



Stock code: 6504

NAN LIU ENTERPRISE CO., LTD.

2024 Annual Shareholders' Meeting

Meeting Minutes

Date: May 31, 2024

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THIS IS A TRANSLATION OF THE MINUTES FOR THE 2018 GENERAL SHAREHOLDERS' MEETING ("THE MINUTES") OF UNITED MICROELECTRONICS CORPORATION ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

NAN LIU ENTERPRISE CO., LTD.
2024 ANNUAL SHAREHOLDERS' MEETING MINUTES
(Translation)

Type of Meeting: Physical Meeting

Time: 10:00 a.m., Friday, May 31, 2024

Place: No. 699, Silin Rd., Yanchao Dist., Kaohsiung City (Headquarters conference room 3F)

Total shares represented by shareholders present in person or by proxy: 46,939,230 shares.
(Including 26,361,973 shares voted by electronic voting)

Percentage of shares held by shareholders present in person or by proxy: 64.65% of the total
72,600,000 outstanding shares.

Directors present:

Bixiu Investments Co., Ltd. Representative: Huang, Shih-Chung(Chairman) , Chun Yi Investments Co., Ltd. Representative: Chiang, Su-Lien (Director), Independent Director Huang Tung-Rong(Audit Committee Convener), Director Su, Chao-Shan, Independent Director Huang Chun-ping, Director Yang, Juei-hua, Director Chung, Mao-Chih.

Accountant present: Accountant Tien, Chung-Yu

Chairperson: Huang, Shih-Chung (Chairman)

Recorder: Hsu, Chang-Cheng

I. 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 Remarks (omitted)

III. Report Items

1. To report 2023 Business Report (Please refer to Attachment 1).
2. To report Audit Committee's Review of the 2023 Financial Statements (Please refer to Attachment 2).
3. To report distribution of the 2023 Compensation of Employees and Directors. (Please refer to the Meeting Handbook).

IV. Proposed Items

1. To accept 2023 Financial Statements and the Business Report (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The 2023 Financial Statements of the Company were completed according to the Regulations

Governing the Preparation of Financial Reports by Securities Issuers. All statements were audited and the Audit Report was completed by independent accountants, Chung-Yu Tien and Tzu-Shu Lin of PricewaterhouseCoopers Taiwan. The Business Report and the Financial Statements have been reviewed by the Audit Committee.

(2) For the Business Report, Audit Report and the 2023 Financial Statements and the, please refer to Attachment 1 and Attachment 3.

(3) Please proceed to adopt the motion.

Resolution:

Voting Result: 46,939,230 shares were represented at the time of voting.

Voting Results
Votes in favor : 46,789,693 votes, 99.68 % of the total representation at the time of voting.
Votes against : 57,888 votes
Votes invalid : 0votes
Votes abstained : 91,649 votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

2. To approve the proposal for the distribution of the 2023 profit (Proposed by the Board of Directors)

Explanatory Notes:

- (1) In terms of the distribution of the 2023 profit, please refer to pages (Attachment 4) of the Meeting Handbook. A cash dividend of NT\$1.1 per share is proposed, amounting to NT\$79,860,000 in total. (The distributable cash dividend is calculated in NT\$, and figures are rounded up.) The total fractional amount of distribution under NT\$1 is listed in Shareholders' Equity. After approval at the shareholders' meeting, the Board of Directors is then authorized to set the ex-dividend date and amend distribution matters as required. Please refer to the Profit Distribution Table for details.
- (2) In the event that the proposed profit distribution is affected by: (1) a change in the number of outstanding shares due to the buyback of shares; (2) issuance of new shares for the transfer of treasury shares to employees; (3) nullifying or rights offerings, the Board of Directors is authorized to attend to and amend such related matters.
- (3) Please proceed to adopt the motion.

Resolution:

Voting Result: 46,939,230 shares were represented at the time of voting.

Voting Results
Votes in favor : 46,791,695 votes, 99.68% of the total representation at the time of

voting.
Votes against : 55,886votes
Votes invalid : 0votes
Votes abstained : 91,649votes

RESOLVED, that the above proposal be and hereby was approved as proposed.

V. Directors Election:

1. To elect one independent director(Proposed by the Board of Directors)

Explanatory Notes:

- (1) The company's director Wang, Chin-Hung resigned on December 30, 2011. According to Article 4 of Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, the chairman of the board of directors of a listed company and the general manager or a person with an equivalent position are the same person. Or if they are spouses or first-degree relatives of each other, four independent directors should be appointed, and one independent director seat should be elected by by-election.
- (2) The new independent director will take office immediately after being elected and expiring on May 30, 2025.
- (3) The Directors shall be elected by adopting candidates' nomination. The Directors and Independent Directors shall be elected from the nominated candidates.
- (4) The list of Independent Director nominated candidates reviewed by Board of Directors on March 14, 2024. The related information is as follows.

