

**NAM LIONG GLOBAL CORPORATION**  
**Minutes of 2024 Annual General Shareholders' Meeting**  
**(Translation)**

**Time:** June 25, 2024, at 9:00 am

**Place:** B1 F, No. 269, Chongyang Rd., Nangang Dist., Taipei City 115, Taiwan

**Attendance:** The total number of shares issued by the company is 122,403,239 shares.

The total number of outstanding shares issued by the company is 122,403,239 shares. The number of shareholder representative shares in attendance is 89,305,714 shares, of which 89,305,714 shares the voting rights of which are exercised by the electronic means. The attendance rate is 72.96%, which has reached the legal limit.

This shareholder meeting directors present includes Shao, Ten-Po (the Chairman of the Board of Directors), Pai, Ching-Jen (Directors), Hsiao, Yu-Chiao (Directors), Huang, Chung-Hui (Independent Director and Convener of Audit Committee), Huang, Wen-Ming (Independent Director), Tsao, Ching-Ming (Independent Director), a total of 6 directors attended, more than half of the 9 directors.

**Attendee:** Chang, Cheng-Hsiu (CPA), Wu, Hung-Cheng (Lawyer)

**Chairman:** Shao, Ten-Po (the Chairman of the Board)

**Recorder:** Su, Meng-Hsu

**I. Call the Meeting to Order:**

The aggregate shareholding of the attendance has formed a quorum. The Chairman called the meeting to order.

**II. Chairman's Remarks:** (omitted)

**III. Report Matters**

1. 2023 Business Report. (Please refer to Attachment 1 and Attachment 3)
2. Audit Committee's Review Report on the 2023 Financial Statements. (Please refer to Attachment 2)
3. Distribution of Employees' and Directors' Compensation in 2023. (Please refer to Meeting Agenda)
4. Report on Director Remuneration for 2023. (Please refer to Attachment 4)
5. Report on Investment Business. (Please refer to Meeting Agenda)

#### IV. Acknowledgement Matters

Report No. 1: (Proposed by the Board of Directors)

Subject: Adoption of the 2023 Business Report and Financial Statements.

Explanation:

- (1). The Company's 2023 Parent Company Only Financial Statements and Consolidated Financial Statements (Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows) have been certified by Chang, Cheng-Hsiu and Huang, Hsiu-Chun of Deloitte & Touche. The reports and business report have also been reviewed by the audit committee.
- (2). Please refer to Attachment 1 and Attachment 3 for the 2023 Business Report, Independent Auditor's Report and aforementioned financial reports.
- (3). This proposal was put forth for approval.

Resolution:

The proposal has been adopted by voting without any modification. The voting results are as followed:

89,305,714 shares were represented at the time of voting.

Voting results	Proportion to the total represented shares present (%)
Affirmative votes: 88,911,013 shares (including 88,911,013 shares the voting rights of which are exercised by the electronic means)	99.56
Dissentient votes: 358,493 shares (including 358,493 shares the voting rights of which are exercised by the electronic means)	0.40
Invalid votes: 0 shares	0.00
Abstained votes: 36,208 shares (including 36,208 shares the voting rights of which are exercised by the electronic means)	0.04

Report No. 2: (Proposed by the Board of Directors)

Subject: Adoption of the Proposal for 2023 Distribution of Earnings.

Explanation:

- (1). 1. The 2023 Net profit after tax was NT \$ 12,545,863. The Board has adopted a Proposal for the 2023 Distribution of Earnings as shown below:

NAM LIONG GLOBAL CORPORATION

Earnings Distribution Table

2023

Unit: NTD\$

Item	Total	
Beginning unappropriated retained earnings		\$138,487,040
Net profit after tax	\$12,545,863	
Remeasurements of the net defined benefit recognized in retained earnings	18,913	
The amount of other losses adjusted to the current year's undistributed earnings other than after-tax net income for the period		12,564,776
Legal reserve recognized (10%)		(1,256,478)
Distributable net earnings		149,795,338
Distributable Items:		
Cash dividends - NT\$ 0.25 per share		(30,598,062)
Unappropriated retained earnings		\$119,197,276

Chairman:

Shao, Ten-Po

General Manager:

Chang, Shun-Ching

Accounting Manager:

Su, Meng-Hsu

2. According to the Proposal for 2023 Distribution of Earnings, the cash dividends was NT\$ 0.25 per share, with a distribution earnings of NT\$ 30,598,062. The aforementioned cash dividend shall be rounded down to the nearest dollar, and the total of any fractional amount less than one dollar shall have decimals ordered from greatest to least, with the account no. from front-to-back order to meet the total cash dividends distribution. The above distribution ratio is calculated based on the number of issued and outstanding ordinary shares of 122,392,250

shares.

3. Upon approval during the Annual Meeting of Shareholders, it was proposed that the Chairman be authorized to resolve the ex-dividend date, issue date, and other relevant issues.
4. If the dividend ratio is affected later on by changes in the outstanding shares due to change in share capital, shares repurchased by the Company or the Company's Employees, and change or cancellation of treasury shares, resulting in adjustment of dividend for distribution per share, it was proposed that the Chairman be authorized to facilitate such adjustment.

(2). This proposal was put forth for approval.

Resolution:

The proposal has been adopted by voting without any modification. The voting results are as followed:

89,305,714 shares were represented at the time of voting.

Voting results	Proportion to the total represented shares present (%)
Affirmative votes: 88,910,012 shares (including 88,910,012 shares the voting rights of which are exercised by the electronic means)	99.56
Dissentient votes: 359,493 shares (including 359,493 shares the voting rights of which are exercised by the electronic means)	0.40
Invalid votes: 0 shares	0.00
Abstained votes: 36,209 shares (including 36,209 shares the voting rights of which are exercised by the electronic means)	0.04

## V. Discussion Matters

Report No. 1: (Proposed by the Board of Directors)

Subject: Amendment to the Company's "Articles of Association".

Explanation:

(1). In response to the need for corporate operational, it is proposed to amend

of the Company's "Articles of Association".

(2). Please refer to Attachment 5 for The Comparison Table of Amended Articles of Incorporation.

(3). This proposal was put forth for approval.

Resolution:

The proposal has been adopted by voting without any modification. The voting results are as followed:

89,305,714 shares were represented at the time of voting.

Voting results	Proportion to the total represented shares present (%)
Affirmative votes: 88,933,009 shares (including 88,933,009 shares the voting rights of which are exercised by the electronic means)	99.58
Dissentient votes: 359,497 shares (including 359,497 shares the voting rights of which are exercised by the electronic means)	0.40
Invalid votes: 0 shares	0.00
Abstained votes: 13,208 shares (including 13,208 shares the voting rights of which are exercised by the electronic means)	0.02

#### VI. Extemporary Motions:

After consultation by the chairman with all shareholders present, no extraordinary motions were raised

#### VII. Adjournment:

June 25, 2024, at 9:16 am.

The chairman announced the adjournment of the meeting, which was approved by all shareholders present without objection.

