



Stock code: 6504

NAN LIU ENTERPRISE CO., LTD.

2025 Annual Shareholders' Meeting

Meeting Minutes

Date: May 26, 2025

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THIS IS A TRANSLATION OF THE MINUTES FOR THE 2025 GENERAL SHAREHOLDERS' MEETING ("THE MINUTES") OF NAN LIU ENTERPRISE CO., LTD. ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

NAN LIU ENTERPRISE CO., LTD.
2025 ANNUAL SHAREHOLDERS' MEETING MINUTES
(Translation)

Type of Meeting: Physical Meeting

Time: 10:00 a.m., Monday, May 26, 2025

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

Total shares represented by shareholders present in person or by proxy: 47,480,020 shares.
(Including 26,507,754 shares voted by electronic voting)

Percentage of shares held by shareholders present in person or by proxy: 65.39% of the total
72,600,000 outstanding shares.

Directors present:

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

7 seats of Directors attended the meeting in person and presented Directors are over one-half of 9
seats Directors.

Sit-in Members :

PRICEWATERHOUSECOOPERS, Taiwan, Lin, Yu-Ming (External auditor)

Chairperson: Huang, Shih-Chung (Chairman)

Recorder: Hsu, Chang-Cheng

- I. The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.
- II. Chairman's Remarks (omitted)
- III. Report Items
 1. To report 2024 Business Report (Please refer to Attachment 1).
 2. To report Audit Committee's Review of the 2024 Financial Statements
(Please refer to Attachment 2).
 3. To report distribution of the 2024 Compensation of Employees and Directors.
(Please refer to the Meeting Handbook).

IV. Proposed Items

1. To accept 2024 Financial Statements and the Business Report (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The 2024 Financial Statements of the Company were completed according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. All statements were audited and the Audit Report was completed by independent accountants, Chung-Yu Tien and Tzu-Shu Lin of PricewaterhouseCoopers Taiwan. The Business Report and the Financial Statements have been reviewed by the Audit Committee.
- (2) For the Business Report, Audit Report and the 2024 Financial Statements (Parent only and Consolidated), please refer to Attachment 1 and Attachment 3.
- (3) Please proceed to adopt the motion.

Resolution:

Voting Result: 46,898,726 shares were represented at the time of voting.

Voting Results
Votes in favor : 46,851,293 votes, 99.89 % of the total representation at the time of voting.
Votes against : 24,564 votes
Votes invalid : 0 votes
Votes abstained : 22,869 votes

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

2. To approve the proposal for the distribution of the 2024 profit (Proposed by the Board of Directors)

Explanatory Notes:

- (1) In terms of the distribution of the 2024 profit. A cash dividend of NT\$1.0 per share is proposed, amounting to NT\$72,600,000 in total. (The distributable cash dividend is calculated in NT\$, and figures are rounded up.) The total fractional amount of distribution under NT\$1 is listed in Shareholders' Equity. After approval at the shareholders' meeting, the Chairman is then authorized to set the ex-dividend date and amend distribution matters as required. Please refer to the Profit Distribution Table for details.
- (2) In the event that the proposed profit distribution is affected by: (1) a change in the number of outstanding shares due to the buyback of shares; (2) issuance of new shares for the transfer of treasury shares to employees; (3) nullifying or rights offerings, the Chairman is authorized to attend to and amend such related matters.
- (3) Please proceed to adopt the motion.

NAN LIU ENTERPRISE CO., LTD.

2024

Profit Distribution Table

Unit: NT\$

Items	Amount (NT\$)	
	Subtotal	Total
Beginning retained earnings		1, 582, 972, 313
Remeasurements of defined benefit plans	4, 215, 577	
2024 net income	100, 963, 178	
Legal reserve (10%)	(10, 517, 876)	
Special reserve	115, 058, 307	
Subtotal of distributable earnings		1, 792, 691, 499
Distributable items		
Dividend to shareholders-cash dividend (NT\$1.0/share)	(72, 600, 000)	(72, 600, 000)
Unappropriated retained earnings		1, 720, 091, 499

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

Note 1: 2024 unappropriated retained earnings are distributable first

Resolution:

Voting Result: 46,898,726 shares were represented at the time of voting.

Voting Results
Votes in favor : 46,849,293 votes, 99.89% of the total representation at the time of voting.
Votes against : 26,564votes
Votes invalid : 0votes
Votes abstained : 22,869votes

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

V. Discussion Items

1. To revise Articles of Incorporation(Proposed by the Board of Directors)

Explanatory Notes:

- (1) According to No.1130385442 issued by the Financial Supervisory Commission, the company listed on TWSE shall specify in its articles of incorporation that a certain

percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. .

- (2) To follow Article 4 of Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers.
- (3) Comparison Table for the Articles of Incorporation before and after revision please refer to Attachment 4.

Resolution:

Voting Result: 46,898,726 shares were represented at the time of voting.