Name	Main education	Main working experience	Current positions in the Company or other companies	Shares currently held
HUNG,CHI-SHAN	National Cheng Kung University Law School	Director of the Kaohsiung National Taxation Bureau of the Ministry of Finance	Consultant of Kaohsiung Institute of Certified Public Accountants	0

(5) Call for election

Voting Result:

The election results are as follows.

Title	Name	Votes
Independent Director	HUNG,CHI-SHAN	43,109,772

VI. Other Motion:

1. To release limit of new directors' non-compete competition prohibition. (Proposed by the Board of Directors)

Explanatory Notes:

(1) To follow Article 209 of Company Act, a director who does anything for himself 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) It is planned to submit to the shareholders' meeting for permission to lift the non-competition restrictions of the company's new independent directors. Before the shareholders' meeting discusses the case, a supplementary explanation of its scope and content will be made on the spot.

Additional explanation: There is no competition among the new independent directors this time.
Resolution:

Voting Result: 46,939,230 shares were represented at the time of voting.

Voting Results
Votes in favor : 44,765,833 votes, 95.36% of the total representation at the time of voting.
Votes against : 2,057,778votes
Votes invalid : 0votes
Votes abstained : 115,619votes

VII. Interim motion: None.

VIII. Adjournment: Meeting ended at 10:22 am

(There will be no questions from shareholders at this shareholders' meeting.)

(The minutes of this regular shareholders' meeting only state the gist of the meeting, the content, procedures and shareholders' speeches. The audio and video records of the meeting shall prevail.)

Attachment 1

NAN LIU ENTERPRISE CO., LTD.

2023 Business Report



Thank you for your continuous support and care for Nan Liu. We appreciate it and look forward to your steady support in the years to come.

The following is a report of our business results in 2023.

A. 2023 Business Report

(1) Achievements of the 2023 Business Plan

The Company's major businesses before 2023 included the sale of spunlace nonwoven fabrics, Air Through & Thermal Bond Nonwoven Fabrics, Disposable surgical gowns fabrics, hygiene consumables (most of sales on baby wet wipes), and facial mask/skin care products. In 2023, net sales was NT\$6179 million, grow 3.22% compared with 2022. The net income in 2023 was NT\$120 million, grow 107.62% compared with 2022 and with an EPS of NT\$1.65.

(2) 2023 Consolidated Financial Expenditure and Profitability

Unit: NT\$ thousand

Consolidated Statements of Comprehensive Income	2023	2022	Change %
Net Sales	6,179,040	5,986,346	3.22%
Cost of goods sold	5,441,109	5,358,782	1.54%
Gross profit	737,931	627,564	17.59%
Total Operating expenses	553,716	568,739	-2.64%
Net operating profit	184,215	58,825	213.16%
Other non-operating income and expenses	19,071	130,009	-85.33%
Income before income tax	203,286	188,834	7.65%
Net Income	119,871	57,735	107.62%

(3) Consolidated Profitability Analysis

Unit: %

	2023	2022	
Return on assets	1.66	0.55	
Return on equity	3.42	1.65	
Capital ratio	Net operating profit	25.37	8.10
	Income before income tax	28.00	26.01
Net profit margin	1.93	0.96	
After-tax earnings per share (NT\$)	1.65	0.80	

FY2023 is still a tough year for the external operating environment of the company. This is mainly due to the fact that during the epidemic, too many new non-woven production lines were added in China, and competition among peers was fierce. Taiwan's exports were reduced to neighboring countries, resulting in lower production capacity utilization and difficult selling prices. As prices rise due to inflation, revenue and profits will be directly affected. The Indian factory, which started mass production in the fourth quarter of 2021, not only implemented the business philosophy of the founder, but as India's local economic growth outperformed the world, it became increasingly clear that demand was rising. As a result, the first-phase production capacity was nearly full and the profit and loss were even. The second phase of production capacity is also being opened one after another, which is bound to become another dawn of contribution and profit.

However, in the face of such a dangerous environment, all the colleagues of the company continue to work hard at their jobs. The management team not only continues to develop functional new products, but also satisfies customers' affirmation of quality and places orders, striving to achieve good production capacity utilization. Keep performance steady.

B. Summary of the 2023 Business Plan

(I) Business Policy and Implementation

- (1) Our new vision is implemented in the Company's daily operations, and our business philosophy is strengthened and fulfilled to achieve the goal of organizational optimization.
- (2) Integration of supply chain management: we aim to have in place competitive and strategic raw materials suppliers, meet our customers' flexible and rapid demands, and reduce inventory costs to increase cash flow.
- (3) Strengthen education and training systems, create a passionate and excellent work environment, improve staff morale, and boost operational efficiency.
- (4) Continue enhancing product development capabilities and production technologies: obtain leading technologies and upgrade production capabilities; become a research and development center for our customers; and cooperate with technology experts at home and abroad, such as technical research and academic institutions.
- (5) Implement green-energy policies and reduce carbon emissions to simultaneously lower costs and protect the environment, exercise social responsibility as a global citizen, and enhance overall image of the Company.
- (6) Persistently implement prudent accounting practices and strengthen financial risk management to improve profitability.

