

Stock Code: 5450



**南良國際股份有限公司**

**NAM LIONG GLOBAL CORPORATION**

(Original name: PROLINK MICROSYSTEMS CORPORATION)

## 2023 Annual Shareholders' Meeting

### Meeting Agenda (Translation)

Meeting Type: Physical Shareholders' Meeting

Time: June 27, 2023, at 9:00 am

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

# Table of Contents

Meeting Procedure-----	1
Meeting Agenda-----	2
I. Call the Meeting to Order-----	3
II. Chairman’s Remarks-----	3
III. Report Matters-----	3
IV. Acknowledgement Matters-----	4
V. Extemporaneous Motions-----	5
VI. Adjournment-----	5
VII. Attachments	
1. 2022 Business Report-----	6
2. 2022 Audit Committee’s Review Report-----	11
3. 2022 Independent Auditors’ Report, Parent Company Only Financial Statements and Consolidated Financial Statements-----	12
4. Report on Secured Convertible Bond-----	34
VIII. Appendix	
1. Articles of Incorporation-----	35
2. Rules of Procedure for Shareholders’ Meeting-----	40
3. Shareholdings of Director-----	48
4. Other Matters-----	49

NAM LIONG GLOBAL CORPORATION  
Procedures for the 2023 Annual Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairman's Remarks
- III. Report Matters
- IV. Acknowledgement Matters
- V. Extemporaneous Motions
- VI. Adjournment

NAM LIONG GLOBAL CORPORATION  
Agenda of the 2023 Annual Shareholders' Meeting

Time: June 27, 2023, at 9:00 am

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

Meeting Type: Physical Shareholders' Meeting

Meeting Agenda :

- I. Call the Meeting to Order (Report on Number of Shares Present)
- II. Chairman's Remarks
- III. Report Matters
  1. 2022 Business Report.
  2. Audit Committee's Review Report on the 2022 Financial Statements.
  3. Report on Investment Business.
  4. Distribution of Employees' and Directors' Compensation in 2022.
  5. Report on 1<sup>st</sup> Domestic Secured Convertible Bond Issue.
- IV. Acknowledgement Matters
  1. Adoption of the 2022 Business Report and Financial Statements.
  2. Adoption of the Proposal for 2022 Distribution of Earnings.
- V. Extemporaneous Motions
- VI. Adjournment

## I. Call the Meeting to Order

## II. Chairman's Remarks

## III. Report Matters

Report No. 1: 2022 Business Report

Explanation: The attached 2022 Business Report and 2022 Financial Statements are found on page 6-10 of this handbook (Attachment 1) and page 12-33 (Attachment 3).

Report No. 2: Audit Committee's Review Report on the 2022 Financial Statements

Explanation: The attached 2022 Audit Committee's Review Report is found on page 11 of this handbook (Attachment 2).

Report No. 3: Report on Investment Business

Explanation: Below is the list and details of investment businesses approved by the Board of Directors until the 31<sup>st</sup> of December 2022.

Unit: Unless otherwise specified, the unit shall be based on NT\$ thousand

Name of investee	Original Investment Amount		Share of Profit (Loss)	Held at end of year	
	Closing balance (2022/12/31)	Closing balance (2021/12/31)		Number of shares	Percentage (%)
GREENCHEM INTERNATIONAL CO., LTD.	240,000	240,000	11,834	8,000,000	100.00
ELEMENTECH INTERNATIONAL CO., LTD.	154,500	154,500	7,146	10,612,130	100.00
NAM LIONG INTERNATIONAL INVESTMENT & HOLDING CORP.	US\$ 1,930 thousand	US\$ 1,930 thousand	16,240	1,930,000	100.00
SPEEDBEST INTERNATIONAL LIMITED	US\$ 6,810 thousand	US\$ 6,810 thousand	24,934	6,810,000	100.00
NAM LIONG ENTERPRISE CO., LTD (VIETNAM).	US\$ 1,600 thousand	US\$ 1,600 thousand	(12,905)	—	100.00
ELEMENTECH (HONG KONG) LIMITED	HK\$15,856 thousand	HK\$ 8,076 thousand	(11,915)	—	100.00
GREENCHEM INTERNATIONAL SHANGHAI CO., LTD.	US\$ 200 thousand	US\$ 200 thousand	10,839	—	100.00
SUZHOU GREATSUN ELECTRONICS	US\$ 2,000 thousand	US\$ 1,000 thousand	(11,864)	—	100.00
JIAXING NANXIONG POLYMER CO., LTD.	US\$ 8,583 thousand	US\$ 8,583 thousand	17,975	—	100.00
DONG GUAN NAMLIONG RUBBER MANUFACTURES CO., LTD.	US\$ 2,651 thousand	US\$ 2,651 thousand	23,199	—	100.00

#### Report No. 4: Distribution of employees' and directors' compensation in 2022

##### Explanation:

- (1). In accordance with the Articles of Incorporation, the compensation payable to employees shall be 2% to 20% of profit, and shall not exceed 20% of the Company's net profits. The compensation payable to directors and supervisors shall not exceed 2% of the Company's net profits.
- (2). The employees' remuneration as well as directors' and supervisors' remuneration in 2022 is to be distributed in cash. The amounts are as follows:  
Employees' remuneration: total NT\$14,590,000  
Directors' and supervisors' remuneration: total NT\$ 2,500,000  
A resolution made on the 29<sup>th</sup> of March 2023 was passed with regard to the above distribution.

#### Report No.5: Issuance of Domestic Secured Convertible Bond

##### Explanation:

- (1). Issuance of domestic secured corporate bonds in accordance with Article 246 of the Company Act.
- (2). The Company's 1<sup>st</sup> Secured Convertible Bond was issued on March 21, 2023. The issue amount was TWD 500 million and the issue price was TWD 100 thousand with 0% coupon rate. The tenor is 5 years. The Company's issuance was aimed at raising funds for bank loan payment. For more details, please refer to page 34 of this Handbook (Attachment 4).

## IV. Acknowledgement Matters:

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

Subject: Adoption of the 2022 Business Report and Financial Statements

##### Explanation:

- (1). The Company's 2022 Parent Company Only Financial Statements and Consolidated Financial Statements (Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows) have been certified by Hsiu-Chun Huang and Pi-Yu Chuang of Deloitte & Touche. The reports and business report have also been reviewed by the audit committee.
- (2). Please refer to pages 6-10 of this Handbook (Attachment 1) and pages 12-33 of this Handbook (Attachment 3) for the 2022 Business Report, Independent Auditor's Report and aforementioned financial reports.
- (3). This proposal was put forth for approval.

##### Resolution:

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

Subject: Adoption of the Proposal for 2022 Distribution of Earnings

Explanation:

- (1). 1. The 2022 Net Income before Tax was NT \$ 177,619,400. The Board has adopted a Proposal for the 2022 Distribution of Earnings as shown below:

NAM LIONG GLOBAL CORPORATION  
Earnings Distribution Table  
2022

Unit: NTDS\$

Item	Total
Beginning unappropriated retained earnings	\$57,936,818
Net profit after tax	\$177,619,400
Remeasurements of the net defined benefit recognized in retained earnings	275,250
The amount of other losses adjusted to the current year's undistributed earnings other than after-tax net income for the period	177,894,650
Legal reserve recognized (10%)	(17,789,465)
Distributable net earnings	218,042,003
Distributable Items: (Total shares issued: 122,392,250)	
Cash dividends - NT\$ 0.65 per share	(79,554,963)
Unappropriated retained earnings	\$138,487,040

Chairman:  
SHAO, TEN-PO

General Manager:  
CHANG, SHUN-CHING

Accounting Manager:  
SU, MENG-HSU

2. According to the Proposal for 2022 Distribution of Earnings, the cash dividends was NT\$ 0.65 per share, with a distribution earnings of NT\$ 79,554,963. The aforementioned cash dividend shall be rounded down to the nearest dollar, and the total of any fractional amount less than one dollar shall have decimals ordered from greatest to least, with the account no. from front-to-back order to meet the total cash dividends distribution.
3. Upon approval during the Annual Meeting of Shareholders, it was proposed that the Chairman be authorized to resolve the ex-dividend date, issue date, and other relevant issues.
4. If the dividend ratio is affected later on by changes in the outstanding shares due to change in share capital, shares repurchased by the Company or the Company's Employees, and change or cancellation of treasury shares, resulting in adjustment of dividend for distribution per share, it was proposed that the Chairman be authorized to facilitate such adjustment.
- (2). This proposal was put forth for approval.

Resolution:

**V. Extemporary Motions****VI. Adjournment**

## VII. Attachments

Attachment 1

### 2022 Business Report

2022 was a year full of uncertainties. As the impact of COVID-19 gradually eases after three years of unleashing its wrath, other challenges (e.g., the Russia-Ukraine war, global inflation amidst peaking raw material price inflation, the Taiwan Straits Crisis, and the acceleration towards the trend of “de-Sinicization” as a factor behind efforts to diversify supply chains), have had a tremendous impact on the business development of the Company.

Despite the aforementioned challenges, NAM LIONG GLOBAL CORPORATION looks forward to the future while being guided by its core values of “Adaptability, Innovation, and Value Maximization”. It proactively faces challenges and incorporates ESG and sustainability in its business model. It has achieved fruitful results since 2023. Going forward, the Company expects to maintain its achievements and further expands its business.

The Company’s three main strategies in 2023 are as follows:

- To adopt an integrated ESG approach towards sustainability
- To decarbonize its business model and navigate net zero transition plans
- To advance business sustainability that takes into account overall operations and long-term impact

We believe that these strategies can lead to increased customer and brand loyalty, which in turn helps boost profit. We also uphold our business commitment to promoting corporate sustainability

Below is the report on the 2022 and 2023 business plans:

#### 1. 2022 Business Report

##### (1). 2022 business achievement report

###### A. Income and expenses :

- a The 2022 Net Operating Revenue was NT \$ 2,014,659 thousand, an increase of NT\$ 27,035 thousand, compared to the 2021 Net Operating Revenue of NT \$ 1,987,624 thousand. The Consolidated Net Revenues was NT \$ 3,082,227 thousand, which was lower than the 2021 Consolidated Net Revenues of NT\$ 3,356,900 thousand.
- b The Cost of Revenue in 2022 was NT\$ 1,468,941 thousand, which was 72.91% of the Net Operating Revenue. The Consolidated Cost of Revenue was NT\$ 2,262,133 thousand, which was 73.39% of the Consolidated Net Operating Revenue.
- c The Operating Expenses in 2022 was NT\$ 446,324 thousand, which was 22.15% of the Net Operating Revenue. The Consolidated Operating Expenses in 2022 was NT\$ 680,180 thousand, which was 22.07% of the Consolidated Net Operating Revenue.