There were no questions from shareholders at this shareholders' meeting.

## 2023 Business Report

In 2023, the business performance was adversely affected by tightening consumer demand compared to the previous year. Both year's revenue and net profit faced significant pressures, exhibiting a decline. The primary markets experiencing contraction in orders extended beyond China to include the United States, Central and South America, and European markets. This decline was largely attributed to the downstream of customers' destocking activities and the derivative effects of inflation. Order contraction persisted into July of the first half of the year, primarily affecting water-related products, safety protection products, and the apparel market. Both overseas and domestic facilities were impacted. Following adjustments in various operational strategies, a gradual recovery commenced and continued until the year-end.

Below is the report on the 2023 and 2024 business plans:

### **1. 2023 Business Report**

#### **(1). 2023 Business Achievement Report**

##### **A. Income and Expenses:**

- a The Net Operating Revenue in 2023 was NT \$ 1,611,660 thousand, an decrease of NT\$ 402,999 thousand, compared to the Net Operating Revenue in 2022 of NT \$ 2,014,659 thousand. The Consolidated Net Revenues in 2023 was NT \$ 2,411,798 thousand, an decrease of NT\$ 670,429 thousand, compared to the Consolidated Net Revenues in 2022 of NT\$ 3,082,227 thousand.
- b The Cost of Revenue in 2023 was NT\$ 1,181,423 thousand, which was 73.30% of the Net Operating Revenue. The Consolidated Cost of Revenue in 2023 was NT\$ 1,806,711 thousand, which was 74.91% of the Consolidated Net Operating Revenue.
- c The Operating Expenses in 2023 was NT\$ 368,708 thousand, which was 22.88% of the Net Operating Revenue. The Consolidated Operating Expenses in 2023 was NT\$ 586,123 thousand, which was 24.30% of the

## Consolidated Net Operating Revenue.

### B. Net Profit

- a The Net Income in 2023 was NT\$ 12,546 thousand. The Earnings Per Share (EPS) was NT\$ 0.10.
- b The Consolidated Net income in 2023 was NT\$ 12,546 thousand. The Earnings Per Share (EPS) was NT\$ 0.10.

### (2). Report on Budget Implementation

Not applicable, the company has not prepared a financial forecast for 2023.

### (3). Analysis of Financial Balance and Profitability

Unit: NT\$ ; %

Item	Ratio (%)
Return on Assets (ROA)	0.88
Return on Equity (ROE)	0.75
Profit Before Tax to Capital Stock	3.28
Net profit margin	0.52
Basic earnings per share	0.10

### (4). Research & Development Results

The consolidated research and development expense in 2023 was NT\$ 74,137 thousand, which was 3.07% of the Consolidated Net Operating Revenue.

#### Textile Composites

- A. In 2023, significant tangible benefits have been gradually realized in the development of Eco-Family initiatives. With materials products oriented towards the principles of Reduce, Replace, and Recycle, they have gained recognition from major brands and consumers, contributing to a revenue share exceeding 20%, which continues to rise rapidly. Particularly in the field of polymers, whether in sponge foaming or specialty film products, advancements in the substitution of bio-based materials and the enhancement of substitution ratios to the application of recycled materials have steadily gained market certification and customer recognition. This positions them as products with significant potential for the future.
- B. In terms of environmental-friendly processes, we have developed Supraccoat, a solvent-free solution that can completely eliminate VOCs emissions. Through assessment and analysis, we have also reduced the overall production costs of this product line. This solution not only meets the specific requirements of sustainability and environmental protection

but also enhances the product' s gross profit margin. In the future, it will serve as a powerful tool for expanding revenue and acquiring new orders for our company.

- C. The development of protective equipment prioritizes functionality, thus utilizing yarn colors and environmentally friendly processes as the current development focus. As for functional enhancements, future efforts will be directed towards multifunctional integration and the development of high-priced, high-margin new products, such as arc flash protection, gradually establishing a foundation for tapping into new niche markets.

### **Chemical Product**

- A. Continuously increasing partnerships with advanced development suppliers enables the introduction of novel and unique products, aligning with current market trends centered around environmental protection, energy efficiency, sustainability, and natural materials. Emphasizing environmentally certified products ensures fulfillment of customer and market demands.
- B. To enhance the Company's reputation in various industries, we have proactively introduced antimicrobial plastic materials that cater to more customers and generate higher profits in non-textile business segments.

### **Electronic Product**

Plasma equipment is important in different manufacturing processes. It has a wide range of uses (e.g., in food production, auto parts manufacturing, glass product manufacturing, and electronics manufacturing process). Through compressed air ionization, surface dust is removed by high-pressure air. The currently developed plasma power supply is a low-temperature atmospheric pressure plasma that uses Arc-jet nozzles. Continuous efforts are being made to strengthen strategic partnerships to shorten development cycles and continuously enhance production efficiency. This includes shortening product lead times and improving product quality. The trend of Edge Computing, ChatGPT, and other AI functionalities continues to drive demand for AI PCs, with the majority of the market expecting AI PCs to hit the market in the second half of 2024. Modular designs with output power ranging from 800W to 3KW are planned as the main power output configurations. Power supply manufacturers are optimistic about the "AI PC specification upgrade" that



follows.

## 2. 2024 Business Plan for Production and Sales

### (1). Operations Strategy

In the face of ongoing challenges in 2024, we aim to leverage the diverse applications of our products to unlock new market opportunities. Our company has always been a Taiwan-based enterprise with a global outlook. This year, we intend to harness Taiwan's energy to facilitate the development of our overseas subsidiaries, which are one of the driving forces of our future growth. Another key focus is the accelerated development of sustainable green products. Aligning with the increasing trend of ESG recognition among brands and consumers, we will strengthen the market promotion of our green products, expand market share, and establish our image as a partner in the green supply chain, thereby enhancing revenue and profitability. Thirdly, we will maximize the integration of technology, applying it to product and production management for digitization and even intelligence, to create differentiated competitiveness and penetrate advanced segments of the supply chain market.

#### Textile Composites

##### A. Implementing Sustainable Carbon Reduction Development

In line with sustainable development planning, we continue to conduct product carbon footprint assessments and organizational carbon inventories based on the previous year, actively pursuing energy-saving and carbon reduction initiatives. Carbon reduction is not only an environmental consideration but also a competitiveness factor in expanding markets and reducing costs. We engage in communication and care with key stakeholders.

##### B. Aligning with Brand Carbon Reduction Trends

Focusing primarily on safety protection, outdoor, and sports leisure markets, we continuously engage in diversified market collaborations across industries and domains. We provide niche and environmentally friendly composite materials with carbon reduction capabilities, complemented by comprehensive international certifications, to meet the needs of brand customers and establish the company's differentiated core competitiveness.

