

sanlien

2024

**Annual General Meeting
Meeting Handbook**

Date of Meeting:

May 29, 2024 (Wednesday), 9:30AM

Venue:

11F, No. 390, Sec. 1, Fuxing S. Rd., Taipei City

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Sanlien Technology Corp.
2024 Annual General Meeting Agenda (Translation)

- I. Date of Meeting: May 29, 2024 (Wednesday), 9:30AM
- II. Method for convening the meeting: Convened in a tangible form.
- III. Venue: 11F, No. 390, Sec. 1, Fuxing S. Rd., Taipei City
- IV. Report the equity represented by the attendees and call the meeting to order.
- V. Speech by Chairman
- VI. Report matters:
 - (I) The Company's 2023 Business Report
 - (II) The Company's 2023 Audit Committee's Review Report
 - (III) The Company's 2023 Report on Payment of Remuneration to Employees and Directors
 - (IV) The Company's 2023 Report on Compensation to Directors
 - (V) The Company's 2023 Report on Cash Distribution of Earnings
 - (VI) The amendments to the Company's "Rules of Procedure for Board of Directors' Meetings".
- VII. Acknowledgement matters
 - (I) The Company's 2023 Business Report and Financial Statements
 - (II) The Company's 2023 Distribution of Earnings
- VIII. Discussion matters
 - (I) Issuance of new shares through capital increase from 2023 earnings.
- IX. Extempore motion
- X. Adjournment

One. Report matters

1st Proposal

Cause: The Company's 2023 Business Report is presented for review.

Descriptions: For the Company's 2023 business report, please refer to Attachment 1 on Pages 6~9 of the Handbook.

2nd Proposal

Cause: The Company's 2023 Audit Committee's Review Report is presented for review.

Descriptions: For the Audit Committee's Review Report, please refer to Attachment 2 on Page 10 of the Handbook.

3rd Proposal

Cause: The Company's 2023 Report on Payment of Remuneration to Employees and Directors is presented for review.

Descriptions: According to Article 18 of the Articles of Incorporation, upon review and approval of the Remuneration Committee and resolution by the Board of Directors on March 15, 2024, the remuneration paid to employees was NT\$12,020,466, and to directors NT\$9,015,350, in 2023, all paid in cash.

4th Proposal

Cause: The Company's 2023 Report on Compensation to Directors is presented for review.

Descriptions: The compensation package paid by the Company to directors in 2023 consists of the return, remuneration and transportation allowance to the directors. According to Article 18 of the Articles of Incorporation, no more than 5% of the earnings gained in the current year shall be distributed as the remuneration to directors. Meanwhile, the Company's Remuneration Committee will consider the directors' contribution to the Company's performance, assess and propose the salary and remuneration periodically, and submit the proposal to the Board of Directors for approval. For the Company's 2023 Report on Compensation to Directors, please refer to Attachment 3 on Page 11 of the Handbook.

5th Proposal

Cause: The Company's 2023 Report on Cash Distribution of Earnings is presented for review.

Descriptions: 1. According to Article 18-1 of the Company's Articles of Incorporation, the earnings may be distributed in cash per resolution of the Board of Directors, and the proposal for distribution shall be reported to a shareholders' meeting.

2. The Board of Directors resolved on March 15, 2024 to distribute the cash dividends, NT\$108,182,919, at NT\$2.6 per share. Cash dividends are rounded to the nearest dollar (insufficient amounts

shall be rounded off), the total amount of odd dividends will be included in the company's other income. The Chairman is authorized to set the record date, date of payment and other matters.

3. In the event that the number of outstanding shares and cash dividend payout ratio for common shares are changed due to the factors, such as repurchase of the Company's shares, or transfer or cancelation of treasury stocks, it is proposed to authorize the Chairman of Board to change the payout ratio.

6th Proposal

Cause: The amendments to the Company's "Rules of Procedure for Board of Directors' Meetings" is submitted for review.

Description: For the comparative list for the provisions of the Company's "Rules of Procedure for Board of Directors' Meetings" before and after the amendments, please refer to Attachment 4 on Pages 12 of the Handbook.

Two. Acknowledgement matters

1st Proposal

(Proposed by the Board of Directors)

Cause: The Company's 2023 Business Report and Financial Statements are submitted for acknowledgement.

- Descriptions:
1. The Company's 2023 parent company only and consolidated financial statements, including balance sheet, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flow, have been audited by Gregory Kuo, CPA and Tsai Yi-Tai, CPA of PwC Taiwan, which, together with the business report, were approved upon resolution by the Board of Directors on March 15, 2024.
 2. For the 2023 business report, external auditor's report and said statements, please refer to Attachment 1 on Pages 6~9 and Attachment 5 on Pages 13~41 of the Handbook.
 3. Submitted for acknowledgement.

Resolution:

2nd Proposal

(Proposed by the Board of Directors)

Cause: The Company's 2023 Distribution of Earnings is submitted for acknowledgment.

- Descriptions:
1. For the statement of 2023 distribution of earnings, please refer to Attachment 6 on Page 42 of the Handbook.
 2. In this earnings distribution, the earnings for 2023 shall be distributed first.
 3. Submitted for acknowledgement.

Resolution:

Three. Discussion matters

1st Proposal

(Proposed by the Board of Directors)

Cause: The proposal for issuing new shares through capital increase from 2023 earnings is submitted for resolution.

- Descriptions:
1. In consideration of the Company's future business development needs, it is proposed to distribute stock dividends of NT\$20,804,400 to shareholders from the 2023 distributable earnings. The capital will be increased by issuing 2,080,440 new shares at a par value of NT\$10 per share. 50 shares will be gratuitously allotted for every thousand shares, based on the shareholding ratio recorded in the shareholder registry on the record date for issuance of new shares. In the case of fractional shares, each of which is less than one share, among the new shares distributed to any shareholder, the shareholder may combine such shares at the stock transfer agency of the Company within 5 days following the book closure date. All fractional shares which have failed to be combined within that period or into one share will be distributed in cash based on the par value per share (rounded down to the nearest whole dollar). With respect to the accumulated fractional shares, it is proposed that the Chairman be authorized to contact specific persons for subscription at par value. The company delivers the allotted stocks through book transfer. The fractional share amount less than one share will be used as the operating expenses for book transfer allotment/delivery.
 2. Non-physical shares will be issued, and the rights and obligations of these newly issued shares are the same as those of the original shares.
 3. In the event of changes in the number of outstanding shares affecting the stock dividend distribution ratio, such as the repurchase of the Company's shares, the transfer or cancellation of treasury stocks, or the conversion of convertible corporate bonds and employee stock warrants into common shares, it is proposed to authorize the board of directors to handle relevant adjustments.
 4. After receiving approval from the shareholders' meeting and the competent authorities, it is proposed that the board of directors be authorized to set the record date, distribution date, and other relevant matters associated with the issuance of new shares.
 5. Submitted for discussion.

Resolution:

Four. Extempore motion

Five. Adjournment

Sanlien Technology Corp.

Business Report

In the face of a challenging business environment, and with the efforts of all colleagues, the Company's consolidated net operating revenue in 2023 amounted to NT\$3,702,071 thousand, representing a decrease of 3.2% from NT\$3,823,400 thousand in 2022. Additionally, the rising stock prices of our short-term investment targets and an increase in the valuation of market multipliers for long-term investments contributed to a net non-operating income of NT\$241,280 thousand, marking a significant increase of 76.1% from 2022. Net income for the current period was NT\$422,512 thousand, showing an increase of approximately 13.6% from NT\$372,015 thousand in 2022, with basic earnings per share of NT\$6.52.

I. 2023 Business Results

(I) Business plan implementation results

Unit: NT\$ thousand

Item	2023	2022	Increase (decrease) in amount	Increase (decrease) %
Operating revenue	3,702,071	3,823,400	(121,329)	(3.2)
Gross profit	551,291	650,284	(98,993)	(15.2)
Gross profit margin (%)	15.0	17.0	(2.0)	(11.8)
Operating expenses	306,306	327,043	(20,737)	(6.3)
Operating income	244,985	323,241	(78,256)	(24.2)
Non-operating revenue (expense)	241,280	136,976	104,304	76.1
Net profit before tax	486,265	460,217	26,048	5.7
Current net income	422,512	372,015	50,497	13.6
Net income attributable to owners of the parent	271,466	175,259	96,207	54.9
Basic EPS	6.52 元	4.22 元	2.30 元	54.5

(II) Budget implementation status: Not applicable, as the Company didn't disclose its financial forecast in 2023.

(III) Analysis on financial revenue & expense and profitability

Item		2023	2022
Financial structure	Liability to asset ratio (%)	46.4	50.1
	Ratio of long-term capital to property, plant and equipment (%)	280.9	267.1
Solvency	Current ratio (%)	128.8	138.3
	Quick ratio (%)	80.5	81.4
	Interest coverage ratio	2,597.3	4,549.6
Profitability	ROA (%)	8.8	8.4
	ROE (%)	16.3	15.4
	Net operating profit to paid-in capital ratio (%)	58.9	77.7
	Net profit before tax to paid-in capital ratio (%)	116.9	110.6
	Net profit margin (%)	11.4	9.7
	Basic EPS (NT\$)	6.52	4.22

(IV) R&D results

1. Successfully developed the force balance accelerometer FA135.
2. Successfully developed the distributed high-speed synchronization signal datalogger DATUM EF410 for application in the bridge safety monitoring system.
3. Successfully developed the SS300 earthquake switch for application in the elevator emergency shutdowns during earthquakes.
4. Successfully developed the TILTdot tiltmeter with NB-IoT transmission function.
5. Completes the Sanlien dot cloud service, providing users with real-time monitoring of current data, historical curves and reports on the dot cloud.