###### B. Net profit

- a The Net income in 2022 was NT\$ 177,619 thousand. The Earnings per Share (EPS) was NT\$ 1.45.
- b The Consolidated Net income in 2022 was NT\$ 177,619 thousand. The Earnings Per Share (EPS) was NT\$ 1.45.

##### (2). Report on Budget Implementation

Not applicable, the company has not prepared a financial forecast for 2022.

##### (3). Analysis of financial balance and profitability

Unit: NTS ; %

Item	Ratio (%)
Return on Assets (ROA)	5.88
Return on Equity (ROE)	11.50
Profit Before Tax to Capital Stock	15.64
Net profit margin	5.76
Basic earnings per share	1.45



#### **(4). Research & Development Results**

The consolidated research and development expense in 2022 was NT\$ 90,095 thousand, which was 2.92% of the Consolidated Net Operating Revenue.

##### **Textile Composites**

- A. In recent years, we have made progress in achieving our sustainable development goals in terms of promoting renewable raw materials, waste recycling, and green biomass-derived materials. With our Bio-Based Sponge, we have successfully completed the development of a new product line called BIO EVA, which includes BIO EVA25R, BIO EVA 35, BIO EVA35R, and BIO H2 25, along with the recycled rubber sponge EVA 35R and antibacterial sponge using GREENCHEM special antimicrobials, An Encore 08, and gradually promote among major brands.
- B. In terms of recycled functional fasteners, such as Recycled NG Fasteners and Striping Fabric, the materials undergo fabric pelletizing and recycled into the production system. A new and recycled material mixture ratio is optimized from 20% to 50%, without altering its physical characteristic. The production stability is guaranteed and ideal waste reduction is achieved.
- C. With regard to Protective Products, 6 product sets are made of colored yarn, cut-resistant fabric using an environmentally friendly production process, and abrasion-resistant fabric. Another 6 product sets include recycled nylon and abrasion-resistant fabric with PET recycled fibers. The other 6 sets are green and environmental wireless cut-resistant fabric and non-fiberglass cut-resistant fabric from A3 to A6 grades.

##### **Chemical Field**

- A. Continuously seeking cooperation with international suppliers, introducing unique products that are trendy, eco-friendly, energy-saving, sustainable, and natural
- B. To fulfill customer demand, we continuously search for innovative products and products with environmental certifications.
- C. To enhance the Company's reputation in various industries, we have proactively introduced antimicrobial plastic materials that cater to more customers and generate higher profits in non-textile business segments.

##### **Power Supply**

Plasma equipment is important in different manufacturing processes. It has a wide range of uses (e.g., in food production, auto parts manufacturing, glass product manufacturing, and electronics manufacturing process). Through compressed air ionization, surface dust is removed by high-pressure air. The currently developed plasma power supply is a low-temperature atmospheric pressure plasma that uses Arc-jet nozzles. This work will help to develop Dielectric Barrier Discharge (DBD) spraying nozzles, drive more innovative applications, and increase the average gross profit margin.

In the meantime, we are also striving to strengthen cooperation with our strategic partners and improve production efficiency to reduce lead time, ultimately resulting in good product quality.

## **2. 2023 Business plan for production and sales**

### **(1). Operations Strategy**

Factors such as global inflation, interest rate hike, the Russia-Ukraine war, climate change, energy and food shortages, geopolitical tensions, Covid-19 policies, surplus inventory of branding companies, and information security risk management all pose threats and challenges that led to a slowdown in global economic activities for every company.

In 2023, the Company would take a strategic approach that focuses on flexibility, innovation, value maximization, and a sustainable business model in order to overcome these challenges and achieve sustainable growth through differentiation with a sustainable competitive advantage.

## **Textile Composites**

### **A. Progress on ESG Development**

The plans for ESG development can be summarized as follows:

- a Initiate carbon management training workshops for every factory
- b Create a carbon inventory of key merchandises and commit to implementing Carbon Reduction Plans (CRPs)
- c Continuously cultivate meaningful stakeholder relationships and encourage open communication to show care and concern

### **B. Pioneering a Carbon-reduction Business Model**

We are continuously focusing on climate change issues, current trends and policies on sustainability, as well as exploring risks and preventive measures with adjustments made on strategies in R&D, production, and sales. By doing these, we are able to create opportunities for building new green businesses and establishing a circular production and business model.

We have focused on ECO Family including Green R&D for Eco-innovation and received accreditation for our Green manufacturing process. In terms of green production, we have achieved the following:

- a Replaced boiler fuel with gas boiler
- b Gradually phased out equipment with high energy consumption
- c Carried out routine maintenance of machines and necessary peripherals

As for our Green Marketing Plan, we are actively developing and maintaining a diversified global business layout; for Green supply chain management, we have integrated both upstream and downstream supply chains to co-develop green materials and provide a total solution for our clients.

### **C. Establishing a solid operations management**

We aim to find the best solution to issues that affect overseas operations, integrated marketing, product quality and lead time efficiency, and recruitment by analyzing key financial indicators and other non-financial indicators. In addition to the aforementioned matters, we also aim to promote e-Learning and education on ESG core values.

## **Chemical Product**

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

B. Unfavorable factors affecting the development of Taiwan's textile industry such as rising cost, shrinking production scale and declining customer base have had a great impact on the Company's financial performance.

One alternative to dealing with the challenges is to develop new opportunities in non-textile industries. For example, enabling additives of chemicals in the plastics industry would be our business target, which has more advantages than the domestic textile industry.

C. Auxiliaries used to be the main sales force of the Company. However, we have granted the distribution rights for the product called Ceravida Recovery, owned by Korean company G. CLO. Ceravida Recovery is a green material made from recycled waste. It is composed of functional ceramic polymers with natural minerals. Ceravida Recovery has the functions of improving blood circulation and boosting sports performance. With these features that follow market trends, Ceravida Recovery will become the top seller of the Company in the future.

## **Power Supply**

In response to the energy shortage caused by the Russia-Ukraine war, power supply products with energy storage, energy-saving, and green energy features have become mainstream. Home energy storage devices (non-high power energy storage devices) have therefore become the basis for ELEMENTECH INTERNATIONAL CO., LTD.'s product development and market assessment. Through joint development with other companies in the same field, ELEMENTECH INTERNATIONAL CO., LTD. will soon be able to roll out new products, expand its technological know-how to include medical devices and Teleservice, as well as provide stable and safe power supply with energy storage equipment in preparation for global aging. The aforementioned product development also benefits product line extension,

and boosts the average gross profit margin. Meanwhile, we will strengthen our relationship with strategic partnerships to drive shorter development cycles and enhance production efficiency, thus reducing lead time and increasing product quality in production.

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

Items	Estimated Number of Items Sold
Textile Composites (Note 1)	165,500,000
Chemical Products (Note 2)	385,000
Power Supply (Note 3)	1,200,000

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

Note 2: The product unit is KG.

Note 3: The product unit is PCS.

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

**A. Progress on ESG Development:**

We continually issue ESG reports, cultivate a company image of sustainability, and level up in international evaluations by implementing carbon footprint verification and going green to reduce carbon emissions.

**B. Pioneering a Carbon-reduction Business Model:**

To keep up with current branding trends, we are striving to create opportunities to build new green businesses as well as a circular production and business model.

**C. Advanced sustainability management systems:**

Strengthen digital analyses. Replace a weakness with a strength. Maximize operational efficiency for overseas subsidiaries.

**3. Company Development Strategies**

**(1) Focus on product innovations and technology, aimed at enhancing core competencies**

We have been aggressive in leveling up our core technological competence. In terms of Research and Development, the Company has established 3 primary principles governing product innovations: Green, 100% composite materials, and lightweight design approaches for energy efficiency. Each of these principles is applied in the plan to build a laboratory.

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

Make use of precise decision-making process with real-time global management using multi-dimensional data and analyses to help:

A. Integrate production orders and simplify production management

B. Apply precision marketing to communicate actively with clients

C. Upgrade digital technology to facilitate strategic management, control management, and operations management, and to strengthen information security risk management (ISRM)

**(3) Implement sustainable management with long-term sustainable planning**

We have been involved in diversification of education and learning by conducting a more flexible and extensive approach to help empower employees. We also comply with sustainability planning requirements and have begun formulating our talent acquisition plan.

**(4) Proactively manage risks and build a strong control mechanism**

We take the initiative and overcome challenges such as climate change, customer management, credibility, and risk of market and supply chain disruptions. We carefully assess and manage these risks, either potential or physical by implementing different risk mitigation strategies and prevention.

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

**(1) Address climate change; actively participate in Green R&D**

According to the 2023 Global Risks Reports, the top three environmental issues are:

A. Failure to mitigate climate change

B. Failure to adapt to climate change

C. Natural disasters and extreme weather conditions

Undeniably, environmental sustainability is the most pressing issue globally. In light of this, our Company will focus on the research and development of Green (ECO-family) and recyclable materials to reduce oil consumption. By recycling waste, reusing materials and consistently implementing carbon reduction programs, we can follow current trends and adapt quickly to changes in the global business environment.

**(2) Economies Face Weakening Growth, Rising Inflation: Diversification is a strategy to mitigate risks.**

In the face of global inflation, delayed consumption due to excess inventory and slowdown in global economic activity, sales activity has declined as a result of reduced demand. To address this issue, the Company has integrated supply chains with production bases in both China and Vietnam, and has diversified its composite material portfolio. Additionally, by setting up an international distribution network, the Company can offer a total and fast solution to customers in markets such as water and underwater sports, personal protective equipment, outdoor sports, medical care, vehicle, industrial, home textile, 3C, and architectural acoustics (noise control).