Voting Results
Votes in favor : 46,848,366 votes, 99.89% of the total representation at the time of voting.
Votes against : 27,024votes
Votes invalid : 0votes
Votes abstained : 23,336votes

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

VI. Directors Election:

1. To elect six directors and four independent directors (Proposed by the Board of Directors)

Explanatory Notes:

- (1) Upon the expiration of the terms of all Directors on May 30, 2025, the Board of Directors resolved will be elected ten Directors (including four Independent Directors) at this Annual Shareholders' Meeting. To follow Articles of Incorporation.
- (2) The tenure of newly elected Directors shall be 3 years, commencing on May 26, 2025 and expiring on May 25, 2028.
- (3) The Directors shall be elected by adopting candidates' nomination. The Directors and Independent Directors shall be elected from the nominated candidates. The related information is as follow as 2025 Meeting Handbook.
- (4) Call for election

Voting Result:

The election results are as follows.

Title	Name	Votes
Director	Bixiu Investments Co., Ltd Representative: Huang Shih-Chung	83,153,166
Director	Chun-Yi Investments Co., Ltd. Representative: Chiang, Su-Lien	47,826,822
Director	Huang Chin-San	155,716,594
Director	Yang Rui-Hua	23,414,886
Director	Su Chao-Shan	23,414,580
Director	Huang Chun-Ping	23,414,579
Independent Director	Su Yung-Hsiang	23,902,592
Independent Director	Chen,Chao-Lung	23,877,243
Independent Director	Hung Chi-Shan	23,872,076
Independent Director	Huang Tung-Rong	23,431,842

VII. Other Motion:

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

Explanatory Notes:

(1) To follow Article 209 of Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

(2) It is planned to submit to the shareholders' meeting for permission to lift the non-competition restrictions of the company's new independent directors. Before the shareholders' meeting discusses the case, a supplementary explanation of its scope and content will be made on the spot.

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

Resolution:

Voting Result: 47,480,020 shares were represented at the time of voting.

Voting Results
Votes in favor : 44,923,158 votes, 94.61% of the total representation at the time of voting.

Votes against : 1,934,409votes
Votes invalid : 0votes
Votes abstained : 622,453votes

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

VIII. Interim motion: None.

IX. Adjournment: Meeting ended at 10:28 am

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

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

Attachment 1

NAN LIU ENTERPRISE CO., LTD.



2024 Business Report

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

The following is a report of our business results in 2024.

A. 2024 Business Report

(1) Achievements of the 2024 Business Plan

The Company's major businesses before 2024 included the sale of spunlace nonwoven fabrics, Air Through & Thermal Bond Nonwoven Fabrics, Disposable surgical gowns fabrics, hygiene consumables (most of sales on baby wet wipes), and facial mask/skin care products. In 2024, net sales was NT\$6716 million, grow 8.68% compared with 2023. The net income in 2024 was NT\$100 million, less 15.87% compared with 2023 and with an EPS of NT\$1.39.

(2) 2024 Consolidated Financial Expenditure and Profitability

Unit: NT\$ thousand

Consolidated Statements of Comprehensive Income	2024	2023	Change %
Net Sales	6,715,508	6,179,040	8.68%
Cost of goods sold	5,883,277	5,441,109	8.13%
Gross profit	832,231	737,931	12.78%
Total Operating expenses	668,203	553,716	20.68%
Net operating profit	164,028	184,215	-10.96%
Other non-operating income and expenses	85,304	19,071	347.30%
Income before income tax	249,332	203,286	22.65%
Net Income	100,847	119,871	-15.87%

(3) Consolidated Profitability Analysis

Unit: %

		2024	2023
Return on assets		1.36	1.66
Return on equity		2.82	3.42
Capital ratio	Net operating profit	25.37	8.10
	Income before income tax	28.00	26.01
Net profit margin		1.50	1.93
After-tax earnings per share (NT\$)		1.39	1.65

FY2024 is a tough year for the external operating environment of the company. This is mainly due to the fact that during the epidemic, too many new non-woven production lines were added in China, and competition among peers was fierce. Taiwan's exports were reduced to neighboring countries, resulting in lower production capacity utilization and difficult selling prices. As prices rise due to inflation, revenue and profits will be directly affected. The Indian factory, which started mass production in the fourth quarter of 2021, not only implemented the business philosophy of the founder, but as India's local economic growth outperformed the world, it became increasingly clear that demand was rising. As a result, the production capacity of Indian factory was nearly full and the revenue was growth. The orders of the factory in Pinghu are increasing because other competitors as the products gradually withdrew from the market due to poor quality, and the export orders are also increasing. The revenue of Pinghu factory has increased compared with last year

However, in the face of such a dangerous environment, all the colleagues of the company continue to work hard at their jobs. The management team face and deal with the systemic risk due to the market change very soon properly, because on sufficient management experience, stable business model and effective risk control system. We keep going to build more powerful operating system and develop better production quality, in order to mak more excellent performance for all shareholders .