II. Outline of 2024 Business Plan

Automatic Monitoring Core Business:

The Company aims to “help the human beings understand the nature and working environment” as its mission. In the future, the Company will continue striving to secure a safe environment for all human beings as the focus of its business development. In addition to continuing to invest the environmental monitoring, the Company will also promote the IoT real-time monitoring and smart city disaster prevention monitoring programs as its core business, in response to the Industry 4.0 and Internet trends.

The Company will proceed to transform itself based on innovative thoughts and through continuous improvement, and use its best effort to provide the omnibearing environmental monitoring and sensing system integration services by virtue of “hardware with software”, in order to become a practitioner dedicated to constructing smart cities and helping national disaster prevention programs. Adopt the following strategies to achieve the goals:

1. Continue to internalize the core technology and practice the consolidated effects through the management by department, based on the professional division of labor by "Technology Department";
2. Continue to invest in smart manufacturing equipment and plan for the complete automation of production for pipes and tubes at the Kaohsiung Plant, advancing towards the goal of a dark factory.
3. Expand the application of the existing products to different fields and develop and manufacture our own products, with the goal of its operation contributing NT\$1 to EPS in the next two years.

4. Enhance the visibility of our brand through the production of marketing videos, exhibitions at home and abroad, adjustments to the structure of the Chinese and English official websites, and optimization of webpage contents.
5. Continue to develop the earthquake testing instrument and peripheral application systems, and develop earthquake early warning and disaster prevention and relief markets.
6. The ESG Committee continues to implement corporate social responsibility, enhance corporate governance systems, and promote environmental sustainability practices. In 2023, the third phase of solar energy equipment was installed at the Kaohsiung Plant. This new installation is anticipated to commence power generation in the second quarter of 2024, providing green energy to our Southern Office.
7. The subsidiary RIFT SYSTEMS INC. promotes seismometers, meteorological equipment, and bridge inspection to the U.S.

Electronic materials operations:

At present, some products are still in the final stage of inventory adjustment, and it is expected that the semiconductor industry will not rebound significantly until the second half of 2024. Looking ahead to 2024, with the rapid increase in demand for artificial intelligence (AI) and high-performance computing (HPC), combined with the gradual recovery of demand for smart phones, personal computers, automobiles, and other terminals, it is expected that the semiconductor sales market will once again grow, ushering in a new wave of expansion.

The Company has entered the advanced process semiconductor market with success following a number of years of active deployment. In view of the trend of wafer foundry customers' continuous fab expansion, the Company not only maintained its existing production capacity but also commenced planning for the expansion of additional production lines since 2022, in response to the robust demand for advanced manufacturing processes from customers. At the same time, the Company also completed the setup of a new cleanroom for high-purity product testing in 2023. Additionally, the new production line will start production in 2024, which is expected to drive a wave of revenue growth in the future.

III. The Company's future development strategy, and the effect of external competition, legal environment, and overall business environment.

(I) Future development strategy

The Company aims to “help the human beings understand the nature and working environment” as its mission and also strives to become the top 1 brand for environmental monitoring, micro-vibration sensing technology and system integration services. In the recent years, various disasters have occurred constantly all over the world. Therefore, multiple urban construction projects have included the disaster prevention system with IoT functions and land monitoring system as the major work items. The Company utilizes the informatization technology to establish the IoT comprehensively, optimize the environmental monitoring system’s performance, and combine the earthquake detection, automated monitoring and structural health checkup with the AIoT technology integration system products to develop seismographs and vibration measurement products successfully, in order to provide the global customers with solutions in line with the international vibration standards and norms. In the future, the Company will continue to promote the product carbon footprint verification and reduction management system.

Looking forward to the future, the Company will insist on “focus on its core profession, forward-looking investment, rolling planning-based management and continuous transformation” as its basic policy to accelerate upgrading of R&D, strengthen the production and marketing layout, develop its business domain and pursue stable growth.

(II) The effect of external competition, legal environment, and overall business environment

The economic growth for 2024 will still be affected by uncertainties such as the sluggish economy in China, the slowdown of the US economy, interest rate cuts implemented by central banks worldwide, escalating geopolitical risks, the intensifying US-China technology rivalry, extreme climate events, and the development of artificial intelligence. Overall, it is expected that exports and capital investment will return to positive growth in 2024. The Company's management will focus on collection terms from customers, regular tracking of collection status, inventory depletion, and cost down to control the Company's cash flow. In addition, the Company's management team will keep paying attention to material impacts brought by the delivery issues from suppliers, foreign exchange rates, information security management, and the countermeasures thereof.

All of the Company's operations strictly comply with the existing laws and regulations applicable domestically and in foreign countries where the Company makes investments. The management team will keep observing any changes in policies and laws that might affect the Company's business and finance. All of these practices pose positive effects to the Company's business. The Company will keep upholding its management philosophy, "Witness Technology and Write History for Industry." The Company has involved in multiple monitoring engineering projects about infrastructure domestically (e.g. high-speed rail, MRT, reservoir and bridge, et al.). Meanwhile, the Company will use the best to lay more solid foundation for automation in the railcar testing industry. Automation Business Dept. will develop new technologies and apply them to develop its business domain (e.g. earthquake early warning device and structural health measurement system, etc.), in order to generate stable profit.

Finally, I would like to extend my sincere appreciation to all shareholders, investors and employees for their supports, and also hope that all of you may continue to give encouragement and advice. We will keep growing stably and successfully and share with you our business results. Wish all of you

health and success!

Chairman Lin Ta-Chun

General Manager Lin Chia-Ching

Accounting Manager Huang I-Chen

Audit Committee's Review Report

The Board of Directors prepared the Company's 2023 business report, financial statements (including parent company only and consolidated financial statements) and proposal for distribution of earnings. Among them, the financial statements (including parent company only and consolidated financial statements) have been audited by Gregory Kuo, CPA and Tsai Yi-Tai, CPA of PwC Taiwan and an audit report with unqualified opinion with other matters section has been issued. Said business report, financial statements and proposal for distribution of earnings have been reviewed by the Audit Committee and found to have no inconsistencies. This report is issued in accordance with the Securities and Exchange Act and Company Act.

Please review it accordingly.

To:

2024 Annual General Meeting of Sanlien Technology Corp.

Convener of Audit Committee: Ke Yen-Huei

March 15, 2024

Breakdown of Compensation to Directors

Job Title	Name	Compensation to Directors				Remuneration for concurrently serving as employee				Retirement Pension (F)	Summation of A, B, C, D, E, F, and G, and as a % of net profit after tax		Remuneration from investees other than subsidiaries or parent company							
		Return (A)		Retirement Pension (B)		Remuneration to director (C)		Professional practice fees (D)			Salaries, bonuses, special allowances, etc. (E)			Employee remuneration (G)						
		All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements	The Company		All companies in the financial statements	The Company					
Chairman	Lin Ta-Chun	2,161	2,161	466	466	0	0	3,320	3,320	5,947	5,947	0	0	0	0	5,947	5,947	2.19%	2.19%	140
Director	Rui Hua Investment Co., Ltd.	267	267	0	0	2,705	2,705	0	0	2,972	2,972	0	0	0	0	2,972	2,972	1.09%	1.09%	222
Director Representative	Chen Shu-Hua	0	0	0	0	0	0	15	15	15	15	0	0	0	0	15	15	0.01%	0.01%	475
Director	Multiple Investment Corp.	267	267	0	0	901	901	0	0	1,168	1,168	0	0	0	0	1,168	1,168	0.43%	0.43%	0
Director Representative	Chen Chin-Ying	0	0	0	0	0	0	15	15	15	15	0	0	0	0	15	15	0.01%	0.01%	0
Director	Sanlien Educational Foundation	267	267	0	0	1,803	1,803	0	0	2,070	2,070	0	0	0	0	2,070	2,070	0.76%	0.76%	212
Director	Chuang Chu-Wei	161	161	0	0	526	526	15	15	702	702	0	0	0	0	702	702	0.26%	0.26%	0
Independent Director	Ke Yen-Huei	600	600	0	0	901	901	35	35	1,536	1,536	0	0	0	0	1,536	1,536	0.57%	0.57%	0
Independent Director	Lin Ching-Rong	350	350	0	0	526	526	15	15	891	891	0	0	0	0	891	891	0.33%	0.33%	0
Independent Director	Liao Shian-Yao	350	350	0	0	526	526	15	15	891	891	0	0	0	0	891	891	0.33%	0.33%	0
Director Representative	Lin Ting-Hsiang	0	0	0	0	0	0	20	20	20	20	0	0	0	0	20	20	0.01%	0.01%	2,299
Director Representative	Kao Chu-Min	0	0	0	0	0	0	20	20	20	20	1,513	1,852	44	44	1,577	1,915	0.58%	0.71%	0
Director	Hsieh Ming-Yuan	106	106	0	0	376	376	20	20	502	502	0	0	0	0	502	502	0.18%	0.18%	0
Independent Director	Lin Chim-Yuan	250	250	0	0	376	376	20	20	646	646	0	0	0	0	646	646	0.24%	0.24%	0
Independent Director	Li Ming-Kuei	250	250	0	0	376	376	20	20	646	646	0	0	0	0	646	646	0.24%	0.24%	0

Sanlien Technology Corp.