### C. Continuous Refinement of Key Advantages

Combining Taiwan and overseas deployments, we employ a matrix-style management and support system to maximize the development benefits of overseas subsidiaries. We utilize technology and digitization to streamline and strengthen product, production, and management processes. Introducing AI mechanisms enhances quality management and improves production efficiency, while reinforcing talent retention systems and cultivating local talent. This realizes the core competitiveness of continuous refinement of key advantages.

#### **Chemical Product**

A. As clients gradually move their production bases overseas and increasingly prefer local delivery as an alternative, the domestic market is facing a declining demand. Therefore, the Company has to establish new subsidiaries overseas to meet market demand.

B. Unfavorable factors affecting the development of Taiwan's textile industry such as rising cost, shrinking production scale and declining customer base have had a great impact on the Company's financial performance. One alternative to dealing with the challenges is to develop new opportunities in non-textile industries. For example, enabling additives of chemicals in the plastics industry would be our business target, which has more advantages than the domestic textile industry.

#### **Electronic Product**

In response to the energy shortage caused by the Russia-Ukraine war, power supply products with energy storage, energy-saving, and green energy features have become mainstream. Home energy storage devices (non-high power energy storage devices) have therefore become the basis for product development and market assessment, and through joint development with other companies in the same field will be able to roll out the application of related products. This technology will also be extended to medical communication and other related products, providing stable and safe power supplies, energy storage equipment, and AI medical health-related products. This initiative aims to prepare for the global aging population, promoting healthy aging. As for power supplies, the plan includes the development of next-generation fanless PD 3.1 (Type C interface) power supplies. The feature of PD 3.1 fast charging is its compatibility with a wider range of devices. It is

not limited to charging mobile phones; devices like the latest iPad Pro, MacBook, and gaming laptops support PD charging. This is expected to rapidly increase market share and product visibility.

**(2). Estimated Number of Items Sold**

Items	Estimated Number of Items Sold
Textile Composites (Note 1)	173,775,000
Chemical Product (Note 2)	368,000
Electronic Product (Note 3)	889,000

Note 1: The product units are PCS, BAG, M and YDS.

Note 2: The product unit is KG.

Note 3: The product unit is PCS.

**(3). Key Sales and Marketing Policies**

**A. Carry out Sustainable Carbon-reduction Development:**

Following the international sustainability indicators SASB-Apparel, Accessories, and Footwear for the textile, apparel, and footwear industries, we manage key indicators and continuously develop green materials research and explore green supply chains.

**B. In Line with Brand carbon-reduction Trends:**

Continuously optimizing the promotion tools for green marketing, integrating planning with international green certifications, and combining the value chains upstream and downstream to provide customers with comprehensive solutions for developing trend demands.

**C. Continuous Improvement of Key Advantages:**

Through digitized management, we leverage the complementary operational benefits between Taiwan and overseas bases, refine quality management, enhance production efficiency, and strengthen the sustainable inheritance of talents.

**3. Company Development Strategies**

**(1). Enhancing Innovative Research and Development to Boost Core Competitiveness Continuously**

We have been aggressive in leveling up our core technological competence. In terms of Research and Development, the Company has established 3 primary principles governing product innovations: Lightweight, High performance and/or with intelligence, and Sustainability. Each of these

principles is applied in the plan to build a laboratory.

**(2). Upgrade digital technology to provide real-time and precise management**

In order to achieve real-time global management and precise decision-making, we are undergoing comprehensive digital technology upgrades. This includes drilling into multidimensional data for analysis, integrating production scheduling, simplifying processes, and transitioning from passive to proactive precision marketing. These efforts aim to provide strategic management, management control, and operational layers with comprehensive information data, ensuring the company's competitive advantage in the digital age. Additionally, the company will continue to strengthen information security risk management and maintain information security through the ISO 27001 system framework.

**(3). Implement Sustainable Management with Talent Sustainability Planning**

Establishing a skill management system and consistently investing in diversified education and training serve as initiatives to enhance employee capabilities. Simultaneously, initiating a talent sustainability succession plan ensures the company maintains an ample talent pool. This not only contributes to sustainable development but also addresses future changes in market demands and technological trends.

**(4). Proactively Manage Risks and Build a Strong Control Mechanism**

In accordance with the TCFD framework for climate-related financial disclosures, we aim to understand both the actual and potential climate risks and opportunities, identify and assess their materiality and significance, and formulate various risk prevention, mitigation, and adaptation strategies. This is to enhance our risk management mechanisms, ensuring swift and effective responses to various challenges as they arise.

**4. Impacts on competitive, legal and general environment**

**(1). Actively phasing out fossil fuels and investing in green and renewable materials research**

Due to the influence of the United Nations Framework Convention on Climate Change (UNFCCC), Naliang International is committed to actively phasing out fossil fuels, aligning with key discussion topics at COP 28. Since 2020, the company has successfully replaced heavy oil steam boilers with

natural gas steam boilers, thereby reducing carbon emissions. Simultaneously, it continues research and development on green and recycled materials under the Eco-Family initiative, reducing reliance on petroleum and actively engaging in the recycling and reuse of waste, not only contributing to environmental protection but also keeping pace with trends in the international business environment, enhancing the company's sustainability competitiveness.

**(2). Diversifying markets and spreading risks through shipments to three locations amidst anticipated economic slowdown and geopolitical uncertainties**

In response to the anticipated slowdown in economic growth and the geopolitical uncertainties, the company has adopted a proactive approach by diversifying its markets and spreading risks through shipments to three different locations. It focuses on various sectors such as the safety and protection market, outdoor leisure and sports market, medical and care market, industrial market, home textile market, automotive materials market, and bedding market, among others. By maintaining competitive advantages in different markets, the company aims to enhance its resilience and flexibility to cope with uncertain environmental changes, ensuring stable revenue performance.

We are grateful for the continued support and encouragement from each shareholder. We look forward to further growing the business with you.

2024 Annual Shareholders' Meeting

Warm regards,

Chairman:  
Shao, Ten-Po

General Manager:  
Chang, Shun-Ching

Accounting Manager:  
Su, Meng-Hsu

## **NAM LIONG GLOBAL CORPORATION**

### **Audit Committee's Review Report**

The 2023 business report, parent company only financial statements and consolidated financial statements of the Company were prepared by its Board of Directors and certified by Chang, Cheng-Hsiu and Huang, Hsiu-Chun of Deloitte & Touche. The aforementioned reports, business report, parent company only financial statements and consolidated financial statements as well as earnings distribution proposal were reviewed by the Committee and are certified true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To: 2024 Annual Shareholders' Meeting

**NAM LIONG GLOBAL CORPORATION**

Convener of Audit Committee

Huang, Chung-Hui

March 12, 2024

## Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, the entities that are required to be included in the consolidated financial statements of NAM LIONG GLOBAL CORPORATION, in accordance with the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared under the International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the consolidated financial statements of Affiliates has all been included in the consolidated financial statements of parent and subsidiary companies. Consequently, NAM LIONG GLOBAL CORPORATION and Subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby declare,

NAM LIONG GLOBAL CORPORATION

By

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Shao, Ten-Po  
Chairman

March 12, 2024

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders  
NAM LIONG GLOBAL CORPORATION

### Opinion

We have audited the consolidated financial statements of NAM LIONG GLOBAL CORPORATION and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) that came into effect as endorsed by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit



evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

#### Sales to Specific Customers

The Group's sales of specific customers was different from the overall sales trend the amount was substantial in 2023. Therefore, authenticity of revenue for the sales to specific customers is identified as one of the key audit matters for the year ended December 31, 2023.