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

2023 Annual Shareholders' Meeting

Warm regards,

Chairman:  
SHAO, TEN-PO

General Manager:  
CHANG, SHUN-CHING

Accounting Manager:  
SU, MENG-HSU

**NAM LIONG GLOBAL CORPORATION**  
**Audit Committee's Review Report**

The 2022 business report, parent company only financial statements and consolidated financial statements of the Company were prepared by its Board of Directors and certified by Hsiu-Chun Huang and Pi-Yu Chuang of Deloitte & Touche. The aforementioned reports, business report, parent company only financial statements and consolidated financial statements as well as earnings distribution proposal were reviewed by the Committee and are certified true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To: 2023 Annual Shareholders' Meeting

**NAM LIONG GLOBAL CORPORATION**

Convener of Audit Committee

HUANG, CHUNG-HUI

March 29, 2023

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2022, the entities that are required to be included in the consolidated financial statements of Nam Liong Global Corporation, in accordance with the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared under the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the consolidated financial statements of Affiliates has all been included in the consolidated financial statements of parent and subsidiary companies. Consequently, Nam Liong Global Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby declare,

Nam Liong Global Corporation

By

---

SHAO, TEN-PO

Chairman

March 29, 2023

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders

Nam Liong Global Corporation (Original name: Prolink Microsystems Corporation)

### Opinion

We have audited the accompanying consolidated financial statements of Nam Liong Global Corporation and its subsidiaries (Original name: Prolink Microsystems Corporation) (the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the accompanying consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) that came into effect as endorsed by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

### **Sales to Specific Customers**

The Group's sales growth of specific customers was higher than the average growth rate and the amount was substantial in 2022. Therefore, authenticity of revenue for the sales to specific customers is identified as one of the key audit matters for the year ended December 31, 2022.

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

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

## **Other Matter**

We have audited and issued an unmodified opinion with an explanatory paragraph on the parent company only financial statements of Nam Liong Global Corporation (Original name: Prolink Microsystems Corporation) as of and for the years ended December 31, 2022 and 2021.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the reparation 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 members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.



## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Hsiu-Chun Huang and Pi-Yu Chuang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 29, 2023

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES  
(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 730,742	22	\$ 588,613	17
1136	Financial assets at amortized cost – current (Note 4, 8 and 24)	46,863	1	65,340	2
1150	Notes receivable – non-related parties (Note 4 and 9)	35,954	1	98,995	3
1160	Notes receivable – related parties (Note 4, 9 and 23)	11,309	-	17,896	1
1170	Accounts receivable – non-related parties (Note 4 and 9)	354,095	11	445,386	13
1180	Accounts receivable – related parties (Note 4, 9 and 23)	46,909	1	73,352	2
1220	Current tax assets (Note 4 and 19)	1,857	-	223	-
130X	Inventories (Notes 4, 5 and 10)	511,778	15	516,209	15
1470	Other current assets (Notes 23)	55,816	2	72,257	2
11XX	Total current assets	<u>1,795,323</u>	<u>53</u>	<u>1,878,271</u>	<u>55</u>
	<b>NON-CURRENT ASSETS</b>				
1517	Financial assets at fair value through other comprehensive income – non-current (Note 4, 7 and 22)	205,273	6	100,674	3
1535	Financial assets at amortized cost – non-current (Note 4, 8 and 24)	-	-	16,640	-
1600	Property, plant and equipment (Notes 4, 12 and 24)	1,064,128	31	1,059,156	31
1755	Right-of-use assets (Notes 4, 13, 24 and 25)	212,150	6	242,006	7
1805	Goodwill (Notes 4 and 14)	88,813	3	88,813	2
1821	Intangible assets (Notes 4)	4,152	-	3,335	-
1840	Deferred tax assets (Notes 4 and 19)	16,490	-	20,227	1
1990	Other non-current assets	16,728	1	23,065	1
15XX	Total non-current assets	<u>1,607,734</u>	<u>47</u>	<u>1,553,916</u>	<u>45</u>
1XXX	<b>TOTAL</b>	<u>\$ 3,403,057</u>	<u>100</u>	<u>\$ 3,432,187</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>CURRENT LIABILITIES</b>				
2100	Short-term borrowings (Notes 15 and 24)	\$ 362,143	11	\$ 420,006	12
2110	Short-term notes and bills payable (Notes 15 and 24)	29,871	1	29,954	1
2150	Notes payable – non-related parties	15,107	-	20,013	1
2160	Notes payable – related parties (Notes 23)	527	-	667	-
2170	Accounts payable – non-related parties	203,878	6	311,129	9
2180	Accounts payable – related parties (Notes 23)	7,230	-	14,313	1
2219	Other payables (Notes 23)	174,555	5	180,247	5
2230	Current tax liabilities (Notes 4 and 19)	11,451	-	8,168	-
2280	Lease liabilities – current (Notes 4, 13 and 23)	30,114	1	30,795	1
2320	Current portion of long-term borrowings (Notes 15, 24 and 25)	220,607	7	113,836	3
2399	Other current liabilities	79,239	2	43,502	1
21XX	Total current liabilities	<u>1,134,722</u>	<u>33</u>	<u>1,172,630</u>	<u>34</u>
	<b>NON-CURRENT LIABILITIES</b>				
2540	Long-term borrowings (Notes 15, 24 and 25)	456,238	14	610,276	18
2570	Deferred tax liabilities (Notes 4 and 19)	10,249	-	10,895	1
2580	Lease liabilities – non-current (Notes 4, 13 and 23)	153,453	5	179,341	5
2640	Net defined benefit liabilities – non-current (Note 4 and 16)	9,065	-	9,136	-
2645	Guarantee deposits received	176	-	172	-
25XX	Total non-current liabilities	<u>629,181</u>	<u>19</u>	<u>809,820</u>	<u>24</u>
2XXX	Total liabilities	<u>1,763,903</u>	<u>52</u>	<u>1,982,450</u>	<u>58</u>
	<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 4, 7, 11, 16 and 17)</b>				
3100	Share capital	1,223,923	36	1,223,923	36
3211	Capital surplus	57,621	2	57,621	2
	Retained earnings				
3310	Legal reserve	14,597	-	-	-
3350	Unappropriated earnings	235,831	7	145,969	4
3300	Total Retained earnings	250,428	7	145,969	4
3400	Other equity	107,182	3	22,224	-
3XXX	Total equity	<u>1,639,154</u>	<u>48</u>	<u>1,449,737</u>	<u>42</u>
	<b>TOTAL</b>	<u>\$ 3,403,057</u>	<u>100</u>	<u>\$ 3,432,187</u>	<u>100</u>

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

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES  
(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2022		2021	
		Amount	%	Amount	%
4100	OPERATING REVENUE (Notes 4 and 23)	\$ 3,082,227	100	\$ 3,356,900	100
5110	OPERATING COSTS (Notes 4, 10, 16, 18 and 23)	<u>2,262,133</u>	<u>74</u>	<u>2,485,138</u>	<u>74</u>
5900	GROSS PROFIT	<u>820,094</u>	<u>26</u>	<u>871,762</u>	<u>26</u>
	OPERATING EXPENSES (Notes 4, 9, 16, 18 and 23)				
6100	Selling and marketing expenses	180,060	6	192,840	6
6200	General and administrative expenses	410,025	13	399,615	12
6300	Research and development expenses	<u>90,095</u>	<u>3</u>	<u>88,810</u>	<u>2</u>
6000	Total operating expenses	<u>680,180</u>	<u>22</u>	<u>681,265</u>	<u>20</u>
6500	OTHER OPERATING INCOME AND EXPENSES, NET ((Notes 4 and 26)	<u>-</u>	<u>-</u>	<u>432</u>	<u>-</u>
6900	PROFIT FROM OPERATIONS	<u>139,914</u>	<u>4</u>	<u>190,929</u>	<u>6</u>
	NON-OPERATING INCOME AND EXPENSES				
7020	Other gains and losses (Notes 4, 12 and 18)	916	-	( 6,349)	-
7050	Finance costs (Note 4 and 18)	( 30,670)	( 1)	( 27,222)	( 1)
7100	Interest revenue	3,352	-	1,865	-
7190	Other income (Note 4, 7, 13, 18 and 23)	29,074	1	32,690	1
7230	Foreign exchange gains (losses) (Note 4, 18 and 28)	52,847	2	( 12,424)	-
7590	Miscellaneous disbursements	( <u>3,934</u> )	<u>-</u>	( <u>3,396</u> )	<u>-</u>
7000	Total non-operating income and expenses	<u>51,585</u>	<u>2</u>	( <u>14,836</u> )	<u>-</u>

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 191,499	6	\$ 176,093	6
7950	INCOME TAX EXPENSE (Notes 4 and 19)	( 13,880 )	-	( 25,838 )	( 1 )
8200	NET PROFIT FOR THE YEAR	<u>177,619</u>	<u>6</u>	<u>150,255</u>	<u>5</u>
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 16 and 19)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	344	-	283	-
8316	Unrealized gains on investments in equity instruments at fair value through other				
8349	comprehensive income Income tax related to items that will not be reclassified subsequently	73,614	3	46,255	1
8310		( 69 )	-	( 57 )	-
		<u>73,889</u>	<u>3</u>	<u>46,481</u>	<u>1</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	11,899	-	( 962 )	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	( 555 )	-	( 613 )	-
8360		<u>11,344</u>	<u>-</u>	<u>( 1,575 )</u>	<u>-</u>
8300	Other comprehensive income (loss), net of income tax	<u>85,233</u>	<u>3</u>	<u>44,906</u>	<u>1</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 262,852</u>	<u>9</u>	<u>\$ 195,161</u>	<u>6</u>
	EARNINGS PER SHARE (Note 20)				
9710	Basic	<u>\$ 1.45</u>		<u>\$ 1.23</u>	
9810	Diluted	<u>\$ 1.44</u>		<u>\$ 1.22</u>	

(Concluded)

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

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES  
(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Code		Share Capital (Note 4 and 17)		Capital surplus (Note 4, 11 and 17)	Retained Earnings (Note 4, 7, 16 and 17)		Other equity		Total Equity
		Shares (In Thousands)	Amount		Legal Capital Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operation (Note 4 and 19)	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 4 and 7)	
A1	BALANCE AT JANUARY 1, 2021	122,392	\$ 1,223,923	\$ 32,321	\$ -	(\$ 4,512)	(\$ 22,456)	\$ -	\$ 1,229,276
D1	Net profit for the year ended December 31, 2021	-	-	-	-	150,255	-	-	150,255
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	226	(1,575)	46,255	44,906
D5	Total comprehensive income (loss) in 2021	-	-	-	-	150,481	(1,575)	46,255	195,161
M7	Changes in percentage of ownership interests in subsidiaries	-	-	25,300	-	-	-	-	25,300
Z1	BALANCE AT DECEMBER 31, 2021	122,392	1,223,923	57,621	-	145,969	(24,031)	46,255	1,449,737
B1	Appropriation of 2021 Earnings Legal Reserve	-	-	-	14,597	(14,597)	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(73,435)	-	-	(73,435)
		-	-	-	14,597	(88,032)	-	-	(73,435)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	177,619	-	-	177,619
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	275	11,344	73,614	85,233
D5	Total comprehensive income (loss) in 2022	-	-	-	-	177,894	11,344	73,614	262,852
Z1	BALANCE AT DECEMBER 31, 2022	122,392	\$ 1,223,923	\$ 57,621	\$ 14,597	\$ 235,831	(\$ 12,687)	\$ 119,869	\$ 1,639,154