(II) Major Marketing Strategies

- (1) Buildup of capacity: add new production lines and enhance the benefits of economies of scale.
- (2) Leadership in quality and technology: with customer-oriented approaches and the development of new products, promote the Company's international branding.
- (3) Automation: consistently improve enterprise resource planning (ERP) systems, strengthen operational controls, and integrations to improve core competitive power.
- (4) Adopt more aggressive strategies to enhance the position of the production base in Asia.

(III) Future Development Strategy

Uphold the principle of the “cycle of virtues” — that is, to profitably provide customers with outstanding quality, delivery and service, so that they are incentivized to purchase even more products from the Company, and thereby looking after the interests of shareholders and employees. In so doing, all four stakeholders — shareholders, employees, and customers, the community — can achieve win-win outcomes.

(IV) Competition, the Regulatory Environment, and General Business Conditions

While input prices are rising at home and abroad, the Company has strengthened its cost control measures. At the same time, our international platform offers improved conditions for customer orders through competitive advantages, and fluctuations in raw material prices are incorporated into price negotiations.

The Company will continue to strengthen its knowledge of the market environment; integrate regulatory and customer standards; reinforce accounting and legal requirements; promote environmental and labor protection initiatives; and enhance corporate governance and corporate social responsibility.

With increasing demands for the use of green energy and requirements for carbon reduction, we intend to hold ourselves to world-class standards in the pursuit of business growth.

Overall, while adverse external environments and rising production costs pose increasingly rigorous challenges, the Company believes that customers’ demands can be satisfied through constant innovation and improving processes to maintain a competitive advantage and maximize profits for its shareholders.

With best wishes, and to good health and success for all,

Mr. Huang, Shih-Chung



Mr. Huang, Shih-Chung



Mr. Chang Cheng Hsu



Attachment 2

Nan Liu Enterprise Co., Ltd.
Audit Committee's Review Report
(Translation)

The board of directors submitted the Company's 2023 business report, financial report and earnings distribution proposal, among which the individual and consolidated financial reports were reviewed by accountants Chung-Yu Tien and Tzu-Shu Lin of PricewaterhouseCoopers Taiwan, and an review report was issued. The above-mentioned operating report, financial report and profit distribution proposal have been completed by the Audit Committee. All members believe that they are in compliance with relevant legal requirements and are prepared in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

, I hereby submit this report.

Submitted to :
The Company's 2023 Annual Shareholders' Meeting

Nan Liu Enterprise Co., Ltd.
Chairman of the Audit Committee : Huang, Tung-Rung
On the Date of March 14, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Nan Liu Enterprise Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Nan Liu Enterprise Co., Ltd. (the "Company") as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing 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 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. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. 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 2023 parent company only financial statements are stated as follows:

Appropriateness of inventory valuation

Description

Refer to Note 4(8) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimations and assumptions relating to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2023, the carrying amount of inventories and allowance for inventory valuation loss are NT\$365,893 thousand and NT\$56,022 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of air-through nonwoven, spunlace nonwoven, wet napkins, facial mask and skin care products. As the net realisable value of its inventories fluctuate based on market demand and sales strategy, there is a higher risk of incurring inventory valuation loss or having obsolete inventories. The Company's inventories are stated at the lower of cost and net realisable value. The Company also individually identifies the net realisable value of inventories that are over a certain age, obsolete or damaged and recognises related loss if any. As the amount of inventories is significant, the types of inventories are various and the valuation of the net realisable value involves a high degree of estimation uncertainty, the appropriateness of inventory valuation has been identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of policies and procedures on allowance for inventory valuation loss.
2. Assessed the effectiveness of the management's inventory control, based on our understanding of the operations of the warehouse management, inspected the annual inventory taking plan and performed our observation.
3. Verified the appropriateness of the net realisable value of inventories and the logic in inventory ageing report which was used for valuation and discussed and checked the related supporting documents with the management to assess the adequacy of allowance for inventory valuation loss.

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 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 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 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 of the current period 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.

Tien, Chung-Yu

Independent Auditors

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 14 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 186,339	2	\$ 698,447	7
1136	Financial assets at amortised cost-current	6(1)(2) and 8	378,886	4	8,067	-
1150	Notes receivable, net	6(3) and 12	32,339	-	38,594	-
1170	Accounts receivable, net	6(3), 7 and 12	512,410	5	432,599	4
1200	Other receivables		11,399	-	18,978	-
1220	Current income tax assets	6(24)	2,737	-	533	-
130X	Inventories	5 and 6(4)	309,871	3	356,861	3
1410	Prepayments		147,986	1	157,630	2
11XX	Total current assets		<u>1,581,967</u>	<u>15</u>	<u>1,711,709</u>	<u>16</u>
Non-current assets						
1550	Investments accounted for using equity method	6(5) and 7	5,060,299	50	4,926,389	47
1600	Property, plant and equipment	6(6)(8), 7 and 8	3,004,202	29	3,251,049	31
1755	Right-of-use assets	6(7)	368,551	4	384,982	4
1780	Intangible assets		1,550	-	1,068	-
1840	Deferred income tax assets	6(24)	98,367	1	90,730	1
1915	Prepayments for equipment	6(6)	84,682	1	83,445	1
1920	Guarantee deposits paid		24,670	-	23,925	-
1990	Other non-current assets	6(9)	29,875	-	47,300	-
15XX	Total non-current assets		<u>8,672,196</u>	<u>85</u>	<u>8,808,888</u>	<u>84</u>
1XXX	Total assets		<u>\$ 10,254,163</u>	<u>100</u>	<u>\$ 10,520,597</u>	<u>100</u>