(4) Budget execution status

The machinery and equipment of Qiaotou factory have been successfully moved to Yanchao factory in 2024.The production line has been installed and entered into production. The non-woven production line has been installed and the Indian factory is currently running smoothly. The revenue has also been grown steadily. We focus on expand maket share in the Indian market, and actively explored export markets such as the Middle East and Africa. The execution of budget is going stable and smooth..

(5) Research and development status

Our R&D team cooperate with our customers to plan their product specifications and provide professional suggestions, develop R&D plans and new products ideas. We can also work with customers in different factories (different countries, geographical locations, or different climate conditions) strictly control the production environment conditions, and get quality control well. R&D product development progress in 2024 are followed as planned.

B. Summary of the 2025 Business Plan

(I) Business Policy and Implementation

- (1) Our new vision is implemented in the Company's daily operations, and our business philosophy is strengthened and fulfilled to achieve the goal of organizational optimization.
- (2) Integration of supply chain management: we aim to have in place competitive and strategic raw materials suppliers, meet our customers' flexible and rapid demands, and reduce inventory costs to increase cash flow.
- (3) Strengthen education and training systems, create a passionate and excellent work

environment, improve staff morale, and boost operational efficiency.

- (4) Continue enhancing product development capabilities and production technologies: obtain leading technologies and upgrade production capabilities; become a research and development center for our customers; and cooperate with technology experts at home and abroad, such as technical research and academic institutions.
- (5) Implement green-energy policies and reduce carbon emissions to simultaneously lower costs and protect the environment, exercise social responsibility as a global citizen, and enhance overall image of the Company.
- (6) Persistently implement prudent accounting practices and strengthen financial risk management to improve profitability.

(II) Major Marketing Strategies

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

(III) Future Development Strategy

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

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

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

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

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

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

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

Mr. Huang, Shih-Chung



Mr. Huang, Shih-Chung



Mr. Chang Cheng Hsu



Attachment 2

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

The board of directors submitted the Company's 2024 business report, financial report and earnings distribution proposal, among which the individual and consolidated financial reports were reviewed by accountants Chung-Yu Tien and Tzu-Shu Lin of PricewaterhouseCoopers Taiwan, and an review report was issued. The above-mentioned operating report, financial report and profit distribution proposal have been completed by the Audit Committee. All members believe that they are in compliance with relevant legal requirements and are prepared in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

, I hereby submit this report.

Submitted to :

The Company's 2025 Annual Shareholders' Meeting

Nan Liu Enterprise Co., Ltd.

Chairman of the Audit Committee : Huang, Tung-Rung

On the Date of April 14, 2025

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Nan Liu Enterprise Co., Ltd. (the "Company") as of December 31, 2024 and 2023, 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, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 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 matter for the Company's 2024 parent company only financial statements is stated as follows:

Appropriateness of inventory valuation

Description

Refer to Note 4(8) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimations and assumptions relating to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2024, the carrying amount of inventories and allowance for inventory valuation loss are NT\$322,612 thousand and NT\$31,230 thousand, respectively.

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

How our audit addressed the matter

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

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

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Tien, Chung-Yu

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 10, 2025

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

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

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 353,129	4	\$ 186,339	2
1136	Financial assets at amortised cost-	6(1)(2) and 8				
	current		318,622	3	378,886	4
1150	Notes receivable, net	6(3) and 12	32,277	-	32,339	-
1170	Accounts receivable, net	6(3), 7 and 12	498,984	5	512,410	5
1200	Other receivables		7,779	-	11,399	-
1220	Current income tax assets	6(24)	4,901	-	2,737	-
130X	Inventories	5 and 6(4)	291,382	3	309,871	3
1410	Prepayments		124,987	1	147,986	1
11XX	Total current assets		1,632,061	16	1,581,967	15
Non-current assets						
1550	Investments accounted for using	6(5) and 7				
	equity method		5,227,849	52	5,060,299	50
1600	Property, plant and equipment	6(6)(8), 7 and 8	2,739,447	27	3,004,202	29
1755	Right-of-use assets	6(7)	354,562	4	368,551	4
1780	Intangible assets		1,300	-	1,550	-
1840	Deferred income tax assets	6(24)	71,097	1	98,367	1
1915	Prepayments for equipment	6(6)	14,622	-	84,682	1
1920	Guarantee deposits paid		26,156	-	24,670	-
1990	Other non-current assets	6(9)	12,452	-	29,875	-
15XX	Total non-current assets		8,447,485	84	8,672,196	85
1XXX	Total assets		\$ 10,079,546	100	\$ 10,254,163	100

(Continued)