Comparative List for the Provisions of the Rules of Procedure for Board of Directors' Meetings Before and After the Amendments

After the Amendments	Before the Amendments
<p>Article 12: If one-half of all board directors are not in attendance at the appointed meeting time, the chair may announce a postponement to a later time on the same day, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.</p> <p>The term "all board directors" as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.</p>	<p>Article 12: If one-half of all board directors are not in attendance at the appointed meeting time, the chair may announce a postponement to a later time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.</p> <p>The term "all board directors" as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.</p>
<p>Article 13: A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.</p> <p>If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 12 shall apply mutatis mutandis.</p> <p><u>During a board of directors meeting, if the chair is unable to chair the meeting for any reason or declare the meeting closed without adhering to the provision stipulated in paragraph 2, the provision of Article 10, paragraph 3, as applied mutatis mutandis, shall apply to the election and appointment of an acting chairperson.</u></p>	<p>Article 13: A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.</p> <p>If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 12 shall apply mutatis mutandis.</p>

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000524

To the Board of Directors and Shareholders of Sanlien Technology Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Sanlien Technology Corp. (the “Company”) as at 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 material accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at 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 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 parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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:

Fair value measurement of investments in unlisted stocks without active market

Description

Refer to Notes 4(5) and (6) for accounting policies on unlisted stocks (accounted as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income), Note 5 for uncertainty of accounting estimates and assumptions in relation to the fair value of unlisted stocks, Notes 6(2) and (6) for details of unlisted stocks. As at December 31, 2023, the Company's investments in unlisted stocks without active market amounted to NT\$651,358 thousand.

The unlisted stocks held by the Company has no quoted price in an active market. Management estimates the fair value of unlisted stocks using a valuation method, which involves various assumptions and significant unobservable inputs, including the valuation method, identifying similar and comparable companies, price-to-book ratio and discount on liquidity. As the determination of models and parameters used in the estimation of fair value is subject to significant judgement and high uncertainty, we considered the fair value measurement of unlisted stocks 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. Obtained an understanding of the Company's valuation procedures on the unlisted stocks.

2. Assessed whether the valuation methods used by management were reasonable.
3. Assessed the degree of comparability between the comparable companies identified by management and the investee being valued in the market approach.
4. Sampled and verified the price-to-book ratio and the input value of discount on liquidity used in the valuation method and reviewed related information and supporting documents.

Valuation of investments accounted for using the equity method

Refer to Note 4(12) for accounting policy and Note 6(7) for the details of investments accounted for using the equity method.

As at December 31, 2023, the balance of the Company's investment in Kemitek Industrial Corp., a subsidiary accounted for using the equity method, amounted to NT\$651,970 thousand, constituting 27.18% of the Company's total assets. As the investment is considered significant to the financial statements of the Company, the valuation of the investment accounted for using the equity method has been identified as one of the key areas of focus for this year's audit, hence, the key audit matter reported in the financial statements of the subsidiary is also included as one of the key audit matters in our audit of the Company's parent company only financial statements. The key audit matter of the subsidiary is as follows:

Cut-off of sales revenue from distribution warehouse

Description

The sales revenue of Kemitek Industrial Corp. mainly arises from sales revenue from distribution warehouse, constituting 47.98% of operating revenue for the year. The sales revenue from distribution warehouse is recognised when the goods are dispatched from the warehouses (transfer of control). Kemitek Industrial Corp.'s revenue recognition is based on inventory movement records of warehouses supported by the reports from warehouse custodians or bill of lading reports recorded on its customer's network platform. As the frequency and timing of reports provided by warehouse custodians vary and the process of revenue recognition involves manual procedures, these factors may lead to

improper timing of revenue recognition. Thus, we considered the cut-off of sales revenue from distribution warehouse 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. Obtained an understanding and evaluated the Company's procedures for sales revenue from distribution warehouse and internal controls over revenue recognition.
2. Assessed the internal controls over warehouse distribution (checked the terms of transaction / timing of control transfer and dates of supporting documents) and ascertained whether the transactions were recognised in the proper period to confirm the accuracy of the timing of revenue recognition.
3. Performed cut-off procedures on sales revenue from distribution warehouses recognised during a specific period before and after the period-end, including verifying delivery schedule of distribution warehouses and ensuring the movements of inventories contained in the statements and cost of goods sold recognised in the proper period.
4. Performed physical inventory count observation with significant hub custodians and agreed the results to accounting records.

Other matter - Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$362,160 thousand and NT\$221,742 thousand, constituting 15.10% and 10.61% of the total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$46,758 thousand and NT\$51,810 thousand, constituting 11.93% and 55.27% of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the 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 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 the 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.

Gregory Kuo

Tsai, Yi-Tai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 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.

SANLIEN TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(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)	\$ 147,449	6	\$ 165,887	8
1110	Financial assets at fair value through profit or loss — current	6(2)	131,804	6	120,599	6
1136	Financial assets at amortised cost — current	6(3) and 8	19,083	1	26,808	1
1140	Contract assets — current	6(20)	10,419	-	3,926	-
1150	Notes receivable, net	6(4)	9,794	-	14,822	1
1160	Notes receivable — related parties	7	38	-	93	-
1170	Accounts receivable, net	6(4)	62,930	3	73,462	4
1180	Accounts receivable — related parties	7	3,244	-	4,171	-
130X	Inventories	6(5)	126,908	5	89,518	4
1410	Prepayments	7	14,060	1	12,893	1
11XX	Total current assets		<u>525,729</u>	<u>22</u>	<u>512,179</u>	<u>25</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss — non-current	6(2)	156,364	7	77,437	4
1517	Financial assets at fair value through other comprehensive income — non-current	6(6) and 7	496,136	21	447,927	21
1550	Investments accounted for using equity method	6(7) and 7	1,016,354	42	848,388	41
1600	Property, plant and equipment	6(8), 7 and 8	174,272	7	176,000	8
1755	Right-of-use assets	6(9)	9,095	-	9,281	-
1780	Intangible assets		188	-	601	-
1840	Deferred tax assets	6(27)	10,765	1	9,934	1
1920	Guarantee deposits paid		7,591	-	5,047	-
1930	Long-term notes and accounts receivable		525	-	-	-
1960	Non-current prepayments for investments		570	-	-	-
1980	Other financial assets — non-current		-	-	1,134	-
1990	Other non-current assets		1,130	-	1,130	-
15XX	Total non-current assets		<u>1,872,990</u>	<u>78</u>	<u>1,576,879</u>	<u>75</u>
1XXX	Total assets		<u>\$ 2,398,719</u>	<u>100</u>	<u>\$ 2,089,058</u>	<u>100</u>

(Continued)

SANLIEN TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(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(11)	\$ 306,425	13	\$ 325,454	16
2110	Short-term notes and bills payable	6(11)	29,985	1	-	-
2130	Contract liabilities — current	6(20) and 7	12,348	1	24,463	1
2150	Notes payable		347	-	330	-
2160	Notes payable — related parties	7	-	-	16	-
2170	Accounts payable		61,438	3	26,999	1
2180	Accounts payable — related parties	7	3,635	-	7,110	-
2200	Other payables	6(12)	83,690	3	73,146	4
2220	Other payables — related parties	7	277	-	13	-
2230	Current income tax liabilities		6,131	-	1,344	-
2280	Lease liabilities — current		4,028	-	4,095	-
2320	Long-term liabilities, current portion	6(13)	140,000	6	-	-
2399	Other current liabilities		6,562	-	4,604	-
21XX	Total current liabilities		<u>654,866</u>	<u>27</u>	<u>467,574</u>	<u>22</u>
	Non-current liabilities					
2540	Long-term borrowings	6(13)	60,000	3	220,000	11
2570	Deferred tax liabilities	6(27)	21,615	1	18,849	1
2580	Lease liabilities — non-current		4,707	-	5,273	-
2640	Net defined benefit liability — non-current	6(14)	3,280	-	439	-
2645	Guarantee deposits received		2,094	-	-	-
2670	Other non-current liabilities		77	-	129	-
25XX	Total non-current liabilities		<u>91,773</u>	<u>4</u>	<u>244,690</u>	<u>12</u>
2XXX	Total liabilities		<u>746,639</u>	<u>31</u>	<u>712,264</u>	<u>34</u>
	Equity					
	Share capital	6(16)				
3110	Common stock		416,088	17	416,088	20
	Capital surplus	6(17)				
3200	Capital surplus		44,189	2	44,195	2
	Retained earnings	6(18)				
3310	Legal reserve		256,888	11	240,545	12
3350	Unappropriated retained earnings		677,004	28	507,949	24
	Other equity interest	6(19)				
3400	Other equity interest		257,911	11	168,017	8
3XXX	Total equity		<u>1,652,080</u>	<u>69</u>	<u>1,376,794</u>	<u>66</u>
	Significant contingent liabilities and unrecognised commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 2,398,719</u>	<u>100</u>	<u>\$ 2,089,058</u>	<u>100</u>