In connection with the above key audit matter, the following audit procedures were performed:

1. We understood, and evaluated relevant operating procedures and internal controls for sales transactions. Also, we tested the design on of the internal controls and the effectiveness of the implementation.
2. We obtained details of sales to breakdown from specific customers, and reviewed relevant documents of revenue recognition, including the original orders, delivery notes, and actual amount received to verify the authenticity of revenue recognition.
3. We obtained details of subsequent sales returns from specific customers, and verified the reasonableness of the returns.

### **Other Matter**

We have audited and issued an unmodified opinion with an explanatory paragraph on the parent company only financial statements of NAM LIONG GLOBAL CORPORATION as of and for the years ended December 31, 2023 and 2022.

## **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 the IFRS, IAS, IFRIC, and 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.

ent, 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 members of 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 the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chang, Cheng-Hsiu and Huang, Hsiu-Chun.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2024

*Notice to Readers*

*The consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles 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 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.*

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2023		December 31, 2022 (Restated)	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 781,609	23	\$ 730,742	21
1136	Financial assets at amortized cost – current (Notes 4, 9 and 27)	78,624	2	46,863	1
1150	Notes receivable – non-related parties (Notes 4 and 10)	74,253	2	35,954	1
1160	Notes receivable – related parties (Notes 4, 10 and 26)	7,758	-	11,309	-
1170	Accounts receivable – non-related parties (Notes 4 and 10)	306,841	9	354,095	10
1180	Accounts receivable – related parties (Notes 4, 10 and 26)	40,371	1	46,909	2
1220	Current tax assets (Notes 4 and 22)	2,081	-	1,857	-
130X	Inventories (Notes 4, 5 and 11)	335,043	10	511,778	15
1470	Other current assets (Note 26)	52,209	2	55,816	2
11XX	Total current assets	<u>1,678,789</u>	<u>49</u>	<u>1,795,323</u>	<u>52</u>
	<b>NON-CURRENT ASSETS</b>				
1517	Financial assets at fair value through other comprehensive income – non-current (Notes 4, 8 and 25)	286,314	8	205,273	6
1535	Financial assets at amortized cost – non-current (Notes 4, 9 and 27)	110,000	3	-	-
1600	Property, plant and equipment (Notes 4, 13 and 27)	951,614	28	1,064,128	31
1755	Right-of-use assets (Notes 4, 14, 27 and 28)	186,603	5	212,150	6
1760	Investment properties (Notes 4, 15 and 27)	55,687	2	-	-
1805	Goodwill (Notes 4 and 16)	88,813	3	88,813	3
1821	Intangible assets (Note 4)	5,451	-	4,152	-
1840	Deferred tax assets (Notes 4 and 22)	52,343	2	53,699	2
1990	Other non-current assets	10,104	-	16,728	-
15XX	Total non-current assets	<u>1,746,929</u>	<u>51</u>	<u>1,644,943</u>	<u>48</u>
1XXX	TOTAL	<u>\$3,425,718</u>	<u>100</u>	<u>\$3,440,266</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>CURRENT LIABILITIES</b>				
2100	Short-term borrowings (Notes 17 and 27)	\$ 130,000	4	\$ 362,143	11
2110	Short-term notes and bills payable (Notes 17 and 27)	-	-	29,871	1
2120	Financial liabilities at fair value through profit or loss – current (Notes 4, 7, 18 and 25)	2,150	-	-	-
2150	Notes payable – non-related parties	15,712	-	15,107	1
2160	Notes payable – related parties (Note 26)	534	-	527	-
2170	Accounts payable – non-related parties	194,440	6	203,878	6
2180	Accounts payable – related parties (Note 26)	9,037	-	7,230	-
2219	Other payables (Note 26)	138,350	4	174,555	5
2230	Current tax liabilities (Notes 4 and 22)	19,629	1	11,451	-
2280	Lease liabilities – current (Notes 4, 14 and 27)	33,609	1	30,114	1
2320	Current portion of long-term borrowings (Notes 17, 27 and 28)	223,207	6	220,607	6
2399	Other current liabilities	11,152	-	79,239	2
21XX	Total current liabilities	<u>777,820</u>	<u>22</u>	<u>1,134,722</u>	<u>33</u>
	<b>NON-CURRENT LIABILITIES</b>				
2530	Bonds payable (Notes 4, 18, 25 and 27)	527,856	16	-	-
2540	Long-term borrowings (Notes 17, 27 and 28)	284,925	8	456,238	13
2570	Deferred tax liabilities (Notes 4 and 22)	42,434	1	47,458	1
2580	Lease liabilities – non-current (Notes 4, 14 and 27)	127,903	4	153,453	5
2640	Net defined benefit liability – non-current (Notes 4 and 19)	-	-	9,065	-
2645	Guarantee deposits received	651	-	176	-
25XX	Total non-current liabilities	<u>983,769</u>	<u>29</u>	<u>666,390</u>	<u>19</u>
2XXX	Total liabilities	<u>1,761,589</u>	<u>51</u>	<u>1,801,112</u>	<u>52</u>
	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 18, 20 and 23)</b>				
3100	Share capital	1,223,923	36	1,223,923	36
3211	Capital surplus	100,683	3	57,621	2
	Retained earnings				
3310	Legal reserve	32,386	1	14,597	-
3350	Unappropriated earnings	151,052	4	235,831	7
3300	Total Retained earnings	183,438	5	250,428	7
3400	Other equity	156,085	5	107,182	3
3XXX	Total equity	<u>1,664,129</u>	<u>49</u>	<u>1,639,154</u>	<u>48</u>
	TOTAL	<u>\$3,425,718</u>	<u>100</u>	<u>\$3,440,266</u>	<u>100</u>