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

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES  
(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

Code		2022	2021
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
A10000	Income before income tax	\$ 191,499	\$ 176,093
A20010	Adjustments for:		
A20100	Depreciation expense	112,730	100,193
A20200	Amortization expense	1,060	877
A20300	Expected credit loss recognized (reversed)	( 1,102)	1,533
A20900	Finance costs	30,670	27,222
A21200	Interest income	( 3,352)	( 1,865)
A21300	Dividend income	( 44)	-
A22500	Losses (Gains) on disposal of property, plant and equipment	( 961)	2,206
A22800	Losses on disposal of intangible assets	45	-
A23700	Write-down of inventories	23,936	2,823
A24100	Unrealized foreign currency exchange losses	619	384
A29900	Gains from lease modification	72	-
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	69,628	6,476
A31150	Accounts receivable	118,449	( 111,920)
A31200	Inventories	( 21,912)	( 105,005)
A31240	Other current assets	15,901	( 1,193)
A32130	Notes payable	( 5,046)	8,324
A32150	Accounts payable	( 114,530)	14,808
A32180	Other payables	( 5,743)	44,881
A32230	Other current liabilities	35,737	3,051
A32240	Net defined benefit liabilities	273	248
A33000	Cash generated from operations	447,929	169,136
A33100	Interest received	3,352	1,880
A33300	Interest paid	( 24,344)	( 20,393)
A33500	Income taxes return (paid)	( 9,044)	( 21,751)
AAAA	Net cash generated from operating activities	<u>417,893</u>	<u>128,872</u>

(Continued)

Code		2022	2021
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
B00010	Acquisitions of financial assets at fair value through other comprehensive income	(\$ 30,985)	(\$ 54,419)
B00040	Acquisitions of financial assets at amortized cost	-	( 32,613)
B00050	Proceeds from disposal of financial assets at amortized cost	35,372	8,862
B02700	Acquisitions of property, plant, and equipment	( 97,464)	( 189,664)
B02800	Proceeds from disposal of property, plant and equipment	1,091	1,776
B03800	Decrease (Increase) in guarantee deposits paid	4,235	( 3,236)
B04500	Acquisitions of intangible assets	( 1,922)	( 843)
B05350	Acquisition of right-of-use assets	( 208)	-
B07200	Decrease (increase) in prepayments for equipment	18,863	( 4,235)
B07600	Dividends received	44	-
BBBB	Net cash used in investing activities	<u>( 70,974)</u>	<u>( 274,372)</u>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
C00200	Increase (Decrease) in short-term borrowings	( 58,642)	170,131
C00600	Decrease in short-term notes and bills payable	( 166)	( 247)
C01600	Proceeds from long-term borrowings	46,000	211,600
C01700	Repayments of long-term borrowings	( 93,267)	( 172,239)
C04020	Payments of lease liabilities	( 37,261)	( 32,610)
C04500	Cash dividends	<u>( 73,435)</u>	-
CCCC	Net cash generated from (used in) financing activities	<u>( 216,771)</u>	<u>176,635</u>
DDDD	<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>11,981</u>	<u>1,914</u>
EEEE	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	142,129	33,049
E00100	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<u>588,613</u>	<u>555,564</u>
E00200	<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<u>\$ 730,742</u>	<u>\$ 588,613</u>

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



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders

Nam Liong Global Corporation (Original name: Prolink Microsystems Corporation)

### Opinion

We have audited the accompanying parent company only financial statements of Nam Liong Global Corporation (Original name: Prolink Microsystems Corporation) (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and relevant acts.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2022 are stated as follows:

#### Sales to Specific Customers

The Company's sales growth of specific customers was higher than the average growth rate and the amount was substantial in 2022. Therefore, authenticity of revenue for the sales to specific customers is identified as one of the key audit matters for the year ended December 31, 2022.

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

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

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in

extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Hsiu-Chun Huang and Pi-Yu Chuang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 29, 2023

Notice to Readers

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

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

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

NAM LIONG GLOBAL CORPORATION  
(Original name: PROLINK MICROSYSTEMS CORPORATION)  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 304,350	10	\$ 251,278	9
1136	Financial assets at amortized cost – current (Note 4, 8 and 24)	43,863	1	29,933	1
1150	Notes receivable, net – non-related parties (Note 4 and 9)	34,751	1	44,886	1
1160	Notes receivable – related parties (Note 4, 9 and 23)	11,242	-	17,856	1
1170	Accounts receivable, net – non-related parties (Note 4 and 9)	232,316	8	257,950	9
1180	Accounts receivable – related parties (Note 4, 9 and 23)	47,127	2	53,388	2
1200	Other receivables	3,032	-	6,708	-
1210	Other receivables – related parties (Note 23)	772	-	537	-
1220	Current income tax assets (Note 4 and 19)	-	-	212	-
130X	Inventories (Notes 4, 5 and 10)	286,395	9	273,185	9
1470	Other current assets	17,519	1	22,377	1
11XX	Total current assets	<u>981,367</u>	<u>32</u>	<u>958,310</u>	<u>33</u>
	<b>NON-CURRENT ASSETS</b>				
1517	Financial assets at fair value through other comprehensive income – non-current (Note 4, 7 and 22)	205,273	7	100,674	3
1535	Financial assets at amortized cost – non-current (Note 4, 8 and 24)	-	-	16,640	1
1550	Investments accounted for using equity method (Note 4 and 11)	1,152,444	38	1,124,123	38
1600	Property, plant and equipment (Notes 4, 12 and 24)	640,755	21	637,890	22
1755	Right-of-use assets (Notes 4, 13, 24 and 25)	46,794	2	50,570	2
1821	Intangible assets (Notes 4)	3,441	-	2,620	-
1840	Deferred tax assets (Notes 4 and 19)	13,628	-	16,881	1
1900	Other non-current assets	9,912	-	10,397	-
15XX	Total non-current assets	<u>2,072,247</u>	<u>68</u>	<u>1,959,795</u>	<u>67</u>
1XXX	<b>TOTAL</b>	<u>\$ 3,053,614</u>	<u>100</u>	<u>\$ 2,918,105</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>CURRENT LIABILITIES</b>				
2100	Short-term borrowings (Notes 14 and 24)	\$ 362,143	12	\$ 338,266	12
2110	Short-term notes and bills payable (Notes 14)	29,871	1	29,954	1
2150	Notes payable – non-related parties	14,950	1	14,445	-
2160	Notes payable – related parties (Notes 23)	516	-	680	-
2170	Accounts payable – non-related parties	145,260	5	203,281	7
2180	Accounts payable – related parties (Notes 23)	11,636	-	14,292	-
2219	Other payables (Notes 15)	126,414	4	122,225	4
2220	Other payables – related parties (Notes 15 and 23)	731	-	1,685	-
2230	Current tax liabilities (Notes 4 and 19)	2,302	-	-	-
2280	Lease liabilities – current (Notes 4, 13 and 23)	1,856	-	2,639	-
2320	Current portion of long-term borrowings (Notes 14, 24 and 25)	196,915	6	90,144	3
2399	Other current liabilities	43,522	1	17,760	1
21XX	Total current liabilities	<u>936,116</u>	<u>30</u>	<u>835,371</u>	<u>28</u>
	<b>NON-CURRENT LIABILITIES</b>				
2540	Long-term borrowings (Notes 14, 24 and 25)	453,700	15	607,045	21
2570	Deferred income tax liabilities (Notes 4 and 19)	164	-	-	-
2580	Lease liabilities – non-current (Notes 4, 13 and 23)	24,480	1	25,952	1
25XX	Total non-current liabilities	<u>478,344</u>	<u>16</u>	<u>632,997</u>	<u>22</u>
2XXX	Total liabilities	<u>1,414,460</u>	<u>46</u>	<u>1,468,368</u>	<u>50</u>
	<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b> (Notes 4, 7, 11, 17 and 20)				
3100	Share capital	1,223,923	40	1,223,923	42
3211	Capital surplus	57,621	2	57,621	2
	Retained earnings				
3310	Legal reserve	14,597	-	-	-
3350	Unappropriated earnings	235,831	8	145,969	5
3300	Total Retained earnings	<u>250,428</u>	<u>8</u>	<u>145,969</u>	<u>5</u>
3400	Other equity	107,182	4	22,224	1
3XXX	Total equity	<u>1,639,154</u>	<u>54</u>	<u>1,449,737</u>	<u>50</u>
	<b>TOTAL</b>	<u>\$ 3,053,614</u>	<u>100</u>	<u>\$ 2,918,105</u>	<u>100</u>

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

NAM LIONG GLOBAL CORPORATION  
(Original name: PROLINK MICROSYSTEMS CORPORATION)  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2022		2021	
		Amount	%	Amount	%
4110	OPERATING REVENUE (Notes 4 and 23)	\$ 2,014,659	100	\$ 1,987,624	100
5110	OPERATING COSTS (Notes 4, 10, 18, and 23)	( 1,468,941)	( 73)	( 1,427,715)	( 72)
5900	GROSS PROFIT	<u>545,718</u>	<u>27</u>	<u>559,909</u>	<u>28</u>
5910	UNREALIZED GAINS FROM SALES (Notes 4)	( 2,260)	-	( 1,354)	-
5920	REALIZED GAINS FROM SALES (Notes 4)	<u>1,354</u>	<u>-</u>	<u>724</u>	<u>-</u>
5950	REALIZED GROSS PROFIT	<u>544,812</u>	<u>27</u>	<u>559,279</u>	<u>28</u>
	OPERATING EXPENSES (Notes 4, 18 and 23)				
6100	Selling and marketing expenses	120,178	6	125,161	6
6200	General and administrative expenses	283,042	14	274,606	14
6300	Research and development expenses	<u>43,104</u>	<u>2</u>	<u>33,176</u>	<u>2</u>
6000	Total operating expenses	<u>446,324</u>	<u>22</u>	<u>432,943</u>	<u>22</u>
6900	PROFIT FROM OPERATIONS	<u>98,488</u>	<u>5</u>	<u>126,336</u>	<u>6</u>
	NON-OPERATING INCOME AND EXPENSES				
7020	Other gains and losses (Notes 4, 18 and 23)	955	-	( 4,109)	-
7050	Finance costs (Note 4 and 18)	( 24,098)	( 1)	( 18,779)	( 1)
7070	Share of profits of subsidiaries accounted for using equity method (Note 4 and 11)	47,249	2	41,388	2

