidiaries	(145,161)	(199,491)
Cash dividends paid by subsidiaries	(57,425)	(66,540)
Cash capital increase from subsidiaries	-	92,160
Cash capital reduction from subsidiaries	<u>(185,020)</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(274,137)</u>	<u>2,658,712</u>

(Continued)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>82,791</u>	\$ <u>(45,231)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,067	3,970,328
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>6,478,921</u>	<u>2,508,593</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 6,506,988</u>	<u>\$ 6,478,921</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

Gloria Material Technology Corp.
Appropriation of Earnings
2024

Item	Amount	
Undistributed Surplus Earnings at the Beginning of the Year		2,222,001,154
Plus: Remeasurements of the net defined benefit	16,908,513	
Plus: Adjusted retained earnings under the equity method	1,549,500	
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	-	
Undistributed Surplus Earnings After Adjustments		2,240,459,167
Plus: Net Profit	2,592,390,292	
Less: Legal Reserve (10%)		(261,084,831)
Plus: Reverse from Special Reserve Arising		59,111,866
Distributable Earnings		4,630,876,494
Assign Items:		(1,566,425,112)
Shareholder Dividends - Cash (NT\$2.6per share)	(1,566,425,112)	
Shareholder Dividends - stock (NT\$0)	0	
Undistributed Surplus Earnings at the End of the Year		3,064,451,382
Note1: Shareholder dividends shall be first allocated from the 2024 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

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

After amendment	Before amendment	Purpose of amendment
Article 26: If the Company has earnings in a given fiscal year, no less than 1% shall be allocated as employee compensation. The distribution, either in stock or cash, shall be determined by the Board of Directors, and may include employees of subsidiaries who meet certain criteria. <u>Of the total amount allocated for employee compensation, no less than 30% shall be distributed to grassroots-level employees.</u> The Company may allocate, upon resolution of the Board of Directors, no more than 5% of the aforementioned earnings as directors' compensation. 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: 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.	In response to the amendment of Article 14 of the Securities and Exchange Act, the Company shall specify in its Articles of Incorporation a certain percentage of annual earnings to be allocated for adjusting salaries or distributing compensation to grassroots employees.

After amendment	Before amendment	Purpose of amendment
Article 29: Adding <u>“Twenty-eighth Amendment on May 29, 2025” to the existing provision.</u>	Article 29: Omitted.	Adding the date of amendment