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

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

Code		2023		2022	
		Amount	%	Amount	%
4100	OPERATING REVENUE (Notes 4 and 26)	\$ 2,411,798	100	\$ 3,082,227	100
5110	OPERATING COSTS (Notes 4, 11, 19, 21 and 26)	<u>1,806,711</u>	<u>75</u>	<u>2,262,133</u>	<u>74</u>
5900	GROSS PROFIT	<u>605,087</u>	<u>25</u>	<u>820,094</u>	<u>26</u>
	OPERATING EXPENSES (Notes 4, 10, 19, 21 and 26)				
6100	Selling and marketing expenses	153,380	6	181,162	6
6200	General and administrative expenses	355,267	15	410,025	13
6300	Research and development expenses	74,137	3	90,095	3
6450	Expected credit loss recognized (reversed)	<u>3,339</u>	<u>-</u>	<u>( 1,102 )</u>	<u>-</u>
6000	Total operating expenses	<u>586,123</u>	<u>24</u>	<u>680,180</u>	<u>22</u>
6900	PROFIT FROM OPERATIONS	<u>18,964</u>	<u>1</u>	<u>139,914</u>	<u>4</u>
	NON-OPERATING INCOME AND EXPENSES				
7020	Other gains and losses (Notes 4, 13, 18 and 21)	( 2,720 )	-	916	-
7050	Finance costs (Notes 4 and 21)	( 27,439 )	( 1 )	( 30,670 )	( 1 )
7100	Interest revenue	10,769	-	3,352	-
7190	Other income (Notes 4, 21, and 26)	41,570	2	29,074	1
7230	Foreign exchange gains (Notes 4, 21 and 29)	871	-	52,847	2
7590	Miscellaneous disbursements	<u>( 1,848 )</u>	<u>-</u>	<u>( 3,934 )</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>21,203</u>	<u>1</u>	<u>51,585</u>	<u>2</u>

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 40,167	2	\$ 191,499	6
7950	INCOME TAX EXPENSE (Notes 4 and 22)	( 27,621)	( 1)	( 13,880)	-
8200	NET PROFIT FOR THE YEAR	<u>12,546</u>	<u>1</u>	<u>177,619</u>	<u>6</u>
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 19, 22 and 25)				
	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	461	-	344	-
8316	Unrealized gains on investments in equity instruments at fair value through other comprehensive income	62,787	3	73,614	3
8349	Income tax related to items that will not be reclassified subsequently	( 442)	-	( 69)	-
8310		<u>62,806</u>	<u>3</u>	<u>73,889</u>	<u>3</u>
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations	( 14,037)	( 1)	11,899	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	153	-	( 555)	-
8360		( 13,884)	( 1)	<u>11,344</u>	-
8300	Other comprehensive income (loss), net of income tax	<u>48,922</u>	<u>2</u>	<u>85,233</u>	<u>3</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 61,468</u>	<u>3</u>	<u>\$ 262,852</u>	<u>9</u>
	EARNINGS PER SHARE (Note 23)				
9710	Basic	<u>\$ 0.10</u>		<u>\$ 1.45</u>	
9810	Diluted	<u>\$ 0.07</u>		<u>\$ 1.44</u>	

(Concluded)

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

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Code		Share capital (Notes 4 and 20)		Capital surplus (Notes 4, 12,18 and 20)	Retained Earnings (Notes 4, 7, 19 and 20)		Other equity		Total Equity
		Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operation (Notes 4 and 22)	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 8)	
A1	BALANCE AT JANUARY 1, 2022	122,392	\$ 1,223,923	\$ 57,621	\$ -	\$ 145,969	(\$ 24,031)	\$ 46,255	\$ 1,449,737
	Appropriation of 2021 earnings:								
B1	Legal reserve	-	-	-	14,597	( 14,597 )	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	( 73,435 )	-	-	( 73,435 )
		-	-	-	14,597	( 88,032 )	-	-	( 73,435 )
D1	Net profit for the year ended December 31, 2022	-	-	-	-	177,619	-	-	177,619
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	275	11,344	73,614	85,233
D5	Total comprehensive income (loss) in 2022	-	-	-	-	177,894	11,344	73,614	262,852
Z1	BALANCE AT DECEMBER 31, 2022	122,392	1,223,923	57,621	14,597	235,831	( 12,687 )	119,869	1,639,154
	Appropriation of 2022 earnings								
B1	Legal reserve	-	-	-	17,789	( 17,789 )	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	( 79,555 )	-	-	( 79,555 )
		-	-	-	17,789	( 97,344 )	-	-	( 79,555 )
D1	Net profit for the year ended December 31, 2023	-	-	-	-	12,546	-	-	12,546
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	19	( 13,884 )	62,787	48,922
D5	Total comprehensive income (loss) in 2023	-	-	-	-	12,565	( 13,884 )	62,787	61,468
C5	Other changes in capital surplus: Equity component of convertible bonds issued by the Company	-	-	43,062	-	-	-	-	43,062
Z1	BALANCE AT DECEMBER 31, 2023	122,392	\$ 1,223,923	\$ 100,683	\$ 32,386	\$ 151,052	(\$ 26,571)	\$ 182,656	\$ 1,664,129

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



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

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 40,167	\$ 191,499
A20010	Adjustments for:		
A20100	Depreciation expense	119,565	112,730
A20200	Amortization expense	1,078	1,060
A20300	Expected credit loss recognized (reversed)	3,339	( 1,102 )
A20400	Net loss on financial liabilities at fair value through profit or loss	2,000	-
A20900	Finance costs	27,439	30,670
A21200	Interest revenue	( 10,769 )	( 3,352 )
A21300	Dividend income	( 2,938 )	( 44 )
A22500	Loss (Gain) on disposal of property, plant and equipment	767	( 961 )
A22800	Loss on disposal of intangible assets	-	45
A22900	Gain on disposal of right-of-use assets	( 47 )	-
A23700	Write-down of inventories	35,486	23,936
A24100	Unrealized foreign currency exchange losses	3,086	619
A29900	Gain from lease modification	-	72
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	( 34,748 )	69,628
A31150	Accounts receivable	28,175	118,449
A31200	Inventories	142,396	( 21,912 )
A31240	Other current assets	( 1,152 )	15,901
A32130	Notes payable	612	( 5,046 )
A32150	Accounts payable	( 7,566 )	( 114,530 )
A32180	Other payables	( 36,023 )	( 5,743 )
A32230	Other current liabilities	( 48,920 )	35,737
A32240	Net defined benefit liabilities	( 8,604 )	273
A33000	Cash generated from operations	253,343	447,929
A33100	Interest received	10,769	3,352
A33300	Interest paid	( 22,651 )	( 24,344 )
A33500	Income taxes paid	( 23,379 )	( 9,044 )
AAAA	Net cash generated from operating activities	<u>218,082</u>	<u>417,893</u>

(Continued)