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
7100	Interest revenue	\$ 698	-	\$ 110	-
7190	Other income (Note 4, 18 and 23)	24,102	1	22,032	1
7590	Miscellaneous disbursements	( 507 )	-	( 1,093 )	-
7230	Foreign exchange gains (losses) (Note 4, 18 and 27)	<u>36,267</u>	<u>2</u>	<u>( 9,348 )</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>84,666</u>	<u>4</u>	<u>30,201</u>	<u>2</u>
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	183,154	9	156,537	8
7950	INCOME TAX EXPENSE (Notes 4 and 19)	<u>( 5,535 )</u>	<u>-</u>	<u>( 6,282 )</u>	<u>-</u>
8200	NET PROFIT FOR THE YEAR	<u>177,619</u>	<u>9</u>	<u>150,255</u>	<u>8</u>
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 16 and 19)				
	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gains on investments in equity instruments at fair value through other comprehensive income	73,614	4	46,255	2
8388	Share of other comprehensive income of subsidiaries accounted for using the equity method-remeasurement of defined benefit plans	<u>275</u>	<u>-</u>	<u>226</u>	<u>-</u>
8310		<u>73,889</u>	<u>4</u>	<u>46,481</u>	<u>2</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	10,919	-	( 603 )	-

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
8381	Share of the other comprehensive gains (losses) of subsidiaries accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	\$ 784	-	(\$ 287)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	( 359)	-	( 685)	-
8360		<u>11,344</u>	<u>-</u>	<u>( 1,575)</u>	<u>-</u>
8300	Other comprehensive income (loss), net of income tax	<u>85,233</u>	<u>4</u>	<u>44,906</u>	<u>2</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 262,852</u>	<u>13</u>	<u>\$ 195,161</u>	<u>10</u>
	EARNINGS PER SHARE (Note 20)				
9710	Basic	<u>\$ 1.45</u>		<u>\$ 1.23</u>	
9810	Diluted	<u>\$ 1.44</u>		<u>\$ 1.22</u>	

(Concluded)

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



NAM LIONG GLOBAL CORPORATION  
(Original name: PROLINK MICROSYSTEMS CORPORATION)  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Code		Share Capital (Note 4 and 17)		Capital surplus (Note 4, 11 and 17)	Retained Earnings (Note 4, 7, 16 and 17)		Other equity		Total Equity
		Shares (In Thousands)	Amount		Legal Capital Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Foreign Currency of Foreign Operation (Note 4 and 19)	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 4 and 7)	
A1	BALANCE AT JANUARY 1, 2021	122,392	\$ 1,223,923	\$ 32,321	\$ -	(\$ 4,512)	(\$ 22,456)	\$ -	\$ 1,229,276
D1	Net profit for the year ended December 31, 2021	-	-	-	-	150,255	-	-	150,255
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	226	(1,575)	46,255	44,906
D5	Total comprehensive income (loss) in 2021	-	-	-	-	150,481	(1,575)	46,255	195,161
M7	Changes in percentage of ownership interests in subsidiaries	-	-	25,300	-	-	-	-	25,300
Z1	BALANCE AT DECEMBER 31, 2021	122,392	1,223,923	57,621	-	145,969	(24,031)	46,255	1,449,737
B1	Appropriation of 2021 Earnings Legal Reserve	-	-	-	14,597	(14,597)	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(73,435)	-	-	(73,435)
		-	-	-	14,597	(88,032)	-	-	(73,435)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	177,619	-	-	177,619
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	275	11,344	73,614	85,233
D5	Total comprehensive income (loss) in 2022	-	-	-	-	177,894	11,344	73,614	262,852
Z1	BALANCE AT DECEMBER 31, 2022	122,392	\$ 1,223,923	\$ 57,621	\$ 14,597	\$ 235,831	(\$ 12,687)	\$ 119,869	\$ 1,639,154

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

NAM LIONG GLOBAL CORPORATION  
(Original name: PROLINK MICROSYSTEMS CORPORATION)  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 183,154	\$ 156,537
A20010	Incomes and expenses not affecting cash flow		
A20100	Depreciation expense	49,425	46,406
A20200	Amortization expense	863	376
A20300	Expected credit loss recognized (reversed)	( 890 )	563
A20900	Finance costs	24,098	18,779
A21200	Interest income	( 698 )	( 110 )
A21300	Dividend income	( 44 )	-
A22400	Share of profits of subsidiaries accounted for using the equity method	( 47,249 )	( 41,388 )
A22500	Gains on disposal of property, plant and equipment	( 1,000 )	( 34 )
A22800	Losses on disposal of intangible assets	45	-
A23200	Losses on disposal of investments accounted for using the equity method	-	4,143
A23700	Write-down of inventories	12,519	2,783
A23900	Unrealized gains from sales with subsidiary	2,260	1,354
A24000	Realized gains from sales with subsidiary	( 1,354 )	( 724 )
A24100	Unrealized foreign currency exchange gains (losses)	( 203 )	222
A29900	Gains from lease modification	72	-
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	16,749	7,921
A31150	Accounts receivable	33,006	( 71,905 )
A31180	Other receivables	3,441	( 2,887 )
A31200	Inventories	( 25,729 )	( 76,693 )
A31240	Other current assets	4,318	( 1,199 )
A32130	Notes payable	341	6,332
A32150	Accounts payable	( 60,695 )	39,099
A32180	Other payables	3,107	32,176
A32230	Other current liabilities	<u>25,762</u>	<u>5,303</u>
A33000	Cash generated from operations	221,298	127,054

(Continued)

Code		2022	2021
A33100	Interest received	\$ 698	\$ 110
A33300	Interest paid	( 22,350 )	( 17,334 )
AC0500	Income taxes return (paid)	<u>37</u>	<u>( 9,672 )</u>
AAAA	Net cash generated from operating activities	<u>199,683</u>	<u>100,158</u>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
B00010	Acquisitions of financial assets at fair value through other comprehensive income	( 30,985 )	( 54,419 )
B00040	Acquisitions of financial assets at amortized cost	( 16,657 )	( 6,004 )
B00050	Proceeds from disposal of financial assets at amortized cost	19,367	5,718
B01800	Acquisitions of long-term equity investments accounted for using the equity method	-	( 60,000 )
B02300	Proceeds from disposal of investments in subsidiaries	-	16,576
B02700	Acquisitions of property, plant, and equipment	( 48,216 )	( 141,544 )
B02800	Proceeds from disposal of property, plant and equipment	1,000	50
B03700	Increase in guarantee deposits paid	( 179 )	( 368 )
B04500	Acquisitions of intangible assets	( 1,729 )	( 369 )
B07200	Decrease (increase) in prepayments for equipment	664	( 3,192 )
B07600	Dividends received	<u>30,044</u>	<u>6,000</u>
BBBB	Net cash used in investing activities	<u>( 46,691 )</u>	<u>( 237,552 )</u>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
C00100	Increase in short-term borrowings	23,877	173,266
C00600	Decrease in short-term notes and bills payable	( 386 )	( 247 )
C01600	Proceeds from long-term borrowings	-	165,600
C01700	Repayments of long-term borrowings	( 46,574 )	( 125,547 )
C04020	Payments of lease liabilities	( 3,402 )	( 2,742 )
C04500	Cash dividends	<u>( 73,435 )</u>	<u>-</u>
CCCC	Net cash generated from (used in) financing activities	<u>( 99,920 )</u>	<u>210,330</u>
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	53,072	72,936
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>251,278</u>	<u>178,342</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 304,350</u>	<u>\$ 251,278</u>

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

**Report on Issuance of Convertible Bond**

Types of convertible bond	1 <sup>st</sup> Secured Convertible Bond
Issue date	March 21, 2023
Face Value	NT\$100,000
Place of issue and exchange	Taipei Exchange
Issue price	The issue price is based on the 116.23% face value.
Total value	NT\$ 500,000,000
Interest rate	0% Coupon rate
Issue period	The issue period is 5 years, starting March 21, 2023. The maturity date is March 21, 2028.
Redemption of bonds	<p>The Company issued its 1<sup>st</sup> domestic 5-year secured convertible bonds. The secured convertible bonds will be repaid in cash within ten business days (including the 10<sup>th</sup> business day) based on the bond's face value, with the exception of the following:</p> <ol style="list-style-type: none"> <li>1. Bondholders are allowed to convert the secured convertible bonds into ordinary shares of the Company under Article 10 of relevant measures, or redeem secured convertible bonds in advance in accordance with Article 18. OR</li> <li>2. The Company exercises its right to repurchase secured convertible bonds from an over-the-counter market in accordance with Article 19.</li> </ol> <p>If the repayment date falls on a closing day of the Taipei Stock Exchange, it will be postponed to the next business day.</p>
Outstanding principal	NT\$ 500,000,000
Update on execution	Up to the 30 <sup>th</sup> of April 2023, the balance of unconverted secured convertible bond is NT\$ 500,000,000.

## VIII. Appendix

### Appendix 1

## NAM LIONG GLOBAL CORPORATION Articles of Incorporation

### Chapter 1 General Provisions

**Article 1:** The Corporation shall be organized as a company limited by shares under the Company Act of the Republic of China, and its name shall be 南良國際股份有限公司 in Chinese and NAM LIONG GLOBAL CORPORATION in English.