(Continued)

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(10) and 8	\$ 2,761,000	27	\$ 2,560,000	24
2110	Short-term notes and bills payable	6(11)	99,937	1	49,967	1
2130	Contract liabilities - current	6(17)	3,523	-	745	-
2150	Notes payable		41,139	-	91,735	1
2170	Accounts payable		115,561	1	128,661	1
2180	Accounts payable - related parties	7	149,933	2	98,749	1
2200	Other payables		109,246	1	98,006	1
2220	Other payables - related parties	7	709,790	7	922,324	9
2280	Lease liabilities - current	6(7)	8,904	-	10,216	-
2320	Long-term liabilities, current portion	6(12), 7 and 8	422,257	4	415,633	4
21XX	Total current liabilities		<u>4,421,290</u>	<u>43</u>	<u>4,376,036</u>	<u>42</u>
Non-current liabilities						
2540	Long-term borrowings	6(12), 7 and 8	1,884,815	18	2,185,517	21
2570	Deferred income tax liabilities	6(24)	57,431	1	63,361	1
2580	Lease liabilities - non-current	6(7)	356,028	4	366,382	3
2640	Net defined benefit liability - non-current	6(13)	32,712	-	27,530	-
25XX	Total non-current liabilities		<u>2,330,986</u>	<u>23</u>	<u>2,642,790</u>	<u>25</u>
2XXX	Total liabilities		<u>6,752,276</u>	<u>66</u>	<u>7,018,826</u>	<u>67</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(14)	726,000	7	726,000	7
3200	Capital surplus	6(15)	453,467	4	453,467	4
Retained earnings						
3310	Legal reserve	6(16)	647,961	6	641,211	6
3320	Special reserve		343,422	4	382,531	4
3350	Unappropriated retained earnings		1,718,012	17	1,641,984	15
3400	Other equity interest	6(5)	(386,975)	(4)	(343,422)	(3)
3XXX	Total equity		<u>3,501,887</u>	<u>34</u>	<u>3,501,771</u>	<u>33</u>
Contingent Liabilities and Commitments						
3X2X	Total liabilities and equity		<u>\$ 10,254,163</u>	<u>100</u>	<u>\$ 10,520,597</u>	<u>100</u>

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

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	\$ 2,586,475	100	\$ 2,734,889	100
5000	Operating costs	6(4)(13)(22)(23) and 7	(2,514,173)	(97)	(2,635,705)	(96)
5900	Net operating margin		<u>72,302</u>	<u>3</u>	<u>99,184</u>	<u>4</u>
	Operating expenses	6(13)(22)(23) and 12				
6100	Selling expenses		(90,321)	(4)	(114,836)	(4)
6200	General and administrative expenses		(114,275)	(4)	(124,609)	(5)
6300	Research and development expenses		(17,443)	(1)	(23,215)	(1)
6450	Expected credit (losses) gains		(526)	-	1,941	-
6000	Total operating expenses		(222,565)	(9)	(260,719)	(10)
6900	Operating loss		(150,263)	(6)	(161,535)	(6)
	Non-operating income and expenses					
7100	Interest income	6(2)(18)	22,678	1	7,173	-
7010	Other income	6(19)	30,456	1	20,639	1
7020	Other gains and losses	6(20), 7 and 12	12,963	1	13,631	-
7050	Finance costs	6(6)(7)(21) and 7	(92,991)	(4)	(67,042)	(2)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	<u>284,355</u>	<u>11</u>	<u>249,258</u>	<u>9</u>
7000	Total non-operating income and expenses		<u>257,461</u>	<u>10</u>	<u>223,659</u>	<u>8</u>
7900	Profit before income tax		<u>107,198</u>	<u>4</u>	<u>62,124</u>	<u>2</u>
7950	Income tax benefit (expense)	6(24)	12,668	1	(4,389)	-
8200	Profit for the year		<u>\$ 119,866</u>	<u>5</u>	<u>\$ 57,735</u>	<u>2</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	(Losses) gains on remeasurements of defined benefit plan	6(13)	(\$ 4,496)	-	\$ 12,206	1
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss	6(5)	13,184	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	899	-	(2,441)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(5)	(56,737)	(2)	32,407	1
8300	Other comprehensive (loss) income for the year		(\$ 47,150)	(2)	\$ 42,172	2
8500	Total comprehensive income for the year		<u>\$ 72,716</u>	<u>3</u>	<u>\$ 99,907</u>	<u>4</u>
	Earnings per share(in dollars)	6(25)				
9750	Basic		\$ 1.65		\$ 0.80	
9850	Diluted		\$ 1.65		\$ 0.80	