Code		2023	2022
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
B00010	Acquisitions of financial assets at fair value through other comprehensive income	( \$ 18,254 )	( \$ 30,985 )
B00040	Acquisitions of financial assets at amortized cost	( 173,398 )	-
B00050	Proceeds from disposal of financial assets at amortized cost	31,637	35,372
B02700	Acquisitions of property, plant, and equipment	( 38,192 )	( 97,464 )
B02800	Proceeds from disposal of property, plant and equipment	7,067	1,091
B03800	Decrease in guarantee deposits paid	1,190	4,235
B04500	Acquisitions of intangible assets	( 2,377 )	( 1,922 )
B05350	Acquisition of right-of-use assets	-	( 208 )
B07200	Decrease in prepayments for equipment	4,135	18,863
B07600	Dividends received	2,938	44
BBBB	Net cash used in investing activities	<u>( 185,254 )</u>	<u>( 70,974 )</u>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
C00200	Decrease in short-term borrowings	( 232,143 )	( 58,642 )
C00600	Decrease in short-term notes and bills payable	( 29,871 )	( 166 )
C01200	Proceeds from convertible bonds	581,142	-
C01600	Proceeds from long-term borrowings	73,000	46,000
C01700	Repayments of long-term borrowings	( 241,713 )	( 93,267 )
C03000	Deposits received	480	-
C04020	Payments of lease liabilities	( 38,517 )	( 37,261 )
C04500	Cash dividends	( 79,555 )	( 73,435 )
C09900	Bond issue cost paid	( 5,000 )	-
CCCC	Net cash generated from (used in) financing activities	<u>27,823</u>	<u>( 216,771 )</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>( 9,784 )</u>	<u>11,981</u>
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	50,867	142,129
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>730,742</u>	<u>588,613</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 781,609</u>	<u>\$ 730,742</u>

(Concluded)

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

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders  
NAM LIONG GLOBAL CORPORATION

### Opinion

We have audited the parent company only financial statements of NAM LIONG GLOBAL CORPORATION (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, 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 a summary of significant accounting policies.

In our opinion, the parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, 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 and relevant acts.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's 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 Accountants 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, 2023. 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

### Sales to Specific Customers

The Company's sales growth of specific customers was different from the overall sales trend and the amount was substantial in 2023. Therefore, authenticity of revenue for the sales to specific customers is identified as one of the key audit matters for the year ended December 31, 2023.

In connection with the above key audit matter, the following audit procedures were performed:

1. We understood, and evaluated relevant operating procedures and internal controls for sales transactions. Also, we tested the design on of the internal controls and the effectiveness of the implementation.
2. We obtained details of sales to breakdown from specific customers, and reviewed relevant documents of revenue recognition, including the original orders, delivery notes, and actual amount received to verify the authenticity of revenue recognition.
3. We obtained details of subsequent sales returns from specific customers, and verified the reasonableness of the returns.

## **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 relevant acts, 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 members of 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 the 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 Company 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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chang, Cheng-Hsiu and Huang, Hsiu-Chun.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2024

Notice to Readers

*The parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original*

*Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

NAM LIONG GLOBAL CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 332,657	11	\$ 304,350	10
1136	Financial assets at amortized cost – current (Notes 4, 9 and 27)	15,226	-	43,863	1
1150	Notes receivable, net – non-related parties (Notes 4 and 10)	33,039	1	34,751	1
1160	Notes receivable – related parties (Notes 4, 10 and 26)	7,736	-	11,242	-
1170	Accounts receivable, net – non-related parties (Notes 4 and 10)	195,953	6	232,316	8
1180	Accounts receivable – related parties (Notes 4, 10 and 26)	56,557	2	47,127	2
1200	Other receivables	1,974	-	3,032	-
1210	Other receivables – related parties (Note 26)	1,647	-	772	-
130X	Inventories (Notes 4, 5 and 11)	206,322	7	286,395	9
1470	Other current assets	16,960	1	17,519	1
11XX	Total current assets	<u>868,071</u>	<u>28</u>	<u>981,367</u>	<u>32</u>
	<b>NON-CURRENT ASSETS</b>				
1517	Financial assets at fair value through other comprehensive income – non-current (Notes 4, 8 and 25)	286,314	9	205,273	7
1535	Financial assets at amortized cost – non-current (Notes 4, 9 and 27)	110,000	4	-	-
1550	Investments accounted for using equity method (Note 4 and 12)	1,153,314	37	1,152,444	38
1600	Property, plant and equipment (Notes 4, 13 and 27)	563,338	18	640,755	21
1755	Right-of-use assets (Notes 4, 14, 27 and 28)	43,393	1	46,794	2
1760	Investment properties (Notes 4, 15 and 27)	55,687	2	-	-
1821	Intangible assets (Notes 4)	4,802	-	3,441	-
1840	Deferred tax assets (Notes 4 and 22)	19,272	1	13,628	-
1900	Other non-current assets	5,242	-	9,912	-
15XX	Total non-current assets	<u>2,241,362</u>	<u>72</u>	<u>2,072,247</u>	<u>68</u>
1XXX	TOTAL	<u>\$3,109,433</u>	<u>100</u>	<u>\$3,053,614</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>CURRENT LIABILITIES</b>				
2100	Short-term borrowings (Notes 16 and 27)	\$ 130,000	4	\$ 362,143	12
2110	Short-term notes and bills payable (Notes 16 and 27)	-	-	29,871	1
2120	Financial liabilities at fair value through profit or loss – current (Notes 4, 7, 17 and 25)	2,150	-	-	-
2150	Notes payable – non-related parties	6,651	-	14,950	1
2160	Notes payable – related parties (Notes 26)	534	-	516	-
2170	Accounts payable – non-related parties	138,009	5	145,260	5
2180	Accounts payable – related parties (Notes 26)	12,914	-	11,636	-
2219	Other payables (Notes 18)	95,713	3	126,414	4
2220	Other payables – related parties (Notes 26)	243	-	731	-
2230	Current tax liabilities (Notes 4 and 22)	16,147	1	2,302	-
2280	Lease liabilities – current (Notes 4, 14 and 27)	2,043	-	1,856	-
2320	Current portion of long-term borrowings (Notes 16, 27 and 28)	199,515	6	196,915	6
2399	Other current liabilities	7,400	-	43,522	1
21XX	Total current liabilities	<u>611,319</u>	<u>19</u>	<u>936,116</u>	<u>30</u>
	<b>NON-CURRENT LIABILITIES</b>				
2530	Bonds payable (Notes 4, 17, 25 and 27)	527,856	17	-	-
2540	Long-term borrowings (Notes 16, 27 and 28)	283,078	9	453,700	15
2570	Deferred tax liabilities (Notes 4 and 22)	-	-	164	-
2580	Lease liabilities – non-current (Notes 4, 14 and 27)	22,571	1	24,480	1
2645	Guarantee deposits received	480	-	-	-
25XX	Total non-current liabilities	<u>833,985</u>	<u>27</u>	<u>478,344</u>	<u>16</u>
2XXX	Total liabilities	<u>1,445,304</u>	<u>46</u>	<u>1,414,460</u>	<u>46</u>
	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 12, 20 and 23)</b>				
3100	Share capital	1,223,923	40	1,223,923	40
3211	Capital surplus	100,683	3	57,621	2
	Retained earnings				
3310	Legal reserve	32,386	1	14,597	-
3350	Unappropriated earnings	151,052	5	235,831	8
3300	Total Retained earnings	183,438	6	250,428	8
3400	Other equity	156,085	5	107,182	4
3XXX	Total equity	<u>1,664,129</u>	<u>54</u>	<u>1,639,154</u>	<u>54</u>
	TOTAL	<u>\$3,109,433</u>	<u>100</u>	<u>\$3,053,614</u>	<u>100</u>