**Article 2:** The scope of business of the Corporation:

1. C301010 Spinning of Yarn
2. C302010 Weaving of Textiles
3. C303010 Manufacture of Non-woven Fabric
4. C306010 Wearing Apparel
5. C399990 Other Textiles and Products Manufacturing
6. C402030 Manufacture of Leather, Fur and Related Products
7. C804020 Industrial Rubber Products Manufacturing
8. C804990 Other Rubber Products Manufacturing
9. C805020 Manufacture of Plastic Films and Bags
10. C805990 Other Plastic Products Manufacturing
11. C901060 Manufacture of Refractory Products
12. CF01011 Medical Devices Manufacturing
13. CI01020 Rug and Felt Manufacturing
14. CK01010 Footwear Manufacturing
15. CM01010 Case and Bag Manufacturing
16. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
17. D101060 Self-Usage Power Generation Equipment Utilizing Renewable Energy Industry
18. EZ05010 Instrument and Meter Installation Engineering
19. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
20. F105050 Wholesale of Furniture, Beddings, Kitchen Utensils and Fixtures
21. F106050 Wholesale of Ceramic and Glassware
22. F107170 Wholesale of Industrial Catalysts
23. F107990 Wholesale of Other Chemical Products
24. F108031 Wholesale of Medical Devices
25. F109070 Wholesale of Cultural, Education, Musical Instruments and Educational Entertainment Supplies
26. F120010 Wholesale of Refractory Materials
27. F199990 Other Wholesale Trade
28. F203010 Retail sale of Food, Grocery and Beverage
29. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
30. F205040 Retail Sale of Furniture, Beddings Kitchen Utensils and Fixtures
31. F206020 Retail Sale of Daily Commodities
32. F207030 Retail Sale of Cleaning Supplies
33. F207990 Retail Sale of Other Chemical Products
34. F208031 Retail Sale of Medical Apparatus
35. F208040 Retail Sale of Cosmetics
36. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
37. F220010 Retail Sale of Refractory Materials

38. F299990 Retail Sale of Other Products
39. F399040 Retail Sale No Storefront
40. F401010 International Trade
41. G799990 Other Transportation Support
42. H703100 Real Estate Leasing
43. I103060 Management Consulting
44. I301010 Information Software Services
45. IG03010 Energy Technical Services
46. JE01010 Rental and Leasing
47. JZ99990 Unclassified Other Services
48. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

**Article 3:** The Corporations' headquarters is located in Taipei City and a local or overseas branch may be established upon approval of the Board of Directors through a resolution and permission from government authorities.

**Article 4:** The Corporation may provide external guarantees if needed for its business. The Board of Directors shall authorize the execution of the Company's endorsements and guarantees.

**Article 5:** The total investment amount of the Company is not limited under Article 13 of the Company Act. The Board of Directors shall authorize the execution of investment.

## **Chapter 2 Shares**

**Article 6:** The total capital stock of the Corporation is NT\$ 2,000,000,000 divided into 200,000,000 ordinary shares at NT\$ 10 per share. The Board of Directors is authorized to issue these shares separately.

**Article 7:** The Corporation does not need to print share certificates but a centralized securities depository should be contacted for registering these shares.

**Article 8:** Share transfer registration should be suspended 60 days before a routine shareholders' meeting, 30 days before a special shareholders' meeting, or five (5) days before the base day scheduled by the Corporation for distributing dividends, bonuses, or other benefits.

**Article 9:** The Corporation's stock is in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" of the Republic of China.

## **Chapter 3 Shareholders' Meeting**

**Article 10:** There are two kinds of Shareholders' meetings:

1. Regular meeting of shareholders: shall be held at least once every year.
2. Special meeting of shareholders: may be held at any time.

The regular meeting of shareholders referred to in the preceding Paragraph shall be convened within six months after the close of each fiscal year. A special shareholders' meeting shall be convened by the Board of Directors in accordance with relevant laws when necessary. The shareholders' meeting may be held by means of a visual communication network or other methods approved by the central competent authority. In case a shareholders' meeting is held via visual communication network, then the shareholders participating in such a meeting shall be deemed to have attended the meeting in person.

**Article 11:** Shareholders who are unable to attend a shareholders' meeting may provide the Corporation's power of attorney form to authorize a proxy to attend the meeting on their behalf.

**Article 12:** With every share of Company stock, shareholders are entitled to one vote, excluding those who have no voting rights as specified in Article 79 of the Company Act.

**Article 13:** Unless required by law or regulation, a shareholders' resolution shall be adopted if the meeting is attended by shareholders in person or by their proxy representing more than

one half of the total issued and outstanding shares of the Corporation and more than one half of the shareholders present (or their proxies) voted in favor of the resolution.

**Article 14:** Shareholders' meetings shall be convened by the Board, and the Chairperson of the Board shall preside over these meetings. If the Chairperson of the Board is on leave or absent, he or she shall designate one Board Director to act on his/her behalf. For shareholders' meetings arranged by others with convening rights, the convener shall preside over the meeting. If there are more than two conveners, they should select one from among themselves to preside over the meeting.

**Article 15:** Resolutions at shareholders' meetings should be recorded in the meeting minutes, which should bear the signature or seal of the Chairperson of the meeting and sent to each shareholder within twenty (20) days following the meeting. Making and distribution of the aforementioned meeting minutes may be done electronically.

#### **Chapter 4 Directors and Audit Committee**

**Article 16:** The Corporation shall have eight to eleven Directors, and the number of Independent Directors shall be no fewer than three. The election of independent directors in a public company is subject to the Company Act and Securities and Exchange Act in which a candidate nomination system shall be adopted. The Corporation complies with regulations stipulated by the competent authority for securities governing professional qualifications, shareholding, part-time restriction, nomination, election, and other guidelines for Independent Directors.

**Article 17:** The Company has set up an audit committee to replace the execution right of supervisors. The audit committee is composed entirely of independent directors and established to exercise power and authority specified in the Company Act, Securities and Exchange Act, and other relevant laws.

The set-up, duty and rules of procedure of the audit committee shall comply with regulations stipulated by the competent authority for securities.

**Article 18:** The Board of Directors shall be composed of Directors who will select from among themselves a Chairperson and Vice Chairperson, in which a majority vote in a meeting attended by over two-thirds of Directors is required. The Chairperson represents the Company.

**Article 19:** If the Chairperson of the Board is on leave or absent or unable to exercise his/her duty, a proxy should be designated according to Article 208 of the Company Act. In case a director appoints another director to attend a board meeting in his/her behalf, he/she shall issue a proxy statement containing the scope of authority with reference to subjects to be discussed at the meeting. A director may accept the appointment to act as proxy for one other director only.

#### **Chapter 5 Managerial Officials**

**Article 20:** A company may have one general manager or more managerial personnel whose appointment, discharge and remuneration shall be determined in accordance with Article 29 of the Company Act. The Company is allowed to appoint a chief executive officer, deputy chief executive officer, general managers of business groups, general managers of divisions, and consultants based on a board resolution.

#### **Chapter 6 Accounting**

**Article 21:** After the close of each fiscal year, the Board of Directors shall prepare the following documents and submit them during the regular meeting of shareholders for approval, unless not otherwise specified by the Securities and Exchange Act or other regulations:

- (1) Business report
- (2) Financial statements
- (3) Proposal for earnings distribution or covering losses

**Article 22:** If the Company generates profit in a year, no less than 2% and no more than 20% of the profit shall be allocated for employee compensation. If the Company has

accumulated losses, such losses shall be covered first. The compensation is distributed in the form of either stock or cash to qualified employees, as determined by a board resolution. No more than 2% of the profit shall be distributed to directors as compensation. The proposals for employee compensation and director compensation shall be submitted at the shareholders' meeting.

If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration according to the aforementioned percentages.

**Article 23:** After paying all taxes and dues, the Company shall first cover accumulated losses and set aside 10% of its surplus earnings as legal reserve. In addition to the legal reserve, a company may, under operation need or stipulated by relevant regulations, appropriate or set aside special reserve, or the reserves can be reversed.

In addition to the aforementioned allocations, the Board of Directors may also use the accumulated surplus from previous years for dividends and bonuses to be distributed to shareholders. The amount of distribution shall be proposed by the Board of Directors and submitted it at the shareholders' meeting for resolution.

When the Company has special surplus reserve in accordance with the law or regulation of the competent authority, the insufficient amount representing the "net increase in the fair value of investment property accumulated in the previous period" and the "net deduction of other accrued interest from the previous period" shall be set aside from previous undistributed surplus before distribution. If there is insufficient surplus, the amount shall be set aside representing undistributed surplus of the current period which includes net income after taxes plus other unspecified income.

The Company's dividend policy is determined by the ever-changing investment environment, the Company's funding needs, foreign and domestic business competition, expenditures, and long-term financial planning. The total amount of dividends paid is based on the annual "total distributable surplus" and the amount reserved is deducted depending on the operating conditions and shall be no less than 10%. Dividend payment shall be made primarily in cash and shall not be less than 10% of the total amount of dividends distributed. The rest shall be distributed in the form of stock dividends. Cash dividend less than NT\$ 0.1 per share shall not be distributed.

## **Chapter 7 Supplementary Provisions**

**Article 24:** The Company shall purchase liability insurance for Directors and Managers. The Board of Directors is authorized to determine the insurance coverage and insurance amount. All Directors shall receive a salary for performing their duties for the Company's business. The Board of Directors shall be authorized to determine the total amount of compensation for directors based on the level of involvement in the Corporation's operations, value of contribution, and industry average compensation for Directors.

**Article 25:** Matters not mentioned in this Chapter shall be handled in accordance with the Company Act, laws and regulations.

**Article 26:** The Articles of Incorporation have been established and implemented since August 8, 1989.

The 1<sup>st</sup> amendment was made on October 2, 1990.

The 2<sup>nd</sup> amendment was made on November 2, 1990.

The 3<sup>rd</sup> amendment was made on July 2, 1995.

The 4<sup>th</sup> amendment was made on July 26, 1996.

The 5<sup>th</sup> amendment was made on August 15, 1997.

The 6<sup>th</sup> amendment was made on September 26, 1997.

The 7<sup>th</sup> amendment was made on April 3, 1998.

The 8<sup>th</sup> amendment was made on May 12, 1998.

The 9<sup>th</sup> amendment was made on April 15, 2000.



The 10<sup>th</sup> amendment was made on April 15, 2000.  
The 11<sup>th</sup> amendment was made on May 23, 2001.  
The 12<sup>th</sup> amendment was made on May 24, 2002.  
The 13<sup>th</sup> amendment was made on May 15, 2003.  
The 14<sup>th</sup> amendment was made on May 18, 2004.  
The 15<sup>th</sup> amendment was made on May 18, 2005.  
The 16<sup>th</sup> amendment was made on May 24, 2006.  
The 17<sup>th</sup> amendment was made on May 22, 2007.  
The 18<sup>th</sup> amendment was made on June 26, 2009.  
The 19<sup>th</sup> amendment was made on June 29, 2010.  
The 20<sup>th</sup> amendment was made on June 24, 2011.  
The 21<sup>st</sup> amendment was made on June 5, 2012.  
The 22<sup>nd</sup> amendment was made on June 24, 2013.  
The 23<sup>rd</sup> amendment was made on June 23, 2014.  
The 24<sup>th</sup> amendment was made on June 26, 2015.  
The 25<sup>th</sup> amendment was made on June 20, 2016.  
The 26<sup>th</sup> amendment was made on June 28, 2017.  
The 27<sup>th</sup> amendment was made on June 26, 2018.  
The 28<sup>th</sup> amendment was made on June 22, 2020.  
The 29<sup>th</sup> amendment was made on August 6, 2021.  
The 30<sup>th</sup> amendment was made on June 23, 2022.