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

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital – common stock	Capital surplus	Retained Earnings			Other Equity Interest		Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains from financial assets measured at fair value through other comprehensive income	
<u>For the year ended December 31,2022</u>									
Balance at January 1,2022		\$ 726,000	\$ 453,467	\$ 629,412	\$ 382,531	\$ 1,673,403	(\$ 375,829)	\$ -	\$ 3,488,984
Profit for the year		-	-	-	-	57,735	-	-	57,735
Other comprehensive income for the 6(5)(13) year		-	-	-	-	9,765	32,407	-	42,172
Total comprehensive income		-	-	-	-	67,500	32,407	-	99,907
Distribution of 2021 net income									
Legal reserve		-	-	11,799	-	(11,799)	-	-	-
Cash dividends	6(16)	-	-	-	-	(87,120)	-	-	(87,120)
Balance at December 31,2022		\$ 726,000	\$ 453,467	\$ 641,211	\$ 382,531	\$ 1,641,984	(\$ 343,422)	\$ -	\$ 3,501,771
<u>For the year ended December 31,2023</u>									
Balance at January 1,2023		\$ 726,000	\$ 453,467	\$ 641,211	\$ 382,531	\$ 1,641,984	(\$ 343,422)	\$ -	\$ 3,501,771
Profit for the year		-	-	-	-	119,866	-	-	119,866
Other comprehensive (loss) income 6(5)(13) for the year		-	-	-	-	(3,597)	(56,737)	13,184	(47,150)
Total comprehensive income (loss)		-	-	-	-	116,269	(56,737)	13,184	72,716
Distribution of 2022 net income									
Legal reserve		-	-	6,750	-	(6,750)	-	-	-
Special reserve		-	-	-	(39,109)	39,109	-	-	-
Cash dividends	6(16)	-	-	-	-	(72,600)	-	-	(72,600)
Balance at December 31,2023		\$ 726,000	\$ 453,467	\$ 647,961	\$ 343,422	\$ 1,718,012	(\$ 400,159)	\$ 13,184	\$ 3,501,887

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

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 107,198	\$ 62,124
Adjustments			
Adjustments to reconcile profit (loss)			
Excepted credit losses (gains)	12	526	(1,941)
Provision for inventory market price decline	6(4)	14,580	14,747
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	(284,355)	(249,258)
Depreciation	6(6)(7)(22)	309,433	298,210
Gain on disposal of property, plant and equipment	6(20)	(12,563)	(29,155)
Amortisation	6(22)	711	62
Amortisation of other non-current assets		17,425	15,607
Interest income	6(18)	(22,678)	(7,173)
Interest expense	6(21)	92,991	67,042
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		6,251	7,555
Accounts receivable		(80,333)	3,843
Other receivables		(1,935)	(2,972)
Inventories		32,410	(27,757)
Prepayments		9,644	38,052
Changes in operating liabilities			
Contract liabilities - current		2,778	(2,761)
Notes payable		(43,767)	27,111
Accounts payable		(13,100)	9,164
Accounts payable - related parties		51,184	(13,990)
Other payables		9,082	(27,913)
Net defined benefit liabilities - non-current		686	(5,779)
Cash inflow generated from operations		196,168	174,818
Interest received		22,292	5,560
Dividends received	6(5)	116,892	-
Income tax paid		(2,204)	(1,326)
Net cash flows from operating activities		333,148	179,052

(Continued)

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost - current		(\$ 394,022)	(\$ 20,227)
Repayment of principal at maturity from financial assets at amortised cost - current		23,203	12,160
Acquisition of investments accounted for using equity method - subsidiaries	6(5) and 7	(10,000)	-
Cash paid for acquisition of property, plant and equipment	6(26)	(63,604)	(80,996)
Interest paid for acquisition of property, plant and equipment	6(6)(21)(26)	(10,835)	-
Proceeds from disposal of property, plant and equipment	6(26)	143,194	98,609
Acquisition of intangible assets		(1,193)	(1,130)
Increase in prepayments for equipment		(101,841)	(103,743)
(Increase) decrease in guarantee deposits paid		(745)	19,455
Net cash flows used in investing activities		(415,843)	(75,872)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Interest paid		(89,505)	(65,198)
Increase in short-term borrowings	6(27)	201,000	611,100
Increase (decrease) in short-term notes and bills payable	6(27)	49,970	(40,017)
(Decrease) increase in other payables to related parties	6(27)	(212,534)	229,594
Payments of lease liabilities	6(27)	(11,666)	(11,127)
Increase in long-term borrowings	6(27)	2,087,670	2,479,429
Decrease in long-term borrowings	6(27)	(2,381,748)	(2,996,500)
Payment of cash dividends	6(16)	(72,600)	(87,120)
Net cash flows (used in) from financing activities		(429,413)	120,161
Net (decrease) increase in cash and cash equivalents		(512,108)	223,341
Cash and cash equivalents at beginning of year	6(1)	698,447	475,106
Cash and cash equivalents at end of year	6(1)	\$ 186,339	\$ 698,447

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

NAN LIU ENTERPRISE CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the entities that are required to be included in the consolidated financial statements of affiliates, are the same as the entities required to be included in the consolidated financial statements under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

NAN LIU ENTERPRISE CO., LTD.