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



NAM LIONG GLOBAL CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2023		2022	
		Amount	%	Amount	%
4110	OPERATING REVENUE (Notes 4 and 26)	\$ 1,611,660	100	\$ 2,014,659	100
5110	OPERATING COSTS (Notes 4, 11, 21, and 26)	( 1,181,423 )	( 73 )	( 1,468,941 )	( 73 )
5900	GROSS PROFIT	430,237	27	545,718	27
5910	UNREALIZED GAINS FROM SALES (Note 4)	( 1,100 )	-	( 2,260 )	-
5920	REALIZED GAINS FROM SALES (Note 4)	2,260	-	1,354	-
5950	REALIZED GROSS PROFIT	431,397	27	544,812	27
	OPERATING EXPENSES (Notes 4, 10, 21 and 26)				
6100	Selling and marketing expenses	101,037	6	121,068	6
6200	General and administrative expenses	225,830	14	283,042	14
6300	Research and development expenses	38,144	3	43,104	2
6450	Expected credit loss recognized (reversed)	3,697	-	( 890 )	-
6000	Total operating expenses	368,708	23	446,324	22
6900	PROFIT FROM OPERATIONS	62,689	4	98,488	5
	NON-OPERATING INCOME AND EXPENSES				
7020	Other gains and losses (Notes 4, 17, 21 and 26)	( 2,763 )	-	955	-
7050	Finance costs (Notes 4 and 21)	( 22,467 )	( 1 )	( 24,098 )	( 1 )

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7070	Share of profits of subsidiaries accounted for using equity method (Notes 4 and 12)	( \$ 41,410 )	( 3 )	\$ 47,249	2
7100	Interest revenue	4,366	-	698	-
7190	Other income (Notes 4, 21 and 26)	26,791	2	24,102	1
7230	Foreign exchange gains (Notes 4, 21 and 29)	575	-	36,267	2
7590	Miscellaneous disbursements	( 376 )	-	( 507 )	-
7000	Total non-operating income and expenses	( 35,284 )	( 2 )	84,666	4
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	27,405	2	183,154	9
7950	INCOME TAX EXPENSE (Notes 4 and 22)	( 14,859 )	( 1 )	( 5,535 )	-
8200	NET PROFIT FOR THE YEAR	12,546	1	177,619	9
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 22 and 25)				
	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gains on investments in equity instruments at fair value through other comprehensive income	62,787	4	73,614	4
8388	Share of other comprehensive income of subsidiaries accounted for using the equity method-remeasurement of defined benefit plans	19	-	275	-
8310		62,806	4	73,889	4

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	(\$ 13,345)	( 1)	\$ 10,919	-
8381	Share of the other comprehensive gains (losses) of subsidiaries accounted for using the equity method - exchange differences on translation of the financial statements of foreign operations	( 554)	-	784	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	15	-	( 359)	-
8360		( 13,884)	( 1)	11,344	-
8300	Other comprehensive income (loss), net of income tax	48,922	3	85,233	4
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 61,468	4	\$ 262,852	13
	EARNINGS PER SHARE (Note 23)				
9710	Basic	\$ 0.10		\$ 1.45	
9810	Diluted	\$ 0.07		\$ 1.44	

(Concluded)

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

NAM LIONG GLOBAL CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Code		Share capital (Notes 4 and 20)		Capital surplus (Notes 4, 12, 17 and 20)	Retained Earnings (Notes 4 and 20)		Other equity		Total Equity
		Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operation (Notes 4 and 22)	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 8)	
A1	BALANCE AT JANUARY 1, 2022	122,392	\$ 1,223,923	\$ 57,621	\$ -	\$ 145,969	(\$ 24,031)	\$ 46,255	\$ 1,449,737
	Appropriation of 2021 earnings:								
B1	Legal reserve	-	-	-	14,597	( 14,597)	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	( 73,435)	-	-	( 73,435)
		-	-	-	14,597	( 88,032)	-	-	( 73,435)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	177,619	-	-	177,619
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	275	11,344	73,614	85,233
D5	Total comprehensive income (loss) in 2022	-	-	-	-	177,894	11,344	73,614	262,852
Z1	BALANCE AT DECEMBER 31, 2022	122,392	1,223,923	57,621	14,597	235,831	( 12,687)	119,869	1,639,154
	Appropriation of 2022 earnings:								
B1	Legal reserve	-	-	-	17,789	( 17,789)	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	( 79,555)	-	-	( 79,555)
		-	-	-	17,789	( 97,344)	-	-	( 79,555)
D1	Net profit for the year ended December 31, 2023	-	-	-	-	12,546	-	-	12,546
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	19	( 13,884)	62,787	48,922
D5	Total comprehensive income (loss) in 2023	-	-	-	-	12,565	( 13,884)	62,787	61,468
	Other changes in capital surplus:								
C5	Equity component of convertible bonds issued by the Company	-	-	43,062	-	-	-	-	43,062
Z1	BALANCE AT DECEMBER 31, 2023	122,392	\$ 1,223,923	\$ 100,683	\$ 32,386	\$ 151,052	( \$ 26,571)	\$ 182,656	\$ 1,664,129

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

NAM LIONG GLOBAL CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 27,405	\$ 183,154
A20010	Incomes and expenses not affecting cash flow		
A20100	Depreciation expense	49,296	49,425
A20200	Amortization expense	1,016	863
A20300	Expected credit loss recognized (reversed)	3,697	( 890 )
A20400	Net Loss on financial liabilities at fair value through profit or loss	2,000	-
A20900	Finance costs	22,467	24,098
A21200	Interest revenue	( 4,366 )	( 698 )
A21300	Dividend income	( 2,938 )	( 44 )
A22400	Share of profits of subsidiaries accounted for using the equity method	41,410	( 47,249 )
A22500	Gain on disposal of property, plant and equipment	763	( 1,000 )
A22800	Loss on disposal of intangible assets	-	45
A23700	Write-down of inventories	4,164	12,519
A23900	Unrealized gains from sales with subsidiary	1,100	2,260
A24000	Realized gains from sales with subsidiary	( 2,260 )	( 1,354 )
A24100	Unrealized foreign currency exchange gains (losses)	3,355	( 203 )
A29900	Gain from lease modification	-	72
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	5,218	16,749
A31150	Accounts receivable	19,619	33,006
A31180	Other receivables	183	3,441
A31200	Inventories	75,909	( 25,729 )
A31240	Other current assets	( 4,200 )	4,318
A32130	Notes payable	( 8,281 )	341
A32150	Accounts payable	( 5,711 )	( 60,695 )
A32180	Other payables	( 31,006 )	3,107
A32230	Other current liabilities	( 36,122 )	25,762
A33000	Cash generated from operations	162,718	221,298
A33100	Interest received	4,366	698

(Continued)