## NAM LIONG GLOBAL CORPORATION

### Rules of Procedure for Shareholders' Meetings

**Article 1:** To establish a strong governance system and sound supervisory capabilities for Company shareholders' meetings, and to strengthen management capabilities, these Rules are adopted in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies.

**Article 2:** The rules of procedure for the Corporation's shareholders' meetings shall be provided in these Rules, except as otherwise provided by law, regulation, or the Articles of Incorporation.

**Article 3: Convening shareholders' meetings and shareholders' meeting notices**

Unless otherwise provided by law or regulation, the Corporation's shareholders' meetings shall be convened by the Board of Directors.

Changes to procedures for convening the Corporation's shareholders' meetings shall be resolved by the Board of Directors and made no later than the mailing of shareholders' meeting notice.

The Corporation shall prepare electronic versions of the shareholders' meeting notice and proxy forms, as well as origins of and explanatory materials relevant to all proposals, including those for ratification, matters for deliberation, or election/dismissal of directors or supervisors, which should be uploaded to the Market Observation Post System (MOPS) 30 days before the date of regular shareholders' meeting or 15 days before the date of special shareholders' meeting. Electronic versions of the shareholders' meeting agenda and supplemental meeting materials shall be prepared and upload to the MOPS 21 days before the date of regular shareholders' meeting or 15 days before the date of special shareholders' meeting. If, however, the Corporation has a paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or the total ownership of foreign shareholders and PRC shareholders reaches 30% or more, as recorded in the register of shareholders during the shareholders' meeting held in the preceding year, transmission of related electronic files shall be made 30 days before the regular shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Corporation shall prepare the shareholders' meeting agenda and supplemental meeting materials, making them available to shareholders at any time. The meeting agenda and supplemental materials shall also be provided by the Company and shareholder services agent.

The Company shall prepare the meeting agenda and supplemental meeting materials, making them available to shareholders for review in accordance with the shareholders' meeting procedures:

1. For physical shareholders' meetings, materials shall be distributed on-site.
2. For hybrid shareholders' meetings, materials shall be distributed on-site and shared on the virtual meeting platform.
3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, reduction of capital, application for approval to cease to be a public corporation, approval of directors in competition with the Company, distribution of surplus earnings in the form of new shares, distribution of reserves in the form of new shares, the dissolution, merger, or de-merger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Issuers shall be set out and the essential contents explained in the notice stating the reasons for convening the shareholders' meeting. None of the above matters may be raised in an extraordinary motion.

Where the re-election of all directors and supervisors as well as their inauguration date is stated in the notice of reasons for convening the shareholders' meeting, no extraordinary motion or otherwise may alter the said inauguration date in the same meeting after completion of re-election.

A shareholder with one percent or more of the total number of issued shares of the Company may submit a proposal for discussion at a regular shareholders' meeting. The number of proposed items is limited to one and no proposal containing more than one item would be included in the meeting agenda. If there is any condition under Article 172-1, paragraph 4 of the Company Act that applies to the proposal submitted by a shareholder, the Board of Directors may exclude it from the agenda. A shareholder may propose a recommendation urging the corporation to promote public interest or fulfill its social responsibilities, provided that the number of items proposed is limited to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item would be included in the meeting agenda.

Prior to the book closure date before convening a regular shareholders' meeting, the Corporation shall make a public announcement in writing or electronically regarding acceptance of shareholder proposals, including the location and submission period for shareholder proposals which shall not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words shall be included in the meeting agenda. The shareholder who makes the proposal shall be present in person or represented by a proxy at the regular shareholders' meeting and must participate in

the discussion of the proposal.

Before a notice of shareholders' meeting is issued, the Corporation shall inform shareholders who submitted proposals of the results of the proposal screening process, and shall list in the meeting notice the proposals that comply with the provisions of this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for excluding any shareholder proposal from the agenda.

**Article 4:** For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by submitting a proxy form issued by the Corporation and stating the proxy's scope of authority.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall submit the proxy form to the Corporation five days before the date of the shareholders' meeting. If duplicate proxy forms are submitted, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After submitting a proxy form to the Corporation, if the shareholder intends to attend the meeting in person or exercise voting rights via correspondence or electronically, a written notice of proxy cancellation should be submitted to the Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast by the proxy at the meeting shall prevail.

If a shareholder wishes to attend the shareholders' meeting online after submitting a proxy form to the Corporation, a written notice of proxy cancellation should be submitted to the Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast by the proxy at the meeting shall prevail.

**Article 5: Principles determining the time and place of a shareholders' meeting**

The shareholders' meeting shall be held on company premises or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of independent directors with respect to the place and time of the meeting.

Restrictions on the meeting venue shall not apply when the Corporation convenes a virtual-only shareholders' meeting.

**Article 6: Preparation of documents such as attendance book**

The Corporation shall specify in its notice of shareholders' meeting the time and place for accepting attendance registration of shareholders, solicitors and proxies (collectively referred to as "shareholders"), as well as other matters needing attention.

The time for accepting shareholder attendance registrations, as stated in the preceding paragraph, shall be at least 30 minutes prior to the start of the meeting. The place for accepting attendance registrations shall be clearly marked and manned by a sufficient number of personnel assigned to handle the registration. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders who complete registration shall be deemed to have attended the meeting in person.

Shareholders shall attend meetings using attendance cards, sign-in cards, or other certificates of attendance. The Corporation may not arbitrarily add other documentary requirements beyond those showing attendance eligibility presented by shareholders. Solicitors who request for proxy forms shall also bring identification documents for verification.

The Corporation shall furnish attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Corporation shall also furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When government or a juristic person is a shareholder, it may be represented by more than one person at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person as representative at the meeting.

In the event of a virtual shareholders' meeting, shareholders who wish to attend the meeting online shall register with the Corporation two days before the meeting date. In the event of a virtual shareholders' meeting, the Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

**Article 6-1: Convening virtual shareholders' meetings and particulars to be included in the shareholders' meeting notice**

To convene a virtual shareholders' meeting, the Corporation shall include the following particulars in the shareholders' meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights
2. Actions to be taken if there is obstruction to the virtual meeting platform or participation in the virtual meeting due to natural disasters, accidents or other force majeure events that cover at least any of the following:
  - (1). Rescheduling or resumption of meeting time and date if the above obstruction continues and cannot be resolved
  - (2). Shareholders with no attendance registration in the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
  - (3). In case of a hybrid shareholders' meeting, wherein the virtual meeting cannot continue, the shareholders' meeting may continue if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual meeting, meets the minimum legal requirement for a shareholders' meeting. The shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by shareholders present at the actual meeting, and the shareholders attending the virtual meeting shall be deemed to have abstained from voting on all proposals stated on the meeting agenda of the said shareholders' meeting.
  - (4). Actions to be taken if the outcome of all proposals has been announced and an extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulty in attending a virtual shareholders' meeting shall be specified.

**Article 7: The chair and non-voting participants of a shareholders' meeting**

If a shareholders' meeting is convened by the Board of Directors, the chairperson of the Board shall preside over the meeting. When the chairperson is on leave or for any reason unable to exercise his/her powers, the vice chairperson shall act in his/her place. If there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise his/her powers, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director must have held his/her position for six months or more and understands the financial and business conditions of the Company. The same condition shall apply to a representative of a juristic person-director who serves as chair.

It is advisable that the Board of Directors convenes the shareholders' meetings to be presided over in person by the chairperson of the board and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by an entity with convening rights other than the Board of Directors, the convening party shall chair the meeting. If there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Corporation may appoint its attorneys, certified public accountants, or related persons on retainer to attend a shareholders' meeting in a non-voting capacity.

**Article 8: Audio or video documentation of a shareholders' meeting**

The Corporation shall make an uninterrupted audio and video recording of the registration procedure, proceedings of the shareholders' meeting, as well as voting and vote counting procedures at the time it begins accepting shareholder attendance registrations.

The recorded materials specified in the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit under Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

For online shareholders' meetings, the Corporation shall keep records of shareholder registrations, sign-in, check-in, questions raised, votes cast and results of votes counted. It shall make an uninterrupted audio and video recording of the virtual meeting from beginning to end.

The information and audio and video recording specified in the preceding paragraph shall be properly kept by the Corporation for as long as it exists. The party appointed to handle the virtual meeting shall be provided with and shall store copies of the audio and video recording.

For virtual shareholders' meetings, it is recommended that the Corporation make an audio and video recording of the back-end operation interface of the virtual meeting platform.

- Article 9:** Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated in the attendance book and sign-in cards handed in, and shares checked in on the virtual meeting platform, plus the number of shares with voting rights exercised via correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information regarding the number of non-voting shares and number of shares represented by shareholders attending the meeting. However, when 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 a quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Corporation shall also declare the meeting adjourned at the virtual meeting platform. If a quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 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 with the Corporation in accordance with Article 6. When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit a tentative resolution for a vote during the shareholders' meeting pursuant to Article 174 of the Company Act.
- Article 10:** **Discussion of proposals**  
The Board of Directors shall set the agenda for any shareholders' meeting it convenes. Each proposal on the agenda shall be voted on separately (including extraordinary motions and amendments to original proposals specified in the agenda). The meeting shall follow the agenda, and the order of the agenda may not be changed without a shareholder resolution. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party (with convening rights) other than the Board of Directors. Unless there is a shareholder resolution, the chair may not declare the meeting adjourned until all items on the agenda specified in the preceding two paragraphs (including extraordinary motions) have been discussed. If the chair declares the meeting adjourned in violation of the rules of procedure, other members of the Board of Directors shall promptly assist attending shareholders in selecting a new chair in accordance with statutory procedures. The new chair must be approved by a majority of votes cast by all attending shareholders; after which, the meeting may continue. During the meeting, the chair shall allow ample opportunity for explanation and discussion of proposals and amendments or extraordinary motions put forward by shareholders. When the chair believes that a proposal is ready to be voted on, he/she may declare the discussion closed, call for a vote, and schedule sufficient time for voting.
- Article 11:** **Shareholder speech**  
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 chair shall determine the order in which shareholders speak. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. 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 item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person-shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the designated representatives may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. Shareholders attending a meeting online may submit written questions at the virtual meeting platform from the time the meeting is declared open by the chair until it ends. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations specified in paragraphs 1 to 5 do not apply. It is advisable to raise questions publicly through the virtual meeting platform as long as these questions do not violate regulations or are beyond the scope of a proposal.