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(10) and 8	\$	2,438,000	24	\$	2,761,000	27
2110	Short-term notes and bills payable	6(11)		199,827	2		99,937	1
2130	Contract liabilities - current	6(17)		2,276	-		3,523	-
2150	Notes payable			38,764	1		41,139	-
2170	Accounts payable			118,089	1		115,561	1
2180	Accounts payable - related parties	7		191,405	2		149,933	2
2200	Other payables			82,265	1		109,246	1
2220	Other payables - related parties	7		605,113	6		709,790	7
2280	Lease liabilities - current	6(7)		8,590	-		8,904	-
2320	Long-term liabilities, current portion	6(12), 7 and 8		321,907	3		422,257	4
21XX	Total current liabilities			4,006,236	40		4,421,290	43
Non-current liabilities								
2540	Long-term borrowings	6(12), 7 and 8		2,076,166	21		1,884,815	18
2570	Deferred income tax liabilities	6(24)		41,407	-		57,431	1
2580	Lease liabilities - non-current	6(7)		284,579	3		356,028	4
2640	Net defined benefit liabilities - non-current	6(13)		28,893	-		32,712	-
25XX	Total non-current liabilities			2,431,045	24		2,330,986	23
2XXX	Total liabilities			6,437,281	64		6,752,276	66
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(14)		726,000	7		726,000	7
3200	Capital surplus	6(15)		453,467	4		453,467	4
	Retained earnings	6(16)						
3310	Legal reserve			659,588	7		647,961	6
3320	Special reserve			386,975	4		343,422	4
3350	Unappropriated retained earnings			1,688,151	17		1,718,012	17
3400	Other equity interest	6(5)	(	271,916)	(3)	(	386,975)	(4)
3XXX	Total equity			3,642,265	36		3,501,887	34
Contingent Liabilities and Commitments		7 and 9						
3X2X	Total liabilities and equity		\$	10,079,546	100	\$	10,254,163	100

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

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
	Items	Notes	2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	\$ 2,704,887	100	\$ 2,586,475	100
5000	Operating costs	6(4)(7)(13)(22)(23) and 7	(2,685,286)	(99)	(2,514,173)	(97)
5900	Net operating margin		19,601	1	72,302	3
	Operating expenses	6(7)(13)(22)(23), 7 and 12				
6100	Selling expenses		(86,791)	(3)	(90,321)	(4)
6200	General and administrative expenses		(115,814)	(5)	(114,275)	(4)
6300	Research and development expenses		(19,276)	(1)	(17,443)	(1)
6450	Expected credit losses		(7,180)	-	(526)	-
6000	Total operating expenses		(229,061)	(9)	(222,565)	(9)
6900	Operating loss		(209,460)	(8)	(150,263)	(6)
	Non-operating income and expenses					
7100	Interest income	6(2)(18)	21,431	1	22,678	1
7010	Other income	6(19)	30,242	1	30,456	1
7020	Other gains and losses	6(7)(20), 7 and 12	(19,451)	(1)	(12,963)	(1)
7050	Finance costs	6(6)(7)(21) and 7	(103,451)	(4)	(92,991)	(4)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	391,844	15	284,355	11
7000	Total non-operating income and expenses		320,615	12	257,461	10
7900	Profit before income tax		111,155	4	107,198	4
7950	Income tax (expense) benefit	6(24)	(10,192)	-	(12,668)	(1)
8200	Profit for the year		<u>\$ 100,963</u>	<u>4</u>	<u>\$ 119,866</u>	<u>5</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plan	6(13)	\$ 5,270	-	\$ 4,496	-
8330	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss	6(5)	(6,919)	-	13,184	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	(1,054)	-	899	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(5)	121,978	4	(56,737)	(2)
8300	Other comprehensive income (loss) for the year		<u>\$ 119,275</u>	<u>4</u>	<u>(\$ 47,150)</u>	<u>(2)</u>
8500	Total comprehensive income for the year		<u>\$ 220,238</u>	<u>8</u>	<u>\$ 72,716</u>	<u>3</u>
	Earnings per share (in dollars)	6(25)				
9750	Basic		\$ 1.39		\$ 1.65	
9850	Diluted		\$ 1.39		\$ 1.65	

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

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other Equity Interest		
	Notes	Share capital — common stock	Capital surplus	Legal reserve	Special 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	Total equity
For the year ended December 31, 2023									
Balance at January 1, 2023		\$ 726,000	\$ 453,467	\$ 641,211	\$ 382,531	\$ 1,641,984	(\$ 343,422)	\$ -	\$ 3,501,771
Profit for the year		-	-	-	-	119,866	-	-	119,866
Other comprehensive income (loss) for the year	6(5)(13)	-	-	-	-	(3,597)	(56,737)	13,184	(47,150)
Total comprehensive income (loss)		-	-	-	-	116,269	(56,737)	13,184	72,716
Distribution of 2022 earnings:									
Legal reserve		-	-	6,750	-	(6,750)	-	-	-
Special reserve		-	-	-	(39,109)	39,109	-	-	-
Cash dividends	6(16)	-	-	-	-	(72,600)	-	-	(72,600)
Balance at December 31, 2023		\$ 726,000	\$ 453,467	\$ 647,961	\$ 343,422	\$ 1,718,012	(\$ 400,159)	\$ 13,184	\$ 3,501,887
For the year ended December 31, 2024									
Balance at January 1, 2024		\$ 726,000	\$ 453,467	\$ 647,961	\$ 343,422	\$ 1,718,012	(\$ 400,159)	\$ 13,184	\$ 3,501,887
Profit for the year		-	-	-	-	100,963	-	-	100,963
Other comprehensive income (loss) for the year	6(5)(13)	-	-	-	-	4,216	121,978	(6,919)	119,275
Total comprehensive income (loss)		-	-	-	-	105,179	121,978	(6,919)	220,238
Distribution of 2023 earnings:									
Legal reserve		-	-	11,627	-	(11,627)	-	-	-
Special reserve		-	-	-	43,553	(43,553)	-	-	-
Cash dividends	6(16)	-	-	-	-	(79,860)	-	-	(79,860)
Balance at December 31, 2024		\$ 726,000	\$ 453,467	\$ 659,588	\$ 386,975	\$ 1,688,151	(\$ 278,181)	\$ 6,265	\$ 3,642,265