Code		2023	2022
A33300	Interest paid	(\$ 22,110)	(\$ 22,350)
AC0500	Income taxes return (paid)	( 6,807)	37
AAAA	Net cash generated from operating activities	<u>138,167</u>	<u>199,683</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisitions of financial assets at fair value through other comprehensive income	( 18,254)	( 30,985)
B00040	Acquisitions of financial assets at amortized cost	( 112,000)	( 16,657)
B00050	Proceeds from disposal of financial assets at amortized cost	30,637	19,367
B01800	Acquisitions of long-term equity investments accounted for using the equity method	( 70,000)	-
B02700	Acquisitions of property, plant, and equipment	( 29,621)	( 48,216)
B02800	Proceeds from disposal of property, plant and equipment	7,067	1,000
B03800	Decrease (increase) in refundable deposits	1,303	( 179)
B04500	Acquisitions of intangible assets	( 2,377)	( 1,729)
B07200	Decrease in prepayments for equipment	1,677	664
B07600	Dividends received	<u>17,938</u>	<u>30,044</u>
BBBB	Net cash used in investing activities	( <u>173,630</u> )	( <u>46,691</u> )
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Increase (decrease) in short-term loans	( 232,143)	23,877
C00600	Decrease in short-term notes and bills payable	( 29,871)	( 386)
C01200	Proceeds from convertible bonds	581,142	-
C01600	Proceeds from long-term borrowings	50,000	-
C01700	Repayments of long-term borrowings	( 218,022)	( 46,574)
C03000	Deposits received	480	-
C04020	Payments of lease liabilities	( 3,261)	( 3,402)
C04500	Cash dividends	( 79,555)	( 73,435)
C09900	Bond issue cost paid	( 5,000)	-
CCCC	Net cash generated from (used in) financing activities	<u>63,770</u>	( <u>99,920</u> )
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	28,307	53,072
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>304,350</u>	<u>251,278</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 332,657</u>	<u>\$ 304,350</u>

(Concluded)

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

# Attachment 4

Unit: NT\$ thousand

Title	Name	Director remuneration								Amount and Ratio of Total A, B, C, and D to Net Income after Tax		Remuneration Received as Employee								Amount and Ratio of Total A, B, C, D, E and F to Net Income after Tax		Remuneration from a non-subsi- diary investee company or parent company
		Remuneration (A)		Pension (B)		Director Remuneration (C) (Note)		Operation fee (D)				Salaries, bonus, and special allowance, etc. (E)		Pension (F)		Employee remuneration (G)(Note)						
		NL	All Consoli- dated Entities	NL	All Consoli- dated Entities	NL	All Consoli- dated Entities	NL	All Consoli- dated Entities	NL	All Consoli- dated Entities	NL	All Consoli- dated Entities	NL	All Consoli- dated Entities	NL		All Consoli- dated Entities		NL	All Consoli- dated Entities	
Chairman	ZI LIONG ENTERPRISE CO., LTD. Representative: Shao, Ten-Po	-	-	-	-	50	50	24	24	74 0.59%	74 0.59%	6,828	6,828	-	-	-	-	-	-	6,902 55.01%	6,902 55.01%	-
Director	ZI LIONG ENTERPRISE CO., LTD. Representative: Hsiao, Chung-Hu	-	600	-	-	50	218	12	704	62 0.49%	1,522 12.13%	-	-	-	-	-	-	-	-	62 0.49%	1,522 12.13%	-
Director	Chang, Shun-Ching	-	-	-	-	50	50	24	24	74 0.59%	74 0.59%	5,274	5,274	108	108	9	-	9	-	5,465 43.56%	5,465 43.56%	-
Director	Pai, Ching-Jen	-	-	-	-	50	106	18	96	68 0.54%	202 1.61%	1,715	1,715	80	80	4	-	4	-	1,867 14.88%	2,001 15.95%	-
Director	Hsiao, Yu-Chiao	-	-	-	-	50	50	24	24	74 0.59%	74 0.59%	1,404	1,404	83	83	-	-	-	-	1,561 12.44%	1,585 12.63%	-
Director	EVER DEVELOPMENT INVESTMENT CO., LTD. Representative: Wang, Shih-Ting	-	-	-	-	50	50	24	24	74 0.59%	74 0.59%	1,527	1,527	76	76	-	-	-	-	1,677 13.37%	1,677 13.37%	-
Independent Director	Huang, Chung-Hui	368	368	-	-	50	50	144	144	562 4.48%	562 4.48%	-	-	-	-	-	-	-	-	562 4.48%	562 4.48%	-
Independent Director	Huang, Wen-Ming	368	368	-	-	50	50	144	144	562 4.48%	562 4.48%	-	-	-	-	-	-	-	-	562 4.48%	562 4.48%	-
Independent Director	Tsao, Ching-Ming	368	368	-	-	50	50	144	144	562 4.48%	562 4.48%	-	-	-	-	-	-	-	-	562 4.48%	562 4.48%	-

1. Please specify remuneration policy, system, standard and structure for independent directors, and justify in terms of their scope, risk, work time and other associating factors with remuneration: Independent director remuneration depends on one's participation and contribution to company operation and is remunerated on a monthly basis and fixed amount. No floating bonus. Independent directors are obliged to supervise and contact the management of the company for company information regularly. The current annual remuneration is reasonable.

2. Besides aforesaid disclosure, please specify the remuneration from service at any company stated in the Business Report of Board of Directors (E.g. Parent company/any company from financial statement/Third-party investee other than employees' advisor, etc.): None.

Note: Director and supervisor remuneration and employee remuneration for 2022 have been adopted by Board of Directors votes.

## NAM LIONG GLOBAL CORPORATION

### The Comparison Table of Amended Articles of Incorporation

Article No.	Detail		Reason for Amendment
	Before revision	After revision	
<b>Article 22</b>	<p>If the Company generates profit in a year, <b><u>no less than 2% and no more than 20% of the profit</u></b> shall be allocated for employee compensation. If the Company has accumulated losses, such losses shall be covered first. The compensation is distributed in the form of either stock or cash to qualified employees, as determined by a board resolution. No more than 2% of the profit shall be distributed to directors as compensation. The proposals for employee compensation and director compensation shall be submitted at the shareholders' meeting.</p> <p>If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration according to the aforementioned percentages.</p>	<p>If the Company generates profit in a year, <b><u>no less than 1% and no more than 2% of the profit</u></b> shall be allocated for employee compensation. If the Company has accumulated losses, such losses shall be covered first. The compensation is distributed in the form of either stock or cash to qualified employees, as determined by a board resolution. No more than 2% of the profit shall be distributed to directors as compensation. The proposals for employee compensation and director compensation shall be submitted at the shareholders' meeting.</p> <p>If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration according to the aforementioned percentages.</p>	Revised according to Company's actual operational needs
<b>Article 26</b>	<p>(Omitted)</p> <p>The 30th amendment was made on June 23, 2022.</p>	<p>(Omitted)</p> <p>The 30th amendment was made on June 23, 2022.</p> <p><b><u>The 31st amendment was made on June 25, 2024.</u></b></p>	The date of this amendment is added.