**Article 12: Calculation of voting shares and recusal system**

Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to shareholder resolutions, the number of shares owned by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

If a shareholder has a conflict of interest with an agenda item, that may be prejudicial to the interest of the Corporation, he/she may not vote on that item and may not exercise voting rights as proxy for any other shareholder.

The number of shares with no voting rights as specified in the preceding paragraph shall not be included when calculating the number of voting rights represented by attending shareholders.

With the exception of a trust company or shareholder services agent approved by a competent securities' regulatory authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

**Article 13:**

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When holding a shareholders' meeting, the Corporation shall allow voting by electronic means or correspondence. The method of exercising voting rights by correspondence or electronic means shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person, but have waived his/her rights with respect to extraordinary motions and amendments to original proposals at that meeting. Hence, it is advisable for the Corporation to discourage any submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means as specified in the preceding paragraph shall submit a written declaration of intent to the Corporation two days before the date of the shareholders' meeting. When duplicate declarations of intent are submitted, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

If a shareholder has already voted by correspondence or electronic means and then decides to attend the shareholders' meeting in person or online, he/she must submit a written declaration of intent to the Corporation, retracting his/her vote in the same way it was cast, as specified in the preceding paragraph, at least two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised his/her voting rights by correspondence or electronic means or by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and the Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of attending shareholders with voting rights. Before a vote is taken on any proposal, the chair or another person designated by the chair shall first announce the total number of voting rights represented by attending shareholders. The results of each proposal, i.e., the number of votes in favor and against as well as abstentions shall be entered into the MOPS on the day of the meeting after it adjourns.

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 determine the order of the proposals to be voted on. If any of the proposals is passed, the others will be considered rejected, and no further voting will be required.

The chair shall appoint shareholders of the Corporation to monitor and count the votes on a proposal. Vote counting for shareholders' meeting proposals or elections shall be done publicly at the meeting venue.

As soon as vote counting is completed, the results of the voting, including statistical tallies of the number of votes, shall be announced on-site and recorded.

When the Corporation convenes a virtual shareholders' meeting, shareholders attending the meeting shall cast votes on proposals and elections on the virtual meeting platform from the time the meeting is declared open by the chair until the voting session ends; otherwise, they shall be deemed to have abstained from voting.

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

When the Corporation convenes a hybrid shareholders' meeting and shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they must revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked in time, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, they shall not vote on original proposals or make any amendments to original proposals or exercise voting rights on amendments to an original proposal except for extraordinary motions, unless they have withdrawn their

declaration of intent and attended the shareholders' meeting online.

**Article 14: Election of directors and supervisors**

The election of directors or supervisors at a shareholders' meeting shall be held in accordance with applicable election and appointment rules adopted by the Corporation, and voting results shall be announced immediately on-site, including the names of those elected and not elected as directors and supervisors and the number of votes they received.

The ballots for the election referred to in the preceding paragraph shall bear the seal and signature of the monitoring personnel and kept in proper storage 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.

**Article 15:** Matters relating to shareholder resolutions shall be recorded in the meeting minutes. The chair shall affix his/her signature or seal on the meeting minutes and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Corporation may distribute the meeting minutes specified in the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of deliberations and voting results (including the number of voting rights). It shall also disclose the number of voting rights received by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the entire duration of the Corporation's existence.

If a virtual shareholders' meeting is held, the meeting minutes shall include the following information in addition to the particulars described in the preceding paragraph: the start and end times of the shareholders' meeting, the procedures for convening the meeting, the name of the chair and secretary, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the virtual meeting due to natural disasters, accidents or other force majeure events, as well as the methods of resolving issues.

When convening a virtual-only shareholders' meeting, other than compliance with requirements described in the preceding paragraph, the Corporation shall specify in the meeting minutes alternative measures available to shareholders who have difficulty in attending a virtual-only shareholders' meeting.

**Article 16: Public disclosure**

On the day of a shareholders' meeting, the Corporation shall prepare a statistical statement on the number of shares obtained by solicitors and represented by proxies as well as shareholders attending the meeting by correspondence or electronic means, in accordance with the prescribed format. It shall also make the same disclosure at the venue of the shareholders' meeting.

In the event a virtual shareholders' meeting, the Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. When the said meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting as well as a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or the Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

**Article 17: Maintaining order at the meeting venue**

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

The chair may direct proctors or security personnel to help maintain order at the meeting venue. When proctors or security personnel help maintain order, they shall wear an identification card or armband bearing the word "Proctor."

If a shareholder attempts to speak through any device other than the public address equipment set up by the Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's orders, obstructing proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

- Article 18: Recess and resumption of a shareholders' meeting**  
When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may declare the meeting temporarily adjourned and announce when, in view of circumstances, it will be reconvened.  
If the meeting venue is no longer available for continued use and not all items (including extraordinary motions) on the meeting agenda have been addressed, shareholders may adopt a resolution to reconvene the meeting at another venue.  
A resolution may be adopted at a shareholders' meeting to defer or reconvene the meeting within five days in accordance with Article 182 of the Company Act.
- Article 19: Disclosure of information at virtual meetings**  
In the event of a virtual shareholders' meeting, the Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.
- Article 20: Location of the chair and secretary of the virtual-only shareholders' meeting**  
When the Corporation convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall disclose the address of their location when the meeting is called to order.
- Article 21: Handling of disconnection**  
In the event of a virtual shareholders' meeting, the Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.  
When declaring the meeting open, the chair shall also disclose that 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 meeting is adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed or reconvened on another date within five days unless otherwise stated under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, in which case Article 182 of the Company Act shall not apply.  
For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected virtual shareholders' meeting shall not attend the postponed or resumed session.  
For a meeting to be postponed or resumed as stated in the second paragraph, the number of shares represented by, and voting rights and election rights exercised by shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in, but do not attend the postponed or resumed session, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.  
During a postponed or resumed session of a shareholders' meeting specified in the second paragraph, no further discussion or resolution is required for proposals on which votes have been cast and counted, and results have been announced, or for list of elected directors and supervisors.  
When the Corporation convenes a hybrid shareholders' meeting and the virtual meeting cannot continue as described in the second paragraph, the meeting may continue if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting, still meets the minimum legal requirement for a shareholders' meeting. In this case, the meeting shall not be postponed or reconvened as stated in the second paragraph.  
If a meeting should continue as specified in the preceding paragraph, the shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by shareholders present at the meeting. However, these shareholders shall be deemed to have abstained from voting on all proposals on the meeting agenda of that shareholders' meeting.  
When postponing or resuming a meeting as described in the second paragraph, the Corporation shall handle the preparatory work based on the date of the original shareholders' meeting according to requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.  
For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Corporation shall handle the matter based on the date of the postponed or resumed shareholders' meeting specified in the second paragraph.



- Article 22: Handling digital divide**  
When convening a virtual-only shareholders' meeting, the Corporation shall provide appropriate alternative measures available to shareholders with difficulty in attending a virtual shareholders' meeting.
- Article 23:** These rules shall take effect after they have been submitted to and approved by the shareholders. Subsequent amendments to these rules shall be made in the same manner.
- Article 24:** The Rules of Procedure have been made and implemented since May 23, 2001.  
The 1<sup>st</sup> amendment was made on May 24, 2002.  
The 2<sup>nd</sup> amendment was made on May 18, 2005.  
The 3<sup>rd</sup> amendment was made on May 24, 2006.  
The 4<sup>th</sup> amendment was made on June 05, 2012.  
The 5<sup>th</sup> amendment was made on June 25, 2019.  
The 6<sup>th</sup> amendment was made on June 22, 2020.  
The 7<sup>th</sup> amendment was made on August 06, 2021.  
The 8<sup>th</sup> amendment was made on June 23, 2022.

**NAM LIONG GLOBAL CORPORATION**

## Shareholdings of Directors

1. The list of minimum number of directors' and supervisors' shareholdings is prescribed in accordance with Article 26 of the Securities and Exchange Act and Article 2 of the Rules and Review Procedures for Directors' and Supervisors' Share Ownership Ratios in Public Companies:

Title	Minimum Number of Shareholdings	Shareholdings Listed in Register of Members
Director	8,000,000	88,759,261

## 2. List of Directors' Shareholdings

Title	Name	Shareholdings Listed in Register of Members	Shareholder Equity Ratio (%)
Chairman	SHAO, TEN-PO Legal representative of ZI LIONG ENTERPRISE CO., LTD.	88,221,501	72.08%
Director	HSIAO, CHUNG-HU Legal representative of ZI LIONG ENTERPRISE CO., LTD.		
Director	CHANG, SHUN-CHING	0	0%
Director	PAI, CHING-JEN	0	0%
Director	HSIAO, YU-CHIAO	0	0%
Director	WANG, SHIH-TING Legal representative of EVER DEVELOPMENT INVESTMENT CO., LTD.	537,760	0.44%
Independent Director	HUANG, CHUNG-HUI	0	0%
Independent Director	HUANG, WEN-MING	0	0%
Independent Director	TSAO, CHING-MING	0	0%
Total Shareholdings of All Directors		88,759,261	72.52%

## Remarks:

- Book closure date: 2023/04/29
- The listed Shareholder Equity Ratio is calculated based on the outstanding shares (122,392,250 shares) as of the book closure date of the Company's shareholders' meeting.

**NAM LIONG GLOBAL CORPORATION**

## Other Matters

1. Below is an overview of the proposals submitted during the regular meeting of shareholders:
  - A. Shareholder(s) with one percent (1%) or more of the total number of a company's outstanding shares may submit a proposal for discussion at the regular shareholders' meeting, provided that only one matter may be included in each proposal. The number of words in a proposal submitted by a shareholder shall not exceed three hundred (300) words.
  - B. The Company began the application process for proposals submitted by shareholders from 2023/04/22 to 2023/05/02 and the announcement was made on the MOPS.
  - C. No-action requests on proposals were submitted for the regular meeting of shareholders from 2023/04/22 to 2023/05/02.
2. The impact of stock grants on Business Performance, EPS, and Shareholder Return Rate: Not applicable.