March 14, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Nan Liu Enterprise Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Nan Liu Enterprise Co., Ltd. and subsidiaries (the "Group") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Appropriateness of inventory valuation

Description

Refer to Note 4(9) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimations and assumptions relating to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2023, the carrying amount of inventories and allowance for inventory valuation loss are NT\$870,493 thousand and NT\$75,583 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of air-through nonwoven, spunlace nonwoven, wet napkins, facial mask and skin care products. As the net realisable value of its inventories fluctuate based on market demand and sales strategy, there is a higher risk of incurring inventory valuation loss or having obsolete inventories. The Group's inventories are stated at the lower of cost and net realisable value. The Group also individually identifies the net realisable value of inventories that are over a certain age, obsolete or damaged and recognises related loss if any. As the amount of inventories is significant, the types of inventories are various and the valuation of the net realisable value involves a high degree of estimation uncertainty, the appropriateness of inventory valuation has been identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of policies and procedures on allowance for inventory valuation loss.
2. Assessed the effectiveness of the management's inventory control, based on our understanding of the operations of the warehouse management, inspected the annual inventory taking plan and performed our observation.
3. Verified the appropriateness of the net realisable value of inventories and the logic in inventory ageing report which was used for valuation and discussed and checked the related supporting documents with the management to assess the adequacy of allowance for inventory valuation loss.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Nan Liu Enterprise Co., Ltd. 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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 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 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 of the current period 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.

Tien, Chung-Yu

Independent Auditors

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 14, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,089,012	11	\$ 1,522,409	15
1136	Financial assets at amortised cost - current	6(1)(2) and 8	659,874	6	230,667	2
1150	Notes receivable, net	6(3) and 12	32,339	-	40,075	1
1170	Accounts receivable, net	6(3) and 12	1,438,963	14	1,185,421	11
1200	Other receivables		21,226	-	22,996	-
1220	Current income tax assets	6(26)	3,359	-	1,626	-
130X	Inventories	5(2) and 6(4)	794,910	8	866,654	8
1410	Prepayments	6(5)	422,118	4	357,571	4
11XX	Total current assets		<u>4,461,801</u>	<u>43</u>	<u>4,227,419</u>	<u>41</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non- current	6(6)	97,314	1	84,130	1
1600	Property, plant and equipment	6(7)(10) and 8	4,978,861	48	4,880,167	47
1755	Right-of-use assets	6(8)	503,454	5	525,475	5
1760	Investment property, net	6(9)	27,644	-	29,814	-
1780	Intangible assets		1,834	-	1,415	-
1840	Deferred income tax assets	6(26)	98,645	1	91,008	1
1915	Prepayments for equipment	6(7)	100,174	1	446,061	4
1920	Guarantee deposits paid		48,641	-	47,539	-
1990	Other non-current assets	6(11)	65,888	1	86,530	1
15XX	Total non-current assets		<u>5,922,455</u>	<u>57</u>	<u>6,192,139</u>	<u>59</u>
1XXX	Total assets		<u>\$ 10,384,256</u>	<u>100</u>	<u>\$ 10,419,558</u>	<u>100</u>

(Continued)

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12) and 8	\$ 2,802,157	27	\$ 2,717,512	26
2110	Short-term notes and bills payable	6(13)	99,937	1	49,967	1
2130	Contract liabilities - current	6(19)	10,874	-	6,495	-
2150	Notes payable		317,266	3	340,958	3
2170	Accounts payable		516,616	5	523,381	5
2200	Other payables		204,265	2	187,213	2
2230	Current income tax liabilities	6(26)	14,064	-	21,158	-
2280	Lease liabilities - current	6(8)	8,904	-	10,487	-
2320	Long-term liabilities, current portion	6(14), 7 and 8	422,257	4	415,633	4
21XX	Total current liabilities		<u>4,396,340</u>	<u>42</u>	<u>4,272,804</u>	<u>41</u>
Non-current liabilities						
2540	Long-term borrowings	6(14), 7 and 8	2,038,340	20	2,185,517	21
2570	Deferred income tax liabilities	6(26)	57,431	1	63,361	1
2580	Lease liabilities - non-current	6(8)	356,028	3	367,118	3
2640	Net defined benefit liabilities - non-current	6(15)	32,712	-	27,530	-
2645	Guarantee deposits received		1,383	-	1,457	-
25XX	Total non-current liabilities		<u>2,485,894</u>	<u>24</u>	<u>2,644,983</u>	<u>25</u>
2XXX	Total liabilities		<u>6,882,234</u>	<u>66</u>	<u>6,917,787</u>	<u>66</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(16)	726,000	7	726,000	7
3200	Capital surplus	6(17)	453,467	5	453,467	4
Retained earnings						
3310	Legal reserve	6(18)	647,961	6	641,211	6
3320	Special reserve		343,422	3	382,531	4
3350	Unappropriated retained earnings		1,718,012	17	1,641,984	16
3400	Other equity interest	6(6)	(386,975)	(4)	(343,422)	(3)
31XX	Equity attributable to owners of parent		<u>3,501,887</u>	<u>34</u>	<u>3,501,771</u>	<u>34</u>
36XX	Non-controlling interests		<u>135</u>	<u>-</u>	<u>-</u>	<u>-</u>
3XXX	Total Equity		<u>3,502,022</u>	<u>34</u>	<u>3,501,771</u>	<u>34</u>
Contingent Liabilities and Commitments						
3X2X	Total liabilities and equity	7 and 9	<u>\$ 10,384,256</u>	<u>100</u>	<u>\$ 10,419,558</u>	<u>100</u>