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

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31, 2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 111,155	\$ 107,198
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses	12	7,180	526
(Reversal of allowance) provision for inventory market price decline	6(4)	(24,792)	14,580
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	(391,844)	(284,355)
Depreciation	6(6)(7)(22)	339,964	309,433
Loss (gain) on disposal of property, plant and equipment	6(20)	13,854	(12,563)
Gain from lease modification	6(7)(20)	(386)	-
Amortisation	6(22)	2,080	711
Amortisation of other non-current assets		17,423	17,425
Interest income	6(18)	(21,431)	(22,678)
Interest expense	6(21)	103,451	92,991
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		26	6,251
Accounts receivable		6,282	(80,333)
Other receivables		2,980	(1,935)
Inventories		43,281	32,410
Prepayments		22,999	9,644
Changes in operating liabilities			
Contract liabilities - current		(1,247)	2,778
Notes payable		(2,375)	(43,767)
Accounts payable		2,528	(13,100)
Accounts payable - related parties		41,472	51,184
Other payables		(9,206)	9,082
Net defined benefit liabilities - non-current		1,451	686
Cash inflow generated from operations		264,845	196,168
Interest received		22,071	22,292
Dividends received	6(5)	349,353	116,892
Income tax paid		(2,164)	(2,204)
Net cash flows from operating activities		634,105	333,148

(Continued)

NAN LIU ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31, 2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost - current		(\$ 1,416,070)	(\$ 394,022)
Decrease in financial assets at amortised cost - current		1,476,334	23,203
Acquisition of investments accounted for using equity method - subsidiaries	6(5) and 7	(10,000)	(10,000)
Cash paid for acquisition of property, plant and equipment	6(26)	(39,023)	(63,604)
Interest paid for acquisition of property, plant and equipment	6(6)(21)(26)	-	(10,835)
Cash received from disposal of property, plant and equipment	6(26)	26,689	143,194
Acquisition of intangible assets		(1,830)	(1,193)
Increase in prepayments for equipment		(7,508)	(101,841)
Increase in guarantee deposits paid		(1,486)	(745)
Net cash flows from (used in) investing activities		27,106	(415,843)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Interest paid		(106,398)	(89,505)
(Decrease) increase in short-term borrowings	6(27)	(323,000)	201,000
Increase in short-term notes and bills payable	6(27)	99,890	49,970
Decrease in other payables - related parties	6(27)	(104,677)	(212,534)
Payments of lease liabilities	6(27)	(71,377)	(11,666)
Increase in long-term borrowings	6(27)	1,724,730	2,087,670
Decrease in long-term borrowings	6(27)	(1,633,729)	(2,381,748)
Payment of cash dividends	6(16)	(79,860)	(72,600)
Net cash flows used in financing activities		(494,421)	(429,413)
Net increase (decrease) in cash and cash equivalents		166,790	(512,108)
Cash and cash equivalents at beginning of year	6(1)	186,339	698,447
Cash and cash equivalents at end of year	6(1)	<u>\$ 353,129</u>	<u>\$ 186,339</u>

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

NAN LIU ENTERPRISE CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2024, pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the entities that are required to be included in the consolidated financial statements of affiliates, are the same as the entities required to be included in the consolidated financial statements under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

NAN LIU ENTERPRISE CO., LTD.

March 10, 2025

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Nan Liu Enterprise Co., Ltd. and subsidiaries (the “Group”) as of December 31, 2024 and 2023, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public 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 2024 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 matter for the Group's 2024 consolidated financial statements is stated as follows:

Appropriateness of inventory valuation

Description

Refer to Note 4(9) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimations and assumptions relating to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2024, the carrying amount of inventories and allowance for inventory valuation loss are NT\$917,266 thousand and NT\$55,962 thousand, respectively.