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

SANLIEN TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	\$ 440,831	100	\$ 463,451	100
5000	Operating costs	6(5)(25)(26) and 7	(269,863)	(61)	(305,087)	(66)
5900	Gross profit from operations		170,968	39	158,364	34
5920	Realized profit from inter-affiliate accounts		51	-	52	-
5950	Gross profit from operations		171,019	39	158,416	34
	Operating expenses	6(14)(25)(26) and 7				
6100	Selling expenses		(61,486)	(14)	(55,923)	(12)
6200	Administrative expenses		(81,427)	(18)	(84,239)	(18)
6300	Research and development expenses		(13,697)	(3)	(34,809)	(7)
6450	(Expected credit loss) impairment gain		(129)	-	(54)	-
6000	Total operating expenses		(156,739)	(35)	(175,025)	(37)
6900	Operating (loss) income		14,280	4	(16,609)	(3)
	Non-operating income and expenses					
7100	Interest income	6(21)	847	-	267	-
7010	Other income	6(22) and 7	45,149	10	87,243	19
7020	Other gains and losses	6(23)	124,907	28	(19,139)	(4)
7050	Finance costs	6(24)	(11,690)	(2)	(7,022)	(2)
7070	Share of profit of associates and joint ventures accounted for using equity method		105,983	24	139,702	30
7000	Total non-operating income and expenses		265,196	60	201,051	43
7900	Profit before income tax		279,476	64	184,442	40
7950	Income tax expense	6(27)	(8,010)	(2)	(9,183)	(2)
8200	Profit for the year		\$ 271,466	62	\$ 175,259	38

(Continued)

SANLIEN TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

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		\$ -	-	\$ 1,593	1
8316	6(6)				
		114,227	26 (96,279)	(21)
8330					
		2,002	-	1,291	-
8349	6(27)				
		-	-	(321)	-
8310					
		116,229	26 (93,716)	(20)
Components of other comprehensive income that will be reclassified to profit or loss					
8361		4,461	1	13,547	3
8380					
		586	-	1,128	-
8399	6(27)				
		(940)	-	(2,471)	(1)
8360					
		4,107	1	12,204	2
8300					
		\$ 120,336	27	\$ 81,512)	(18)
8500		\$ 391,802	89	\$ 93,747	20
Earnings per share (in dollars)					
9750	6(28)	\$	6.52	\$	4.22
9850		\$	6.52	\$	4.22

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

SANLIEN TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings			Other equity interest			Total equity
		Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
<u>Year ended December 31, 2022</u>								
Balance at January 1, 2022		\$ 416,088	\$ 43,311	\$ 221,101	\$ 492,946	(\$ 20,768)	\$ 272,860	\$ 1,413,018
Net income for the year		-	-	-	175,259	-	-	175,259
Other comprehensive income (loss)	6(19)	-	-	-	2,563	12,204	(96,279)	(81,512)
Total comprehensive income (loss)		-	-	-	177,822	12,204	(96,279)	93,747
Distribution of 2021 earnings	6(18)	-	-	-	-	-	-	-
Legal reserve		-	-	19,444	(19,444)	-	-	-
Cash dividends		-	-	-	(128,987)	-	-	(128,987)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	-	(14,388)	-	-	(14,388)
Share-based payments		-	880	-	-	-	-	13,400
Non-payment of expired cash dividends from previous year transferred to capital surplus		-	4	-	-	-	-	4
Balance at December 31, 2022		\$ 416,088	\$ 44,195	\$ 240,545	\$ 507,949	(\$ 8,564)	\$ 176,581	\$ 1,376,794
<u>Year ended December 31, 2023</u>								
Balance at January 1, 2023		\$ 416,088	\$ 44,195	\$ 240,545	\$ 507,949	(\$ 8,564)	\$ 176,581	\$ 1,376,794
Net income for the year		-	-	-	271,466	-	-	271,466
Other comprehensive income (loss)	6(19)	-	-	-	(562)	4,107	116,791	120,336
Total comprehensive income		-	-	-	270,904	4,107	116,791	391,802
Distribution of 2022 earnings	6(18)	-	-	-	-	-	-	-
Legal reserve		-	-	16,343	(16,343)	-	-	-
Cash dividends		-	-	-	(116,505)	-	-	(116,505)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	-	(5)	-	-	(5)
Non-payment of expired cash dividends from previous year transferred to capital surplus		-	(6)	-	-	-	-	(6)
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	31,004	-	(31,004)	-
Balance at December 31, 2023		\$ 416,088	\$ 44,189	\$ 256,888	\$ 677,004	(\$ 4,457)	\$ 262,368	\$ 1,652,080

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

SANLIEN TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 279,476	\$ 184,442
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on inventory valuation and physical inventory (gain on reversal of decline in market)	6(5)	(134)	661
Expected credit loss		129	54
Depreciation of property, plant and equipment	6(8)	6,406	7,048
Depreciation of right-of-use assets	6(9)	4,641	3,983
Amortization	6(26)	413	356
Interest income	6(21)	(847)	(267)
Interest expense	6(24)	11,690	7,022
Dividend income	6(22)	(26,529)	(63,375)
Gain on disposal of property, plant and equipment	6(23)	(524)	(413)
Net (gain) loss on financial assets at fair value through profit or loss	6(23)	(123,631)	20,601
Share of profit of associates and joint ventures accounted for using equity method		(105,983)	(139,702)
Share-based payments		-	919
Gain recognised in bargain purchase transaction	6(7)	(11,009)	-
Increase in life insurance surrender value		-	(12)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets — current		(6,506)	(630)
Notes receivable, net		5,028	(765)
Notes receivable — related parties		55	(93)
Accounts receivable		10,416	1,752
Accounts receivable — related parties		927	254
Other receivables		-	8
Inventories		(37,598)	(4,006)
Prepayments		(1,167)	(1,049)
Long-term notes and accounts receivable		(525)	-
Changes in operating liabilities			
Contract liabilities		(12,116)	(2,120)
Notes payable		16	305
Notes payable — related parties		(16)	1
Accounts payable		34,439	(4,065)
Accounts payable — related parties		(3,475)	51
Other payables		13,713	4,389
Other payables — related parties		264	-
Other liabilities — current		1,958	3,859
Net defined benefit liabilities		2,841	(341)
Other liabilities — non-current		(52)	(52)
Cash inflow generated from operations		42,300	18,815
Interest received		847	267
Dividends received		114,103	139,931
Income taxes paid		(2,228)	(8,223)
Interest paid		(11,554)	(6,772)
Net cash flows from operating activities		<u>143,468</u>	<u>144,018</u>

(Continued)

SANLIEN TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 16,253)	(\$ 73,029)
Proceeds from disposal of financial assets at fair value through profit or loss		49,752	77,904
Acquisition of financial assets at fair value through other comprehensive income		(20,000)	(12,000)
Acquisition of financial assets at amortized cost		7,725	(10,811)
Acquisition of property, plant and equipment	6(29)	(8,121)	(2,987)
Proceeds from disposal of property, plant and equipment		524	2,015
Acquisition of intangible assets		-	(84)
Increase in refundable deposits		(2,544)	(115)
Proceeds from capital reduction of investments accounted for using equity method		9,101	11,354
Acquisition of investments accounted for using equity method		(56,357)	-
Increase in prepayments for investments		(570)	-
Increase in other financial assets - non-current		1,134	-
Net cash flows used in investing activities		(35,609)	(7,753)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	76,425	216,584
Decrease in short-term borrowings	6(30)	(95,454)	(186,975)
Increase in short-term notes and bills payable	6(30)	29,985	-
Increase in long-term borrowings	6(30)	-	80,000
Repayments of long-term borrowings	6(30)	(20,000)	-
Payments of lease liabilities	6(30)	(4,607)	(3,961)
Proceeds from sale of treasury shares		-	12,480
Cash dividends paid	6(30)	(116,505)	(128,987)
Non-payment of expired cash dividends from prior year		(6)	4
Acquisition of ownership interests in subsidiaries		-	(45,389)
Proceeds from disposal of ownership interests in subsidiaries		1,771	1,219
Decrease in guarantee deposits received		2,094	-
Net cash flows used in financing activities		(126,297)	(55,025)
Net (decrease) increase in cash and cash equivalents		(18,438)	81,240
Cash and cash equivalents at beginning of year		165,887	84,647
Cash and cash equivalents at end of year		\$ 147,449	\$ 165,887

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000554

To the Board of Directors and Shareholders of Sanlien Technology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Sanlien Technology Corp. and its subsidiaries (the “Group”) as at 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 material accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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:

Fair value measurement of investments in unlisted stocks without active market

Description

Refer to Notes 4(7) and (8) for accounting policies on unlisted stocks (accounted as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income), Note 5 for uncertainty of accounting estimates and assumptions in relation to the fair value of unlisted stocks, Notes 6(2) and (6) for details of unlisted stocks. As at December 31, 2023, the Group's investments in unlisted stocks without active market amounted to NT\$651,358 thousand.

The unlisted stocks held by the Group has no quoted price in an active market. Management estimates the fair value of unlisted stocks using a valuation method, which involves various assumptions and significant unobservable inputs, including the valuation method, identifying similar and comparable companies, price-to-book ratio and discount on liquidity. As the determination of models and parameters used in the estimation of fair value is subject to significant judgement and high uncertainty, we considered the fair value measurement of unlisted stocks 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. Obtained an understanding of the Group's valuation procedures on the unlisted stocks.
2. Assessed whether the valuation methods used by management were reasonable.
3. Assessed the degree of comparability between the comparable companies identified by management and the investee being valued in the market approach.
4. Sampled and verified the price-to-book ratio and the input value of discount on liquidity used in the valuation method and reviewed related information and supporting documents.

Cut-off of sales revenue from distribution warehouse

Description

Refer to Note 4(26) for accounting policy on revenue recognition.