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

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earning per share amounts)

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19)	\$ 6,179,040	100	\$ 5,986,346	100
5000	Operating costs	6(4)(15)(24)(25)	(5,441,109)	(88)	(5,358,782)	(90)
5900	Net operating margin		737,931	12	627,564	10
	Operating expenses	6(15)(24)(25), 7 and 12				
6100	Selling expenses		(219,870)	(4)	(284,588)	(5)
6200	General and administrative expenses		(261,999)	(4)	(255,219)	(4)
6300	Research and development expenses		(74,037)	(1)	(39,643)	-
6450	Expected credit gains		2,190	-	10,711	-
6000	Total operating expenses		(553,716)	(9)	(568,739)	(9)
6900	Operating profit		184,215	3	58,825	1
	Non-operating income and expenses					
7100	Interest income	6(2)(20)	64,093	1	28,970	-
7010	Other income	6(6)(21)	38,465	1	31,967	1
7020	Other gains and losses	6(8)(9)(22) and 12	6,574	-	123,428	2
7050	Finance costs	6(7)(8)(23)	(90,061)	(2)	(54,356)	(1)
7000	Total non-operating income and expenses		19,071	-	130,009	2
7900	Profit before income tax		203,286	3	188,834	3
7950	Income tax expense	6(26)	(83,415)	(1)	(131,099)	(2)
8200	Profit for the period		\$ 119,871	2	\$ 57,735	1

(Continued)

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earning per share amounts)

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	(Losses) gains on remeasurements of defined benefit plans	6(15)	(\$ 4,496)	-	\$ 12,206	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(6)	13,184	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	899	-	(2,441)	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Exchange differences on translation		(56,737)	(1)	32,407	1
8300	Other comprehensive (loss) income for the period		<u>(\$ 47,150)</u>	<u>(1)</u>	<u>\$ 42,172</u>	<u>1</u>
8500	Total comprehensive income for the period		<u>\$ 72,721</u>	<u>1</u>	<u>\$ 99,907</u>	<u>2</u>
Profit attributable to:						
8610	Owners of the parent		\$ 119,866	2	\$ 57,735	1
8620	Non-controlling interest		5	-	-	-
			<u>\$ 119,871</u>	<u>2</u>	<u>\$ 57,735</u>	<u>1</u>
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 72,716	1	\$ 99,907	2
8720	Non-controlling interest		5	-	-	-
			<u>\$ 72,721</u>	<u>1</u>	<u>\$ 99,907</u>	<u>2</u>
Earnings per share (in dollars) 6(27)						
9750	Basic		\$	1.65	\$	0.80
9850	Diluted		\$	1.65	\$	0.80

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

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent									
		Retained Earnings					Other equity interest				
		Share capital— common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
<u>For the year ended December 31, 2022</u>											
Balance at January 1, 2022		\$ 726,000	\$ 453,467	\$ 629,412	\$ 382,531	\$1,673,403	(\$ 375,829)	\$ -	\$3,488,984	\$ -	\$3,488,984
Profit for the year		-	-	-	-	57,735	-	-	57,735	-	57,735
Other comprehensive income for the year		-	-	-	-	9,765	32,407	-	42,172	-	42,172
Total comprehensive income		-	-	-	-	67,500	32,407	-	99,907	-	99,907
Distribution of 2022 net income											
Legal reserve		-	-	11,799	-	(11,799)	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(87,120)	-	-	(87,120)	-	(87,120)
Balance at December 31, 2022		<u>\$ 726,000</u>	<u>\$ 453,467</u>	<u>\$ 641,211</u>	<u>\$ 382,531</u>	<u>\$1,641,984</u>	<u>(\$ 343,422)</u>	<u>\$ -</u>	<u>\$3,501,771</u>	<u>\$ -</u>	<u>\$3,501,771</u>
<u>For the year ended December 31, 2023</u>											
Balance at January 1, 2023		\$ 726,000	\$ 453,467	\$ 641,211	\$ 382,531	\$1,641,984	(\$ 343,422)	\$ -	\$3,501,771	\$ -	\$3,501,771
Profit for the year		-	-	-	-	119,866	-	-	119,866	5	119,871
Other comprehensive income (loss) for the year	6(6)	-	-	-	-	(3,597)	(56,737)	13,184	(47,150)	-	(47,150)
Total comprehensive income (loss)		-	-	-	-	116,269	(56,737)	13,184	72,716	5	72,721
Distribution of 2023 net income											
Legal reserve		-	-	6,750	-	(6,750)	-	-	-	-	-
Special reserve		-	-	-	(39,109)	39,109	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(72,600)	-	-	(72,600)	-	(72,600)
Increase in non-controlling interests		-	-	-	-	-	-	-	-	130	130
Balance at December 31, 2023		<u>\$ 726,000</u>	<u>\$ 453,467</u>	<u>\$ 647,961</u>	<u>\$ 343,422</u>	<u>\$1,718,012</u>	<u>(\$ 400,159)</u>	<u>\$ 13,184</u>	<u>\$3,501,887</u>	<u>\$ 135</u>	<u>\$3,502,022</u>