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

How our audit addressed the matter

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

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

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Nan Liu Enterprise Co., Ltd. as of and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Tien, Chung-Yu

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 10, 2025

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

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

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,264,970	12	\$ 1,089,012	11
1136	Financial assets at amortised cost - current	6(1)(2) and 8	556,397	6	659,874	6
1150	Notes receivable, net	6(3) and 12	117,732	1	32,339	-
1170	Accounts receivable, net	6(3) and 12	1,577,292	15	1,438,963	14
1200	Other receivables		11,618	-	21,226	-
1220	Current income tax assets	6(26)	5,479	-	3,359	-
130X	Inventories	5 and 6(4)	861,304	9	794,910	8
1410	Prepayments	6(5)	387,875	4	422,118	4
11XX	Total current assets		4,782,667	47	4,461,801	43
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	90,395	1	97,314	1
1600	Property, plant and equipment	6(7)(10) and 8	4,659,252	45	4,978,861	48
1755	Right-of-use assets	6(8)	491,885	5	503,454	5
1760	Investment property, net	6(9)	27,111	-	27,644	-
1780	Intangible assets		1,591	-	1,834	-
1840	Deferred income tax assets	6(26)	71,375	1	98,645	1
1915	Prepayments for equipment	6(7)	33,405	-	100,174	1
1920	Guarantee deposits paid		51,901	1	48,641	-
1990	Other non-current assets	6(11)	42,300	-	65,888	1
15XX	Total non-current assets		5,469,215	53	5,922,455	57
1XXX	Total assets		\$ 10,251,882	100	\$ 10,384,256	100

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NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12) and 8	\$ 2,571,394	25	\$ 2,802,157	27
2110	Short-term notes and bills payable	6(13)	199,827	2	99,937	1
2130	Contract liabilities - current	6(19)	11,940	-	10,874	-
2150	Notes payable		262,673	3	317,266	3
2170	Accounts payable		577,990	6	516,616	5
2200	Other payables		190,624	2	204,265	2
2230	Current income tax liabilities	6(26)	32,168	-	14,064	-
2280	Lease liabilities - current	6(8)	8,590	-	8,904	-
2320	Long-term liabilities, current portion	6(14), 7 and 8	321,907	3	422,257	4
21XX	Total current liabilities		4,177,113	41	4,396,340	42
Non-current liabilities						
2540	Long-term borrowings	6(14), 7 and 8	2,076,166	20	2,038,340	20
2570	Deferred income tax liabilities	6(26)	41,407	-	57,431	1
2580	Lease liabilities - non-current	6(8)	284,579	3	356,028	3
2640	Net defined benefit liabilities - non-current	6(15)	28,893	-	32,712	-
2645	Guarantee deposits received		1,436	-	1,383	-
25XX	Total non-current liabilities		2,432,481	23	2,485,894	24
2XXX	Total liabilities		6,609,594	64	6,882,234	66
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(16)	726,000	7	726,000	7
3200	Capital surplus	6(17)	453,467	4	453,467	5
	Retained earnings	6(18)				
3310	Legal reserve		659,588	7	647,961	6
3320	Special reserve		386,975	4	343,422	3
3350	Unappropriated retained earnings		1,688,151	17	1,718,012	17
3400	Other equity interest	6(6)	(271,916)	(3)	(386,975)	(4)
31XX	Equity attributable to owners of parent		3,642,265	36	3,501,887	34
36XX	Non-controlling interests		23	-	135	-
3XXX	Total equity		3,642,288	36	3,502,022	34
Contingent Liabilities and Commitments		9				
3X2X	Total liabilities and equity		\$ 10,251,882	100	\$ 10,384,256	100

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

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Year ended December 31			
Items	Notes	2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19)	\$ 6,715,508	100	\$ 6,179,040	100
5000 Operating costs	6(4)(8)(15)(24)(25)	(5,883,277)	(88)	(5,441,109)	(88)
5900 Net operating margin		832,231	12	737,931	12
Operating expenses	6(8)(15)(24)(25), 7 and 12				
6100 Selling expenses		(279,916)	(4)	(219,870)	(4)
6200 General and administrative expenses		(277,592)	(4)	(261,999)	(4)
6300 Research and development expenses		(100,723)	(2)	(74,037)	(1)
6450 Expected credit (losses) gains		(9,972)	-	(2,190)	-
6000 Total operating expenses		(668,203)	(10)	(553,716)	(9)
6900 Operating profit		164,028	2	184,215	3
Non-operating income and expenses					
7100 Interest income	6(2)(20)	49,619	1	64,093	1
7010 Other income	6(6)(21)	37,797	1	38,465	1
7020 Other gains and losses	6(8)(9)(22) and 12	95,319	1	6,574	-
7050 Finance costs	6(7)(8)(23)	(97,431)	(2)	(90,061)	(2)
7000 Total non-operating income and expenses		85,304	1	19,071	-
7900 Profit before income tax		249,332	3	203,286	3
7950 Income tax expense	6(26)	(148,485)	(2)	(83,415)	(1)
8200 Profit for the year		\$ 100,847	1	\$ 119,871	2
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gains (losses) on remeasurements of defined benefit plans	6(15)	\$ 5,270	- (\$	4,496)	-
8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(6)	(6,919)	-	13,184	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(1,054)	-	899	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		121,978	2	(56,737)	(1)
8300 Other comprehensive income (loss) for the year		\$ 119,275	2	(\$ 47,150)	(1)
8500 Total comprehensive income for the year		\$ 220,122	3	\$ 72,721	1
Profit (loss) attributable to:					
8610 Owners of the parent		\$ 100,963	1	\$ 119,866	2
8620 Non-controlling interests		(116)	-	5	-
		\$ 100,847	1	\$ 119,871	2
Comprehensive income (loss) attributable to:					
8710 Owners of the parent		\$ 220,238	3	\$ 72,716	1
8720 Non-controlling interests		(116)	-	5	-
		\$ 220,122	3	\$ 72,721	1
Earnings per share (in dollars)	6(27)				
9750 Basic		\$ 1.39		\$ 1.65	
9850 Diluted		\$ 1.39		\$ 1.65	

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

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent										
<div>Retained Earnings<div>Other Equity Interest</div></div>										
					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	Total	Non-controlling interests	Total equity
Notes	Share capital-common stock	Capital surplus	Legal reserve	Special reserve						
	\$ 726,000	\$ 453,467	\$ 641,211	\$ 382,531	\$1,641,984	(\$ 343,422)	\$ -	\$3,501,771	\$ -	\$3,501,771
	-	-	-	-	119,866	-	-	119,866	5	119,871
6(6)(15)	-	-	-	-	(3,597)	(56,737)	13,184	(47,150)	-	(47,150)
	-	-	-	-	116,269	(56,737)	13,184	72,716	5	72,721
	-	-	6,750	-	(6,750)	-	-	-	-	-
	-	-	-	(39,109)	39,109	-	-	-	-	-
6(18)	-	-	-	-	(72,600)	-	-	(72,600)	-	(72,600)
	-	-	-	-	-	-	-	-	130	130
	\$ 726,000	\$ 453,467	\$ 647,961	\$ 343,422	\$1,718,012	(\$ 400,159)	\$ 13,184	\$3,501,887	\$ 135	\$3,502,022
	\$ 726,000	\$ 453,467	\$ 647,961	\$ 343,422	\$1,718,012	(\$ 400,159)	\$ 13,184	\$3,501,887	\$ 135	\$3,502,022
	-	-	-	-	100,963	-	-	100,963	(116)	100,847
6(6)(15)	-	-	-	-	4,216	121,978	(6,919)	119,275	-	119,275
	-	-	-	-	105,179	121,978	(6,919)	220,238	(116)	220,122
	-	-	11,627	-	(11,627)	-	-	-	-	-
	-	-	-	43,553	(43,553)	-	-	-	-	-
6(18)	-	-	-	-	(79,860)	-	-	(79,860)	-	(79,860)
	-	-	-	-	-	-	-	-	4	4
	\$ 726,000	\$ 453,467	\$ 659,588	\$ 386,975	\$1,688,151	(\$ 278,181)	\$ 6,265	\$3,642,265	\$ 23	\$3,642,288

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

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		For the year ended December 31,	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 249,332	\$ 203,286
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses (gains)	12	9,972 (	2,190)
(Reversal of allowance) provision for inventory market price decline	6(4)	(20,471)	17,422
Depreciation	6(7)(8)(9)	525,783	507,760
Loss on disposal of property, plant and equipment	6(22)	16,828	3,696
Property, plant and equipment transferred to expense	6(7)	4,042	-
Gain from lease modification	6(8)(22)	(386 ) (	39)
Amortisation	6(24)	2,255	845
Amortisation of other non-current assets		34,195	34,066
Unrealised exchange losses of long-term borrowings	6(29)	2,756 (	2,755)
Interest income	6(20)	(49,619 ) (	64,093)
Dividend income	6(6)(21)	- (	3,066)
Interest expense	6(23)	97,431	90,061
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(85,429)	7,732
Accounts receivable		(148,565 ) (	251,184)
Other receivables		3,434 (	1,616)
Inventories		(46,773)	54,716
Prepayments		34,243 (	64,547)
Changes in operating liabilities			
Contract liabilities - current		1,066	4,379
Notes payable		(54,593 ) (	16,863)
Accounts payable		61,374 (	6,765)
Other payables		(1,745)	22,023
Net defined benefit liabilities - non-current		1,451	686
Cash inflow generated from operations		636,581	533,554
Interest received		55,793	57,579
Dividends received		-	3,066
Income tax paid		(122,309 ) (	104,910)
Net cash flows from operating activities		570,065	489,289

(Continued)

NAN LIU ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31, 2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost - current		(\$ 1,664,489)	(\$ 673,811)
Decrease in financial assets at amortised cost - current		1,767,966	244,604
Cash paid for acquisition of property, plant and equipment	6(28)	(68,983)	(104,050)
Interest paid for acquisition of property, plant and equipment	6(7)(23)(28)	-	(10,835)
Cash received from disposal of property, plant and equipment	6(28)	23,190	22,769
Acquisition of intangible assets		(2,002)	(1,269)
Increase in prepayments for equipment		(23,406)	(175,572)
Increase in guarantee deposits paid		(3,260)	(1,102)
Increase in other non-current assets		(9,320)	(13,950)
Net cash flows from (used in) investing activities		<u>19,696</u>	<u>(713,216)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Interest paid		(98,177)	(89,831)
(Decrease) increase in short-term borrowings	6(29)	(234,394)	88,740
Increase in short-term notes and bills payable	6(29)	99,890	49,970
Payments of lease liabilities	6(29)	(71,377)	(11,952)
Increase in long-term borrowings	6(29)	1,724,730	2,366,990
Decrease in long-term borrowings	6(29)	(1,790,010)	(2,504,788)
Decrease in guarantee deposits received	6(29)	-	(44)
Payment of cash dividends	6(18)	(79,860)	(72,600)
Increase in non-controlling interests		4	130
Net cash flows used in financing activities		<u>(449,194)</u>	<u>(173,385)</u>
Effect of foreign exchange rate changes		<u>35,391</u>	<u>(36,085)</u>
Net increase (decrease) in cash and cash equivalents		175,958	(433,397)
Cash and cash equivalents at beginning of year	6(1)	<u>1,089,012</u>	<u>1,522,409</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,264,970</u>	<u>\$ 1,089,012</u>

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

Attachment 4

NAN LIU ENTERPRISE CO., LTD.

Comparison between the original and amendments to Articles of Incorporation

Amended version	Original version	Reason
<p>Article 14</p> <p>The Company has 7 to 11 directors, who shall be elected by the shareholders' meeting from those with disposing capacity for a term of 3 years. They may be eligible for re-election. The percentage of shareholdings of all the directors selected is subject to the provisions separately prescribed by the competent authority in charge of securities affairs.</p> <p>In above directors' numbers, the Company shall not appoint independent directors of no less than three in number (including at least one independent director shall have accounting or financial senior expertise) and no less than one-<u>third</u> of the total number of directors.</p> <p>(The following omitted)</p>	<p>Article 14</p> <p>The Company has 7 to 11 directors, who shall be elected by the shareholders' meeting from those with disposing capacity for a term of 3 years. They may be eligible for re-election. The percentage of shareholdings of all the directors selected is subject to the provisions separately prescribed by the competent authority in charge of securities affairs.</p> <p>In above directors' numbers, the Company shall not appoint independent directors of no less than three in number (including at least one independent director shall have accounting or financial senior expertise) and no less than one-<u>fifth</u> of the total number of directors.</p> <p>(The following omitted)</p>	<p>To follow Article 4 of Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers.</p>

<p>Article 20</p> <p>If the Company makes a profit, over 1% shall be set aside as compensation for employees, and less than 2% as compensation for directors and supervisors. However, the Company's accumulated losses shall first have been covered.</p> <p><u>In above, compensation for employees shall be set aside equal or higher 60% as compensation distributions for its non-executive employees.</u> If the Company makes a profit, taxes shall be paid and accumulated losses shall be covered first, followed by 10% being set aside as a legal reserve. A special reserve shall be set aside if necessary. Based on business conditions at the time, the Board of Directors may then propose to distribute any remaining profit amount, and such proposal shall be submitted for approval at the shareholders' meeting.</p> <p>(The following omitted)</p>	<p>Article 20</p> <p>If the Company makes a profit, over 1% shall be set aside as compensation for employees, and less than 2% as compensation for directors and supervisors. However, the Company's accumulated losses shall first have been covered. If the Company makes a profit, taxes shall be paid and accumulated losses shall be covered first, followed by 10% being set aside as a legal reserve. A special reserve shall be set aside if necessary. Based on business conditions at the time, the Board of Directors may then propose to distribute any remaining profit amount, and such proposal shall be submitted for approval at the shareholders' meeting.</p> <p>(The following omitted)</p>	<p>According to No.1130385442 issued by the Financial Supervisory Commission, the company listed on TWSE shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. The company shall complete the amendment of its articles of incorporation in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act in 2025 annual shareholders' meeting at the latest.</p>
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<p>Article 23</p> <p>The articles were drawn up on November 15, 1978 and were revised on December 30, 1979 for the first time,, amended on April 30, 2013 for the 32nd time, and amended on June 13, 2016 the 33rd time, amended on May 31, 2017 the 34rd time, amended on May 29, 2019 the 35rd time, amended on May 29, 2020 the 36rd time, amended on July 20, 2021 the 37rd time and amended on May 31, 2022 the 38rd. amended on June 1, 2023 the 39rd. <u>amended on May 26, 2025 the 40rd.</u></p>	<p>Article 23</p> <p>The articles were drawn up on November 15, 1978 and were revised on December 30, 1979 for the first time,, amended on April 30, 2013 for the 32nd time, and amended on June 13, 2016 the 33rd time, amended on May 31, 2017 the 34rd time, amended on May 29, 2019 the 35rd time, amended on May 29, 2020 the 36rd time, amended on July 20, 2021 the 37rd time and amended on May 31, 2022 the 38rd. amended on June 1, 2023 the 39rd.</p>	<p>Add amendment date</p>
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