The sales revenue of the Group mainly arises from sales revenue from distribution warehouse, constituting 47.98% of operating revenue for the year. The sales revenue from distribution warehouse is recognised when the goods are dispatched from the warehouses (transfer of control). The Group's revenue recognition is based on inventory movement records of warehouses supported by the reports from warehouse custodians or bill of lading reports recorded on its customers' network platform. As the frequency and timing of reports provided by warehouse custodians vary and the process of revenue recognition involves manual procedures, these factors may lead to improper timing of revenue recognition. Thus, we considered the cut-off of sales revenue from distribution warehouse 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. Obtained an understanding and evaluated the Group's procedures for sales revenue from distribution warehouse and internal controls over revenue recognition.
2. Assessed the internal controls over warehouse distribution (checked the terms of transaction timing of control transfer and dates of supporting documents and ascertained whether the transactions were recognised in the proper period) to confirm the accuracy of the timing of revenue recognition.
3. Performed cut-off procedures on sales revenue from distribution warehouses recognised during a specific period before and after the period-end, including verifying delivery schedule of distribution warehouses and ensuring the movements of inventories contained in the statements and cost of goods sold recognised in the proper period.
4. Performed physical inventory count observation with significant hub custodians and agreed the results to accounting records.

Other matter - Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$367,055 thousand and NT\$221,742 thousand, constituting 7.17% and 4.56% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and operating revenue amounted to NT\$4,455 thousand, constituting 0.12% of the consolidated total operating revenue for the year then ended December 31, 2023. If the recognized comprehensive income of investments accounted for under the equity

method is material, please consider disclosing the impact of total comprehensive income. For example: The comprehensive income recognized from these associates and joint ventures accounted for under the equity method amounted to NT\$54,033 thousand and NT\$51,810 thousand, constituting 9.94% and 17.58% of the consolidated total comprehensive income for the years then ended December 31, 2023 and 2022, respectively.

Other matter - Parent company only financial reports

We have audited and expressed an unmodified opinion with an explanatory paragraph on the parent company only financial statements of Sanlien Technology Corp. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the 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 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.

Gregory Kuo

Tsai, Yi-Tai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2024

The accompanying 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 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.

SANLIEN TECHNOLOGY CORP. AND SUBSIDIARIES
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(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)	\$ 714,333	14	\$ 656,645	14
1110	Financial assets at fair value through profit or loss - current	6(2)	131,954	3	123,371	3
1136	Financial assets at amortised cost - current	6(3) and 8	19,083	-	26,913	1
1140	Contract assets - current	6(21)	11,755	-	5,378	-
1150	Notes receivable, net	6(4)	12,964	-	16,314	-
1160	Notes receivable due from related parties	6(4) and 7	38	-	250	-
1170	Accounts receivable, net	6(4)	891,368	18	953,090	20
1180	Accounts receivable due from related parties	6(4) and 7	2,788	-	2,725	-
1197	Finance lease receivable, net	6(10)	18,929	-	-	-
1200	Other receivables		46,244	1	21,581	-
1210	Other receivables due - related parties	7	211	-	23	-
130X	Inventories	6(5)	1,038,560	20	1,188,605	24
1410	Prepayments	7	22,960	1	17,376	-
11XX	Total current assets		<u>2,911,187</u>	<u>57</u>	<u>3,012,271</u>	<u>62</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	156,364	3	77,437	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6) and 7	496,136	10	447,927	9
1535	Financial assets at amortised cost - non-current	6(3) and 8	21,311	-	21,138	-
1550	Investments accounted for using equity method	6(7) and 7	350,791	7	233,913	5
1600	Property, plant and equipment	6(8), 7 and 8	1,017,290	20	1,006,761	21
1755	Right-of-use assets	6(9)	22,611	-	13,968	-
1780	Intangible assets	6(11)	27,392	1	26,164	1
1840	Deferred tax assets	6(28)	16,005	-	19,407	-
1920	Guarantee deposits paid		10,179	-	6,178	-
1930	Long-term notes and accounts receivable		525	-	-	-
194D	Long-term finance lease receivable, net	6(10)	84,498	2	-	-
1960	Prepayments for investments		570	-	-	-
1980	Other non-current financial assets		-	-	1,133	-
1990	Other non-current assets		3,196	-	1,476	-
15XX	Total non-current assets		<u>2,206,868</u>	<u>43</u>	<u>1,855,502</u>	<u>38</u>
1XXX	Total assets		<u>\$ 5,118,055</u>	<u>100</u>	<u>\$ 4,867,773</u>	<u>100</u>

(Continued)

SANLIEN TECHNOLOGY CORP. AND SUBSIDIARIES

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(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)	\$ 686,425	13	\$ 685,454	14
2110	Short-term notes and bills payable	6(12)	29,985	1	-	-
2130	Contract liabilities - current	6(21) and 7	28,166	1	34,950	1
2150	Notes payable		1,977	-	1,286	-
2170	Accounts payable		392,718	8	324,500	7
2180	Accounts payable - related parties	7	619,401	12	717,560	15
2200	Other payables	6(13)	303,545	6	312,189	6
2220	Other payables - related parties	7	18,828	-	22,014	1
2230	Current income tax liabilities		18,481	-	54,829	1
2280	Liabilities - current	7	8,067	-	5,732	-
2320	Long-term liabilities, current portion	6(14)	140,000	3	-	-
2399	Other current liabilities		13,061	-	20,132	-
21XX	Total current liabilities		<u>2,260,654</u>	<u>44</u>	<u>2,178,646</u>	<u>45</u>
	Non-current liabilities					
2540	Long-term borrowings	6(14)	60,000	1	220,000	4
2570	Deferred tax liabilities	6(28)	31,280	1	30,366	1
2580	Lease liabilities – non-current	7	14,298	-	8,475	-
2640	Net defined benefit liability, non-current	6(15)	5,290	-	2,089	-
2645	Guarantee deposits received		2,094	-	-	-
25XX	Total non-current liabilities		<u>112,962</u>	<u>2</u>	<u>260,930</u>	<u>5</u>
2XXX	Total liabilities		<u>2,373,616</u>	<u>46</u>	<u>2,439,576</u>	<u>50</u>
	Equity					
	Share capital	6(17)				
3110	Common stock		416,088	8	416,088	8
	Capital surplus	6(18)				
3200	Capital surplus		44,189	1	44,195	1
	Retained earnings	6(19)				
3310	Legal reserve		256,888	5	240,545	5
3350	Unappropriated retained earnings		677,004	13	507,949	10
	Other equity interest	6(20)				
3400	Other equity interest		257,911	5	168,017	4
31XX	Equity attributable to owners of parent		<u>1,652,080</u>	<u>32</u>	<u>1,376,794</u>	<u>28</u>
36XX	Non-controlling interests	4(3)	<u>1,092,359</u>	<u>22</u>	<u>1,051,403</u>	<u>22</u>
3XXX	Total equity		<u>2,744,439</u>	<u>54</u>	<u>2,428,197</u>	<u>50</u>
	Significant contingent liabilities and unrecognised commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 5,118,055</u>	<u>100</u>	<u>\$ 4,867,773</u>	<u>100</u>

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

SANLIEN TECHNOLOGY CORP. AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(21) and 7	\$ 3,702,071	100	\$ 3,823,400	100
5000	Operating costs	6(5)(26)(27) and 7	(3,150,780)	(85)	(3,173,116)	(83)
5900	Gross profit from operations		<u>551,291</u>	<u>15</u>	<u>650,284</u>	<u>17</u>
	Operating expenses	6(26)(27) and 7				
6100	Selling expenses		(160,216)	(4)	(158,383)	(4)
6200	Administrative expenses		(123,626)	(3)	(124,117)	(4)
6300	Research and development expenses		(22,006)	(1)	(44,164)	(1)
6450	Expected credit loss		(458)	-	(379)	-
6000	Total operating expenses		(306,306)	(8)	(327,043)	(9)
6900	Operating income		<u>244,985</u>	<u>7</u>	<u>323,241</u>	<u>8</u>
	Non-operating income and expenses					
7100	Interest income	6(22)	4,367	-	2,456	-
7010	Other income	6(23) and 7	71,099	2	104,129	3
7020	Other gains and losses	6(24)	140,950	4	(7,061)	-
7050	Finance costs	6(25) and 7	(19,472)	(1)	(10,343)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	<u>44,336</u>	<u>1</u>	<u>47,795</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>241,280</u>	<u>6</u>	<u>136,976</u>	<u>4</u>
7900	Profit before income tax		<u>486,265</u>	<u>13</u>	<u>460,217</u>	<u>12</u>
7950	Income tax expense	6(28)	(63,753)	(1)	(88,202)	(2)
8200	Profit for the year		<u>\$ 422,512</u>	<u>12</u>	<u>\$ 372,015</u>	<u>10</u>

(Continued)

SANLIEN TECHNOLOGY CORP. AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except earnings 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					
		\$	-	\$	-
8316	6(6)			1,593	-
		114,227	3	(96,279)	(2)
8320					
		2,002	-	1,291	-
8349	6(28)				
				(321)	-
8310					
		116,229	3	(93,716)	(2)
Other comprehensive income that will be reclassified to profit or loss					
8361					
		5,887	-	20,540	-
8399	6(28)				
		(1,181)	-	(4,108)	-
8360					
		4,706	-	16,432	-
8300		\$	3	(\$	(2)
8500		\$	15	\$	8
Profit attributable to:					
8610		\$	8	\$	5
8620		\$	4	\$	5
		\$	12	\$	10
Comprehensive income attributable to:					
8710		\$	11	\$	3
8720		\$	4	\$	5
		\$	15	\$	8
Earnings pre share (in dollars) 6(29)					
9750		\$	6.52	\$	4.22
9850		\$	6.52	\$	4.22

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

SANLIEN TECHNOLOGY CORP. AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent								Non-controlling interests	Total equity		
	Notes	Retained earnings				Other equity interest					Treasury shares	Total
		Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares				
Year ended December 31, 2022												
Balance at January 1, 2022		\$ 416,088	\$ 43,311	\$ 221,101	\$ 492,946	(\$ 20,768)	\$ 272,860	(\$ 12,520)	\$ 1,413,018	\$ 992,480	\$ 2,405,498	
Net income for the year		-	-	-	175,259	-	-	-	175,259	196,736	372,015	
Other comprehensive income (loss)	6(20)	-	-	-	2,563	12,204	(96,279)	-	(81,512)	4,228	(77,284)	
Total comprehensive income (loss)		-	-	-	177,822	12,204	(96,279)	-	93,747	200,984	294,731	
Distribution of 2021 earnings	6(19)	-	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	19,444	(19,444)	-	-	-	-	-	-	
Cash dividends		-	-	-	(128,987)	-	-	-	(128,987)	(132,274)	(261,261)	
Share-based payments		-	880	-	-	-	-	12,520	13,400	-	13,400	
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	-	-	-	-	-	-	-	-	
Non-payment of expired cash dividends from previous year transferred to capital surplus		-	4	-	(14,388)	-	-	-	(14,388)	(9,787)	(24,175)	
Balance at December 31, 2022		\$ 416,088	\$ 44,195	\$ 240,545	\$ 507,949	(\$ 8,564)	\$ 176,581	\$ -	\$ 1,376,794	\$ 1,051,403	\$ 2,428,197	
Year ended December 31, 2023												
Balance at January 1, 2023		\$ 416,088	\$ 44,195	\$ 240,545	\$ 507,949	(\$ 8,564)	\$ 176,581	\$ -	\$ 1,376,794	\$ 1,051,403	\$ 2,428,197	
Net income for the year		-	-	-	271,466	-	-	-	271,466	151,046	422,512	
Other comprehensive income (loss)	6(20)	-	-	-	(562)	4,107	116,791	-	120,336	599	120,935	
Total comprehensive income		-	-	-	270,904	4,107	116,791	-	391,802	151,645	543,447	
Distribution of 2022 earnings	6(19)	-	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	16,343	(16,343)	-	-	-	-	-	-	
Cash dividends		-	-	-	(116,505)	-	-	-	(116,505)	(130,244)	(246,749)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(30)	-	-	-	-	-	-	-	-	-	-	
Change in non-controlling interest		-	-	-	(5)	-	-	-	(5)	-	(5)	
Non-payment of expired cash dividends from previous year transferred to capital surplus		-	-	-	-	-	-	-	-	19,555	19,555	
Disposal of financial assets at fair value through other comprehensive income - equity instrument	6(20)	-	(6)	-	-	-	-	-	(6)	-	(6)	
Balance at December 31, 2023		\$ 416,088	\$ 44,189	\$ 256,888	\$ 677,004	(\$ 4,457)	\$ 262,368	\$ -	\$ 1,652,080	\$ 1,092,359	\$ 2,744,439	

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

SANLIEN TECHNOLOGY CORP. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 486,265	\$ 460,217
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on inventory valuation	6(5)	8,472	2,520
Expected credit loss		458	379
Depreciation of property, plant and equipment	6(8)	105,656	107,625
Depreciation of right-of-use assets	6(9)	7,372	6,118
Amortization	6(27)	4,579	2,402
Interest income	6(22)	(4,367)	(2,456)
Dividend income	6(23)	(26,529)	(63,375)
Proceeds from disposal of property, plant and equipment	6(24)		
Net loss (gain) on financial assets at fair value through profit or loss	6(24)	(515)	(938)
Interest expense	6(25)	(121,009)	17,935
Share of profit of associates and joint ventures accounted for using equity method	6(7)	19,472	10,343
Share-based payments		(44,336)	(47,795)
Gain of bargain purchase	6(23)	-	919
Increase in life insurance surrender value		(11,009)	-
		-	(12)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets – current		(6,423)	(60)
Notes receivable, net		3,350	122
Notes receivable - related parties		212	(158)
Accounts receivable		61,278	(101,954)
Accounts receivable - related parties		(67)	3
Other receivables		(24,541)	(6,005)
Other receivables - related parties		(188)	2,217
Inventory		141,953	(438,741)
Prepayments		(5,635)	(1,933)
Long-term notes and accounts receivable		(525)	-
Net defined benefit asset, non-current		-	9,938
Decrease (increase) in other non-current assets		(1,720)	1,298
Changes in operating liabilities			
Contract liabilities - current		(6,780)	809
Notes payable		690	1,198
Accounts payable		68,218	155,948
Accounts payable - related parties		(98,158)	100,069
Other payables		7,804	25,734
Other payables - related parties		(3,186)	12,573
Other current liabilities		(7,071)	17,321
Net defined benefit liabilities		3,201	2,281
Cash inflow generated from operations		556,921	274,542
Interest received		4,245	2,391
Dividends received		61,722	86,699
Income taxes paid		(96,450)	(71,430)
Interest paid		(18,420)	(9,044)
Net cash flows from operating activities		508,018	283,158

(Continued)

SANLIEN TECHNOLOGY CORP. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 16,253)	(\$ 73,029)
Proceeds from disposal of financial assets at fair value through profit or loss		49,752	80,555
Acquisition of financial assets at amortised cost		-	(7,168)
Acquisition of financial assets at fair value through other comprehensive income		(20,000)	(12,000)
Proceeds from disposal of financial assets at amortised cost		7,657	-
Acquisition of investments accounted for under the equity method		(11,487)	-
Increase in prepayments for investments		(570)	-
Proceeds from capital reduction of investments accounted for using equity method		9,101	-
Acquisition of property, plant and equipment	6(31)	(283,500)	(144,703)
Proceeds from disposal of property, plant and equipment		1,152	3,065
Acquisition of intangible assets		(5,746)	(4,406)
Decrease in finance lease receivables		46,118	-
Decrease in other non-current financial assets		1,134	-
(Increase) decrease in guarantee deposits paid		(4,006)	523
Net cash flows used in investing activities		(226,648)	(157,163)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in long-term borrowings	6(32)	-	80,000
Decrease in long-term borrowings	6(32)	(20,000)	-
Increase in short-term borrowings	6(32)	96,425	376,584
Decrease in short-term borrowings	6(32)	(95,454)	(186,975)
Payments of lease liabilities	6(32)	(7,367)	(6,317)
Increase in guarantee deposits received		2,094	-
Proceeds from sale of treasury shares		-	12,482
Non-payment of expired cash dividends from prior year		(6)	4
Change in non-controlling interests		(112,465)	(122,474)
Acquisition of ownership interests in subsidiaries	6(30)	-	(35,190)
Proceeds from disposal of ownership interests in subsidiaries	6(30)	1,771	1,215
Increase in short-term notes and bills payable	6(32)	29,985	-
Cash dividends paid	6(32)	(116,505)	(128,987)
Net cash flows used in financing activities		(221,522)	(9,658)
Effect of exchange rate changes on cash and cash equivalents		(2,160)	3,212
Net increase in cash and cash equivalents		57,688	119,549
Cash and cash equivalents at beginning of year		656,645	537,096
Cash and cash equivalents at end of year		\$ 714,333	\$ 656,645

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

Sanlien Technology Corp.
Statement of 2023 Distribution of Earnings

Unit: NT\$

Item	Subtotal	Total
Undistributed earnings, beginning		375,101,250
Net income after tax for this year	271,465,847	
Plus: Accumulated gains and losses from disposal of investments in equity instruments at fair value through other comprehensive gains and losses directly transferred to retained earnings	31,004,121	
Less: Difference between actual price for acquisition or disposal of subsidiaries' equity and book value	(5,349)	
Less: Investee - changes in remeasurement of defined benefit plan during the current period	(561,742)	
Undistributed earnings for the current year	301,902,877	
Less: provision of legal reserve	(30,190,288)	
Distributable earnings for the current year		271,712,589
Total undistributed earnings		646,813,839
Less: Items allocated for the current year		
Cash dividends (N\$D 2.6 per share)	(108,182,919)	
Stock dividends (NT\$ 0.5 per share)	(20,804,400)	
Total dividends (NT\$ 3.1 per share)		(128,987,319)
Undistributed earnings, ending		517,826,520

Remark:

- In accordance with Article 18-1 of the Company's Articles of Incorporation, the board of directors is authorized to resolve to distribute all or part of the dividends and bonuses in the form of cash.
- Number of shares before distribution: 41,608,815 shares
- In the event of changes in the number of outstanding shares affecting the dividend payout ratio and stock dividend distribution ratio, such as the repurchase of the Company's shares, the Chairman/board of directors shall be authorized to handle such matters.
- The sum of fractional dividends, each less than NT\$1, resulting from the distribution of cash dividends, will be recognized as other income for the Company.
- When calculating the tax on undistributed earnings for the year pursuant to Article 66-9 of the Income Tax Act, the net income after tax for the current period and other items included in the amount of undistributed earnings for the year shall be distributed first for earnings distribution by the Company.
- The Company's Board of Directors meeting resolved on August 11, 2023 that no dividends would be paid for the first half of 2023.

Chairman: Lin Ta-Chun General Manager: Lin Chia-Ching Accounting Manager: Huang I-Chen

Sanlien Technology Corp.

Rules of Procedure for Shareholders' Meetings

I. Any shareholders' meeting of the Company shall be governed by these Rules, unless otherwise provided in laws or the Articles of Incorporation.

II. The shareholders' meeting shall prepare an attendance book for present shareholders, or the present shareholders may hand in a sign-in card in lieu of check-in.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

III. Attendance at shareholders' meetings shall be calculated based on numbers of shares.

IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

The restrictions on the place of the meeting referred to in the preceding paragraph shall not apply when the Company convenes a shareholders' meeting by means of visual communication network only.

V. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. When the Chairman of Board is on leave or for any reason unable to exercise the powers of the chairman, the Vice Chairman shall act on behalf of the Chairman. If no Vice Chairman is appointed, or the Vice Chairman is on leave or for any reason unable to exercise the powers of the vice chairman, the Chairman shall appoint one of the managing directors to act on behalf of him/her. If no managing director is appointed, the Chairman shall appoint one of the directors to act on behalf of him/her. If no such designation is made by the Chairman, the managing directors or directors shall select one person from among themselves to serve as the chair.

If a shareholders' meeting is convened by any party with the power to convene the meeting, other than the Board of Directors, the meeting shall be chaired by the convener, and if there are two or more persons having the right to convene the meeting, the chair of the meeting shall be elected from among themselves.

VI. The Company may appoint its attorneys-at-law, CPAs, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

VII. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Where a virtual shareholders' meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

- VIII. The chair shall call the meeting to order at the appointed meeting time, and announce the number of shareholders without voting right and shares represented by present shareholders at the same time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-thirds of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-thirds or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 2.

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

- IX. For a shareholders' meeting convened by the Board of Directors, the Board of Directors shall prepare the agenda. The meeting shall be proceeded in accordance with the agenda unless otherwise resolved by a shareholders' meeting.

The provisions referred to in the preceding paragraph shall apply *mutatis mutandis* even when the shareholders' meeting is convened by any person with the power to convene the meeting, other than the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda referred to in the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting.

After a shareholders' meeting is adjourned, the shareholders shall not elect another chair to continue the meeting at the same venue or a new venue. If the chair declares the meeting adjourned in violation of the parliamentary rules, a new chair shall be elected by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

An attending shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the contents of the speech do not correspond to the subject given on the speaker's slip, the spoken contents shall prevail.

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

- XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda, the chair may terminate the speech.

- XII. When a juristic person is appointed to attend a shareholders' meeting as a proxy, it may designate only one person to act on behalf of it at the meeting.

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

- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Articles 10~12 do not apply.

- XIV. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders. If the chair thinks the proposals and amendments or extempore motions shall be ready to vote, the chair may proclaim the closure of discussion and put them to a vote, and arrange sufficient hours for the voting.

- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 2 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extempore motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

- XVI. The chair may call the meeting into recess at a suitable time.
- XVII. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.
- At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XIX. The chair may direct the proctors or security personnel to help maintain order at the meeting place. The proctors or security personnel shall wear "proctor" armbands while serving the meeting site to maintain the order.
- XX. In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
- XXI. These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. The same shall apply where these Rules are amended.

Articles of Incorporation of Sanlien Technology Corp.

Chapter I. General Provisions

- Article 1: The Company is organized in accordance with the Company Act, and named as 三聯科技股份有限公司, and Sanlien Technology Corp. in English.
- Article 2: The Company's business lines are stated as following:
1. CB01010 Mechanical Equipment Manufacturing.
 2. CC01010 Manufacture of Power Generation, Transmission, and Distribution Machinery.
 3. CC01060 Wired Communication Mechanical Equipment Manufacturing.
 4. CC01080 Electronics Components Manufacturing.
 5. CC01110 Computer and Peripheral Equipment Manufacturing.
 6. CE01010 General Instrument Manufacturing.
 7. E501011 Tap Water Pipelines Contractors.
 8. E599010 Piping Engineering.
 9. E601010 Electric Appliance Construction.
 10. E603010 Cable Installation Engineering.
 11. E603050 Automatic Control Equipment Engineering.
 12. E604010 Machinery Installation.
 13. E605010 Computer Equipment Installation.
 14. E701010 Telecommunications Engineering.
 15. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering.
 16. EZ05010 Instrument and Meters Installation Engineering.
 17. EZ07010 Drilling Engineering.
 18. EZ99990 Other Engineering.
 19. F113030 Wholesale of Precision Instruments.
 20. F113050 Wholesale of Computers and Clerical Machinery Equipment.
 21. F113070 Wholesale of Telecommunication Apparatus.
 22. F213030 Retail Sale of Computers and Clerical Machinery Equipment.
 23. F213040 Retail Sale of Precision Instruments.
 24. F213060 Retail Sale of Telecommunication Apparatus.
 25. F218010 Retail Sale of Computer Software.
 26. F219010 Retail Sale of Electronic Materials.
 27. F401010 International Trade.
 28. G801010 Warehousing.
 29. H703090 Real Estate Business.
 30. I301010 Information Software Services.
 31. IF04010 Non-destructive Testing.
 32. IZ99990 Other Industrial and Commercial Services.
 33. J101050 Environmental Testing Services.
 34. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: It necessary, the Company may make endorsements/guarantees for others.
- Article 2-2: The Company may invest in another company as a shareholder with liability limited by shares. It is advisable to authorize the Board of Directors to resolve the total amount of investment made by the Company, which may be exempted from the restriction about 40% of the paid-in capital under Article 13 of the Company Act.
- Article 3: The Company's headquarters is situated in Taipei City. The Company may establish domestic or overseas branches under the resolution of the Board of Directors, where necessary.

Article 4: The Company shall make announcements, if any, in the manner referred to in Article 28 of the Company Act.

Chapter II. Shares

Article 5: The Company's authorized capital amounts to NT\$1.05 billion, divided into 105 million shares (including convertible corporate bonds totaling 30 million shares, corporate bonds with stock warrant totaling 20 million shares, and stock warrants totaling 4 million shares). It is NT\$10 per share. The Board of Directors is authorized to have unissued shares issued at different time.

Article 5-1: To transfer shares to employees at the price less than the average actual share repurchase price, the Company shall seek the approval from at least two-thirds of the shareholders present at the most recent meeting attended by shareholders representing a majority of the total issued shares, before the transfer. The transferees of the shares include the employees of parents or subsidiaries of the Company meeting certain requirements.

Article 5-2: The recipients of the Company's employee stock warrants include the employees of parents or subsidiaries of the Company meeting certain requirements. The employees subscribing for the new shares issued by the Company, if any, include the employees of parents or subsidiaries of the Company meeting certain requirements.

The recipients of the restricted stock awards (RSAs) issued by the Company, if any, include the employees of parents or subsidiaries of the Company meeting certain requirements.

Article 6: The Company issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of at least three directors, subject to certification pursuant to laws.

Article 6-1: The Company may issue shares exempted from the requirements about printing of stock certificates, and shall register the shares with the centralized securities depository institutions.

Article 7: The registration of transfer of shares shall be suspended within 60 days before a annual general meeting, within 30 days before a special shareholders' meeting, or within 5 days before the record date decided by the Company for distribution of dividends and bonuses or other benefits.

Article 7-1: The Company's shareholder services shall be performed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies."

Chapter III. Shareholders' Meeting

Article 8: The shareholders' meeting is classified into two types, the annual general meeting and the special shareholders' meeting. The annual general meeting shall be convened once per year within six months after the end of each fiscal year. The special shareholders' meeting shall be convened according to laws whenever necessary.

A shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 9: Any shareholder who is unable to attend a shareholders' meeting in person may appoint another shareholder to attend the meeting to exercise the voting right on behalf of him/her/it by personally presenting a power of attorney, executed or sealed by him/her/it, indicating the scope of power.

Article 10: The Company's shareholders are entitled to one vote per share, except for shares without voting rights as referred to in Article 179 of the Company Act.

- Article 11: Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act, be adopted by a majority of voting rights of the shareholders present, who represent more than a majority of the total outstanding shares.
- Article 11-1: Shareholders' meetings convened by the Board of Directors shall be chaired by the Chairman. In case the Chairman is absent for any cause, he/she shall appoint one director to act on behalf of him/her. In the absence of such a designation, the directors shall elect from among themselves an acting Chairman of the Board. For shareholders' meetings that are convened by any convener other than the Board of Directors, the convener shall chair the meeting. If there are two or more eligible conveners at the same time, one shall be appointed among themselves to chair the meeting. The shareholders' meetings shall be carried out in accordance with the Company's Rules of Procedure for Shareholders' Meetings.

Chapter IV. Directors and Audit Committee

- Article 12: The Company shall have 5~7 directors with a term of office of three years, who shall be elected by the shareholders' meeting from the list of candidates for director via a candidate nomination system, and they shall be eligible for re-elections. for directors' total shareholding, in response to the Securities and Exchange Act, of all said directors, there shall be at least 2 independent directors who shall be no less than one-fifths of the directors. The Company's independent directors shall be elected by the shareholders' meeting from the list of candidates for independent director via a candidate nomination system. The professional qualification, shareholdings, restrictions on concurrent positions, nomination and election of independent directors, and other requirements to be met, shall comply with the related requirements posed by the securities competent authority. The Company shall purchase liability insurance for directors. The Company shall establish an audit committee consisting of the whole independent directors. The committee members shall be no less than three persons, one of whom shall serve as the convener and at least one of whom shall be specialized in accounting or finance.
- Article 13: The Board of Directors shall consist of the Company's directors. The Chairman shall be elected among and from the directors by a majority of the directors attending a meeting of the Board of Directors at which at least two-thirds of directors are present. The Chairman shall represent the Company externally. A director may appoint another director to attend the Board of Directors' meeting on behalf of him/her.
- Article 14: Where the Chairman is on leave or unable to perform his/her duties for whatever reason, an acting Chairman shall be designated in accordance with Article 208 of the Company Act.
- Article 15: The Board of Directors is authorized to agree on the remuneration to the Company's directors for performance of job duties. The remuneration must be paid, irrelevant with profit or loss retained by the Company, and at the rate generally adopted by the peers in the same industry.

Chapter V. Managers

- Article 16: The Company shall appoint a General Manager, and several vice general managers. The appointment and dismissal thereof and remuneration to them shall be governed by Article 29 of the Company Act.

Chapter VI. Accounting

- Article 17: At the end of each fiscal year of the Company, the Company shall prepare the following documents and submit them to the Board of Directors for review and then for ratification by the annual general meeting.
1. Business Report
 2. Financial statements
 3. Proposal for distribution of earnings or loss compensation.
- Article 18: The Company shall allocate no less than 1% of the earnings retained by the Company in the current year, if any, as the remuneration to employees and no more than 5% thereof as the remuneration to directors. However, when the Company still has accumulated losses, an amount equivalent to said losses shall be reserved to make up for the loss in advance. The earnings for the current year referred to in the preceding paragraph refer to the income before tax earned for the current year less the remuneration to employees and remuneration/directors. The distribution of remuneration to employees and directors shall be decided per the resolution adopted by a majority of the directors present at a meeting of the Board of Directors attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting. The recipients of the remuneration to employees allocated in the form of stock or in cash, if any, include the employees of parents or subsidiaries of the Company meeting certain requirements.
- Article 18-1: The Company distributes earnings at the end of each half fiscal year. When allocating the earnings retained upon the final accounting of each half fiscal year, if any, the Company shall first estimate and reserve the taxes to be paid, offset its losses accumulated in the past, reserve the remuneration to employees and directors, and set aside the legal reserve at 10% of the remaining earnings, unless the legal reserve amounts to the amount authorized pursuant to laws, and allocate or reverse special reserve pursuant to relevant laws and regulations or the competent authority's requirements. The residual balance, if any, shall be added to undistributed earnings carried from the previous half fiscal year. The Board of Directors shall prepare the proposal for distribution of earnings. In circumstances of distributing in forms of issuance of new shares, such matter shall be first submitted to the Shareholders' Meeting for resolution before distribution. In circumstances of distributing in form of cash, the distribution shall be resolved by the Board of Directors.
- When allocating the earnings retained upon the final accounting of each fiscal year, if any, the Company shall first estimate and reserve the taxes to be paid, offset its losses accumulated in the past, reserve the remuneration to employees and directors, and set aside the legal reserve at 10% of the remaining earnings, unless the legal reserve amounts to the amount authorized pursuant to laws, and allocate or reverse special reserve pursuant to relevant laws and regulations or the competent authority's requirements. The residual balance, if any, shall be added to undistributed earnings carried from the previous year. The Board of Directors shall prepare the proposal for distribution of earnings. In circumstances of distributing in forms of issuance of new shares, such matter shall be first submitted to the Shareholders' Meeting for resolution before distribution. In circumstances of distributing in form of cash, the distribution shall be resolved by the Board of Directors.
- In accordance with Article 240 of the Company Act, the Company authorizes the Board of Directors to distribute the stock dividends and bonus or the legal reserve and capital surplus referred to in Paragraph 1 of Article 241 of the Company Act, in whole or in part, in cash, subject to a resolution adopted by a majority votes at a meeting of the Board of Directors attended by more than two-thirds of the total

number of directors, and a report of such distribution shall be submitted to a shareholders' meeting.

The Company's business is at the stage of business growth. In consideration of the funding needs for future important investment plans and the Company's long-term financial planning, as well as the stability of earnings and cash flows, the dividends to shareholders shall be allocated from accumulated distributable earnings, which shall be no less than 15% of the distributable earnings for the current year. The stock dividends shall be no more than 80% of the dividends distributable to shareholders.

Article 18-2: When the Company sets aside the special reserve pursuant to laws, with respect to the reductions of other equity, net/net increase in the fair value of investment-linked real property occurring.

If "incurring in the current period", the Company shall set aside the special reserve in the same amount from the "current net profit after tax plus the items other than current net profit after tax added into the current undistributed earnings" as the first priority, and the deficit, if any, shall be covered by the "undistributed earnings in the previous period";

If "accumulated from the previous period", the Company shall set aside the legal reserve from the "undistributed earnings in the previous period" as the first priority, and the deficit, if any, shall be set aside from the "current net profit after tax plus the items other than current net profit after tax added into the current undistributed earnings".

Chapter VII. Supplementary Provisions

Article 19: Any matters not covered herein shall be governed by the Company Act and related laws and regulations.

Article 20: The Articles were enacted on January 26, 1967.

1st amendments hereto were made on June 18, 1969.

2nd amendments hereto were made on November 30, 1970.

3rd amendments hereto were made on June 16, 1972.

4th amendments hereto were made on January 30, 1973.

5th amendments hereto were made on February 12, 1974.

6th amendments hereto were made on June 22, 1975.

7th amendments hereto were made on July 13, 1979.

8th amendments hereto were made on May 10, 1980.

9th amendments hereto were made on January 15, 1981.

10th amendments hereto were made on May 7, 1981.

11th amendments hereto were made on March 30, 1982.

12th amendments hereto were made on April 30, 1983.

13th amendments hereto were made on January 18, 1984.

14th amendments hereto were made on September 13, 1985.

15th amendments hereto were made on October 11, 1985.

16th amendments hereto were made on July 1, 1986.

17th amendments hereto were made on November 25, 1987.

18th amendments hereto were made on September 10, 1988.

19th amendments hereto were made on December 11, 1988.

20th amendments hereto were made on August 23, 1989.

21st amendments hereto were made on June 10, 1990.

22nd amendments hereto were made on July 6, 1991.
23rd amendments hereto were made on October 5, 1991.
24th amendments hereto were made on June 5, 1993.
25th amendments hereto were made on May 27, 1994.
26th amendments hereto were made on May 4, 1996.
27th amendments hereto were made on April 26, 1997.
28th amendments hereto were made on April 24, 1998.
29th amendments hereto were made on April 20, 1999.
30th amendments hereto were made on May 12, 2000.
31st amendments hereto were made on June 1, 2001.
32nd amendments hereto were made on June 1, 2001.
33rd amendments hereto were made on June 11, 2002.
34th amendments hereto were made on June 25, 2003.
35th amendments hereto were made on June 16, 2006.
36th amendments hereto were made on June 19, 2008.
37th amendments hereto were made on June 16, 2009.
38th amendments hereto were made on May 18, 2010.
39th amendments hereto were made on June 20, 2013.
40th amendments hereto were made on June 9, 2015.
41st amendments hereto were made on June 14, 2016.
42nd amendments hereto were made on June 15, 2017.
43rd amendments hereto were made on June 26, 2019.
44th amendments hereto were made on June 23, 2022

Sanlien Technology Corp. Directors' Shareholdings

Roster of Directors	Job Title	Name	Appointment date	Shares held at the time of appointment		Number of shares currently held			Remark	
				Type	Number of Shares	Shareholding ratio %	Type	Number of Shares		Shareholding ratio %
	Chairman	Rui Hua Investment Co., Ltd. Representative: Lin Ta-Chun	May 24, 2023	Common share	2,690,264	6.47%	Common share	2,714,264	6.52%	
	Director	Multiple Investment Corp. Representative: Chen Shu-Hua	May 24, 2023	Common share	3,230,779	7.76%	Common share	3,230,779	7.76%	
	Director	Sanlien Educational Foundation Representative: Chen Chin-Ying	May 24, 2023	Common share	293,366	0.71%	Common share	323,366	0.78%	
	Director	Chuang, Chu-Wei	May 24, 2023	Common share	817,000	1.96%	Common share	817,000	1.96%	
	Independent Director	Ke Yen-Huei	May 24, 2023	-	0	0.00%	-	0	0.00%	
	Independent Director	Lin Ching-Rong	May 24, 2023	Common share	57,484	0.14%	Common share	57,484	0.14%	
	Independent Director	Liao Shian-Yao	May 24, 2023	-	0	0.00%	-	0	0.00%	
		Total			7,088,893			7,142,893		

Total shares issued on May 24, 2023:

41,608,815 Shares

Total shares issued on March 31, 2024:

41,608,815 Shares

Remark: The minimum required combined shareholding of all directors by law: 3,600,000 shares; The combined shareholding of all directors on March 31, 2024: 7,085,409 shares

The Company has established the Audit Committee; therefore, no requirements about the statutory number of shares to be held by supervisors shall apply. The shares held by the independent directors are excluded from those held by the whole directors.



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