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

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 203,286	\$ 188,834
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses (gains)	12	(2,190)	(10,711)
Provision (reversal of allowance) for inventory market price decline	6(4)	17,422	836
Depreciation	6(7)(8)(9)	507,760	508,761
Loss (gain) on disposal of property, plant and equipment	6(22)	3,696	(7,463)
Gain from lease modification	6(8)(22)	(39)	-
Amortisation	6(24)	845	263
Amortisation of other non-current assets		34,066	32,953
Unrealised exchange gains on long-term borrowings	6(29)	(2,755)	-
Interest income	6(20)	(64,093)	(28,970)
Dividend income	6(6)(21)	(3,066)	-
Interest expense	6(23)	90,061	54,356
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		7,732	19,588
Accounts receivable		(251,184)	166,481
Other receivables		(1,616)	(3,280)
Inventories		54,716	(5,746)
Prepayments		(64,547)	(92,954)
Changes in operating liabilities			
Contract liabilities - current		4,379	(13,656)
Notes payable		(16,863)	(218,318)
Accounts payable		(6,765)	(33,453)
Other payables		22,023	(55,046)
Net defined benefit liabilities - non-current		686	(5,779)
Cash inflow generated from operations		533,554	496,696
Interest received		57,579	24,294
Dividend received	6(6)	3,066	-
Income tax paid		(104,910)	(124,231)
Net cash flows from operating activities		489,289	396,759

(Continued)

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost - current		(\$ 673,811)	(\$ 680,375)
Repayment of principal at maturity from financial assets at amortised cost - current		244,604	449,708
Cash paid for acquisition of property, plant and equipment	6(28)	(104,050)	(115,440)
Interest paid for acquisition of property, plant and equipment	6(7)(23)(28)	(10,835)	-
Proceeds from disposal of property, plant and equipment	6(28)	22,769	49,956
Acquisition of investment property	6(9)	-	(467)
Increase in intangible assets		(1,269)	(1,510)
Increase in prepayment for equipment		(175,572)	(466,816)
(Decrease) increase in guarantee deposit paid		(1,102)	24,350
Increase in other non-current assets		(13,950)	(17,398)
Net cash flows used in investing activities		(713,216)	(757,992)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Interest paid		(89,831)	(51,483)
Increase in short-term borrowings	6(29)	88,740	768,612
Increase (decrease) in short-term notes and bills payable	6(29)	49,970	(40,017)
Payments of lease liabilities	6(29)	(11,952)	(11,366)
Increase in long-term borrowings	6(29)	2,366,990	2,479,429
Decrease in long-term borrowings	6(29)	(2,504,788)	(2,996,500)
(Decrease) increase in guarantee deposits received	6(29)	(44)	441
Payment of cash dividends	6(18)	(72,600)	(87,120)
Increase in non-controlling interests		130	-
Net cash flows (used in) from financing activities		(173,385)	61,996
Effect of foreign exchange rate changes		(36,085)	44,284
Net decrease in cash and cash equivalents		(433,397)	(254,953)
Cash and cash equivalents at beginning of year	6(1)	1,522,409	1,777,362
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,089,012</u>	<u>\$ 1,522,409</u>

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

Attachment 4

NAN LIU ENTERPRISE CO., LTD.



2023

Profit Distribution Table

Unit: NT\$

Items	Amount (NT\$)	
	Subtotal	Total
Beginning retained earnings		1,601,742,872
Remeasurements of defined benefit plans	(3,596,622)	
2023 net income	119,866,237	
Legal reserve (10%)	(11,626,962)	
Special reserve	(43,553,212)	
Subtotal of distributable earnings		1,662,832,313
Distributable items		
Dividend to shareholders-cash dividend (NT\$1.1/share)	(79,860,000)	(79,860,000)
Unappropriated retained earnings		1,582,972,313

Chairman: Huang, Shih-Chung General Manager: Huang, Shih-Chung Accounting Manager: Chang Cheng Hsu



Note 1: 2023 unappropriated retained earnings are distributable first

Resolution: