

## Sentien Printing Factory Co., Ltd.

### Year 2023 Annual General Shareholders' Meeting Resolution

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

**1.Time** : 10:00 a.m. Tuesday, June 27, 2023

**2.Place** : The meeting room, No.31, Gongye 2nd Rd., Annan Dist., Tainan City

**3.Attendance** :

Total outstanding Sentien shares : 36,589,200 shares

Total shares represented by shareholders present in person or by proxy: 22,430,710 shares

Percentage of shares held by shareholders present in person or by proxy: 61.3%

**4.Chairman** : JHANG-SHAN, HUANG, the Chairman of the Board of Directors

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**5.Chairman's Address**: Omitted.

**6.Report Items**

**(1) Business report of 2022** (Proposed by the Board of Directors)

Explanatory Note : Please refer to Attachment 1.

**(2) Audit Committee's Review Report of year 2022** (Proposed by the Board of Directors)

Explanatory Note : Please refer to Attachment 2.

**(3) Distribution of Employees' and Directors' Remuneration for the Year 2022** (Proposed by the Board of Directors)

Explanatory Note :

- a. It is proposed to set aside NT\$9,300,000 as employees' compensation, and NT\$288,000 as directors' remuneration, all in cash.
- b. Article 26 of the Company's Articles of Incorporation provides that If the Company has surplus earnings in a fiscal year, the Company must allocate more than 2% of profit(Company's profit before tax prior to the deduction of the distributable compensation of employees and directors for 2022 was NT\$35,974,215) as compensation to employees and less than NT\$500,000 of profit(Company's profit before tax prior to the deduction of the distributable compensation of employees and directors for 2022 was NT\$35,974,215) as compensation to directors. However, when the Company has accumulated losses, the Company shall allocate a portion or all of its reserves to cover such losses.
- c. The foregoing amounts have been adopted by the Board of Directors and is hereby reported at the annual shareholders' meeting.
- d. Distribution of Employees' and Directors' Remuneration for the Year 2022 was agreed by board of Directors by May10.

**(4) Performance Evaluation and Remuneration of Directors and Managers of year 2022** (Proposed by the Board of Directors)

Explanatory Note :

- a. According to Article 4 of the Company's Remuneration Committee Charter, individual performance evaluation results of directors and managers should be disclosed in the annual report. Additionally, the relevance and rationality of the content and amount of individual salary remuneration and performance evaluation results should also be included in annual report along with presentation in shareholders' meeting.
- b. Please refer to Attachment 5.

**(5) Distribution of Directors' Remuneration report of year 2022** (Proposed by the Board of Directors)

Explanatory Note :

a. Article 10 of the Company's Corporate Governance Best Practice Principles: the remuneration received by directors, including the remuneration policy, the content and amount of individual remuneration, and the correlation with the performance evaluation results should all be presented in Shareholders' meeting.

b. Please refer to Attachment 6.

**(6) Dividend Distribution Table of year 2022** (Proposed by the Board of Directors)

Explanatory Note :

a. The Board of Directors is authorized to decide the distribution of cash dividend and report the decision to the shareholders meeting in accordance with Article 27 of the Articles of Incorporation. Cash dividend amounting to NT\$ 22,319,412 were distributed to shareholders at NT\$0.61 per share. Matters related to the base date of cash dividend distribution, date of closure of account transfer, date of distribution, etc., have been authorized by the board of directors to be fully handled by the chairman of the board of directors.

b. If the total number of outstanding shares of the company is affected by factors such as the company's repurchase of treasury shares, the board of directors has authorized the chairman to adjust the dividend ratio.

c. Cash dividends were rounded to the nearest whole number. The total amount of cash dividends less than NT\$1 will be recognized as the "Other income" of the Company.

**7. Proposed Resolution**

**(1) Ratification of the 2022 Business Report and Financial Statements** (Proposed by the Board of Directors)

Explanatory Note :

a. Sentien's 2022 Business Report and Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors. The financial statements have been audited by KPMG Taiwan with an unqualified opinion issued.

b. Sentien's 2022 Business Report, Independent Auditors' Report and Financial Statements are attached hereto as Attachment 1 and Attachment 3 & 4.

c. Please approve.

Voting Results: the number of shares represented by the shareholders present at the time of voting was 22,430,710 and 22,290,418 votes were cast for the proposal, which was 99.37% of the votes represented by the shareholders present.

RESOLVED, that the 2022 Business Report and Financial Statements be and hereby were accepted as submitted.

**(2) Proposal on the 2022 annual profit distribution plan** (Proposed by the Board of Directors)

Explanatory Note :

a. Please see below for the 2022 Earnings Distribution Proposal as Attachment 7.

b. Later, when the distribution ratio needs to be adjusted due to changes in laws or adjustments by competent authorities, or the company's repurchase of company shares that affects the number of outstanding shares and other factors, the board of directors has authorized the chairman to adjust the distribution ratio and other related matters.

c. Please approve.

Voting Results: the number of shares represented by the shareholders present at the time of voting was 22,430,710 and 22,290,418 votes were cast for the proposal, which was 99.37% of the votes represented by the shareholders present.

RESOLVED, that the Proposal for Distribution of 2022 Profits be and hereby was accepted as submitted.

**8. Directors Election**

**Proposal : Release the Prohibition on the New directors, Independent directors and their legal representatives from Participation in Competitive Business** (Proposed by the Board of Directors)

Explanatory Note :

- (1) The term of directors of the 13th Board will be expired on June 22, 2022. The company proposes to re-elect 7 directors (including 4 independent directors) at Annual Shareholders' Meeting. The term of the newly elected directors is three years, from June 27, 2022 to June 26, 2025. The outgoing directors will resign on the day the new directors on board.
- (2) According to the Articles of Association, the election of directors adopts the candidate nomination system and adopts the single-register accumulative voting method. Shareholders should elect from the list of director candidates. The list of director candidates (including independent directors) and their information are shown in attachment. (Please refer to Attachment 8 ).
- (3) Please vote.

The results of the directors election

Title	Name	Votes Received
Director	Representative of YI SIN Investment Co., Ltd. : JHANG-SHAN, HUANG	29,893,155
Director	Representative of SHAO WEI Investment Co., Ltd. : JHAN-LONG, HUANG	25,725,008
Director	JUN-XIONG, CHEN	23,983,008
Independent Director	HUEI-LING, FANG	20,890,916
Independent Director	LING-LING, LEE	18,893,422
Independent Director	JIA-BIN, CHEN	18,674,909
Independent Director	YU-CHENG, CHEN	17,900,989

## 9. Other Motion

**Proposal : Release the Prohibition on the New directors, Independent directors and their legal representatives from Participation in Competitive Business** (Proposed by the Board of Directors)

Explanatory Note :

- (1) According to the Art. 209. of the Company Act, the director who acts for himself or on behalf of other person that is within the scope of the company business shall explain to shareholders its essential contents to obtain the approval.
- (2) In view of the fact that the new directors or their representatives may act as directors in other companies with same or familiar business scope simultaneously, it is proposed to release the prohibition on the new directors and their legal representatives from participation in competitive business in accordance with the Art. 209. of the Company Act.
- (3) The proposal to lift the non-compete prohibition on directors and their representatives with contents as follows:

Titles	Names	Position of other companies and job titles
Corporate Director	YI SIN Investment Co., Ltd.	SHAO WEI Investment Co., Ltd. Director
Legal person director representative	JHANG-SHAN, HUANG	YONG EN Investment Co., Ltd. Chairman YI SIN Investment Co., Ltd. Chairman
Corporate Director	SHAO WEI Investment Co., Ltd.	YI SIN Investment Co., Ltd. Director
Legal person director representative	JHAN-LONG, HUANG	YOU SHENG Investment Co., Ltd. Chairman SHAO WEI Investment Co., Ltd. Chairman
Independent director	LING-LING, LI	CHUNG HUNG STEEL CORPORATION Independent Director

Titles	Names	Position of other companies and job titles
Independent director	HUEI-LING, FANG	TOPOWER CO., LTD. Independent Director  SHEH FUNG SCREWS CO., LTD. Independent Director JUNG SHING WIRE CO., LTD. Independent Director
Independent director	YU-CHENG, CHEN	SUNSPRING METAL CORPORATION Independent Director TAIWAN SAKURA CORPORATION Independent Director

Resolution:

Voting Results: the number of shares represented by the shareholders present at the time of voting was 22,430,710 and 22,269,023 votes were cast for the proposal, which was 99.27% of the votes represented by the shareholders present.

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

**10. Ad-hoc motion** : None.

**11. Meeting Adjourned:** The meeting was adjourned at 10:20 a.m. June 27, 2023 upon a motion duly made and seconded.

**No question was raised by Shareholder.**

# Business report

## I 、 Operating Results for 2022

### (I) Results of Business Plan

Unit: NTD Thousand

	2022		2021	
	amount	%	amount	%
Revenue	1,045,210	100	1,127,821	100
Gross Profit	191,060	18	318,762	28
Operating Expenses	261,850	25	257,221	23
Non-operating income and expenses	97,176	10	(12,387)	(1)
Profit before income tax	26,386	3	49,154	4
Income tax expense	4,012	-	7,279	1
Net profit	22,374	3	41,875	3
Other comprehensive income	3,717	-	387	-
Total comprehensive income	26,091	3	42,262	3

Due to inflation and the Ukraine-Russia conflict, the global industry remains sluggish, causing a decrease in the willingness of the NB market to consume, resulting in a rise in inventory levels. As a result, the company's revenue decreased by 7% in 2022 compared to 2021. The increasing cost of environmental protection caused the gross profit margin to decrease by 10% in 2022. Additionally, the significant increase in air freight led to a 2% rise in the operating expense ratio. However, the appreciation of the US dollar generated significant exchange benefits, making the net interest rate in 2022 comparable to that in 2021.

(II) Budget implementation: The Company has not disclosed the financial forecasts for the year of 2021.

(III) Analysis of Financial Revenue and Expenditure and Profitability:

#### 1. Financial revenue and expenditure

Unit: NTD Thousand

	2022	2021
Cash flow from operating activities	268,532	239,938
Cash flow from investing activities	(684,082)	(92,526)
Cash flow from financing activities	(21,196)	(165,375)
The number of exchange rate effects	(192)	(3,626)
Increase (decrease) in cash and cash equivalents	(436,938)	(21,589)
Cash and cash equivalents at the beginning of year	535,491	557,080
Cash and cash equivalents at the end of year	98,553	535,491

Analyze:

- (1) The operating cash inflow in 2022 increased compared to 2021, mainly due to the remaining unpaid other accounts payable that were estimated.
- (2) The cash outflow from investment activities in 2022 increased compared to 2021, mainly due to the transfer of

financial assets measured at amortized cost for fixed deposits exceeding three months.

(3) The cash outflow from financing activities in 2022 decreased compared to 2021, mainly due to the repayment of short-term loans and a decrease in cash dividends paid.

## 2. Profitability analysis

year		2022	2021
item			
Return on Assets (%)		1.18	2.15
Return on equity (%)		1.49	2.76
Ratio to paid-in capital (%)	Operating Income	-19.34	16.81
	Net Income before Tax	7.21	13.43
Net Profit Margin(%)		2.14	3.71
Basic Earnings Per Share (NT\$)		0.61	1.14

Analyze:

- (1) The asset turnover ratio and return on equity decreased, mainly due to a decrease in profit in 2022 compared to 2021.
- (2) The ratio of operating profit and pretax net income to paid-in capital decreased, mainly due to an increase in costs and expenses in 2022 resulting in decreased profits.
- (3) The net profit margin and earnings per share decreased, mainly due to a decrease in operating income and profit in 2022 compared to the previous year.

## (IV). Research Development Status:

In 2022, the company faced significant challenges due to various factors such as the harsh impact of war, energy, inflation, and ESG requirement, as well as the heavy market pressure faced by the customer base of its main product, NB-IMR. To address these challenges, the company's R&D team has implemented multiple measures, including quick model switching for rapid production, reducing paint and ink waste, lowering VOC emissions to meet environmental protection requirements, developing diverse and multifunctional IMR films, and developing surface printing products other than NB.

To respond to the current situation, our R&D and manufacturing teams have completed the development of various materials and processes, as detailed below: Firstly, we have categorized and established rules for using multiple materials to reduce waste and increase recycling efforts, thereby contributing to sustainability and environmental protection. Secondly, our diversified and multifunctional IMR surface designs can now quickly switch between different levels of haze films. Among them, we are most proud of our ultra-matte, low-fingerprint adherence film and super-smooth surface IMR products, which can be applied to NB and home appliances. Thirdly, we have established rules for using brittle materials to reduce film scraps and improve production yields. Fourthly, in the field of functional films, we have extended the antibacterial (*E. coli*/*Staphylococcus aureus*) film to antiviral films (with testing completed for H3N2, H1N1, and COVID-19 in 2022), and we plan to further develop and produce antiviral films in 2023.

In 2023, non-NB surface printing products will be the most important R&D project. The project consists of several major items, including: 1) different designs for household appliances, such as silky touch, ultra-matte, bright matte, and embossed; 2) adhesive and IMR automotive interior products with different levels of matte; and 3) electroplated or micro-embossed automotive interior products with texture. We expect these R&D projects to gradually upgrade from small-scale production to mature mass production in 2024. By diversifying our customer base,

reducing our reliance on NB main products, increasing film ASP, and enhancing the penetration rate of non-NB products, we aim to consolidate our business advantage.

## II · Summary of Business Plan for 2023

### (I). Business Policy:

1. Attracting talented personnel and maximizing employee value.
2. Strengthening quality control to reduce product defect rates.
3. Providing a diversified range of products to meet customer demands.
4. Lowering production costs and increasing competitiveness in pricing.
5. Developing new products for use in different objects.
6. Actively exploring overseas markets and promoting global productization.
7. Establishing sound financial structures to adapt to the international situation.

### (II). Sales Volume Forecast and Its Basis

The sudden outbreak of the pandemic not only changed human lifestyles but also affected the entire industry ecosystem. Since the pandemic broke out in 2020, people have had a new definition for the use of laptops. It is not just a shift from working in an office environment to an online and video conference mode, but even going to school every day has become attending classes through distance learning at home. This rapid transformation has also led to a reverse growth trend in laptop sales over the past few years. Sales have grown at an astonishing rate of around 20% each year since 2020. However, as countries gradually loosen their pandemic prevention policies and border controls, coupled with laptops experiencing two consecutive years of high growth, the sales bonus brought by the pandemic to the industry officially came to an end in 2022. In the second half of the year, product sales experienced a sharp decline, and various brands' marketing strategies have changed from actively preparing for stockpiling to prioritizing reducing inventory levels. This trend is expected to continue until the first half of 2023. At that time, it will still be necessary to observe the overall inventory levels and economic recovery situation to confirm whether the new industry norm has gradually stabilized after experiencing this supply-demand reversal impact.

According to the latest research report from DIGITIMES RESEARCH, after a decline of over 20% in 2022, global NB sales are expected to experience only a slight decline of 5.2% in 2023 and regain growth momentum in 2024. In the long term, NB sales are projected to reach around 200 million units, which means that after weathering the pandemic storm, the NB industry's scale will grow from sales of only about 150-160 million units to nearly 200 million units, providing more opportunities for development projects.

Our company entered the automotive supply chain in 2020. In the initial stage, due to the impact of the pandemic and material shortages, many car manufacturers had to suspend production or delay production, which also affected the progress of our company's promotion of automotive-related products. However, it is expected that the material shortage situation in the automotive industry will improve significantly in 2023, and overall automotive sales will gradually recover. Therefore, we expect better opportunities for application and development in the automotive products segment.

### (III). Important production and marketing policies

More than 136 countries worldwide have declared their goal of achieving net-zero carbon emissions by 2050, and the EU will also implement a carbon border adjustment mechanism in 2027. This represents a growing global emphasis on environmental issues. Our company was one of the earliest members of the Taiwan Climate Alliance when it was established, and we hope to gradually meet the environmental requirements and goals of countries around the world, under the leadership of leading companies in various industries in Taiwan. Our promoted spray-free coating

process provides a more environmentally friendly option compared to spray coating processes in this era of rising environmental awareness. This process can meet the needs of designers for product appearance and reduce pollution at the same time. In addition, our company will continue to focus on the research and development of printing films, including various special films such as thermal transfer films, in-mold transfer films, and INS, and continuously expand their functionality. Ultimately, we will combine these products with related environmental technologies, further explore the possibility of recycling and reusing various materials, and use recycled materials to produce them, becoming an environmentally conscious professional film manufacturer.

### III · Future Development Strategy

Our company has been dedicated to the production and manufacturing of films, constantly improving our film printing technology. In the early days, we could only print and produce according to the appearance of the product designed by the customer, without the ability to participate in product design discussions or material development and planning. To solve this problem, we established a CMF team and a material research and development unit, hoping to collaborate with brand customers' design teams in the early stages of product design and development to discuss and test related ideas and validations, helping brand customers achieve their product goals.

After years of product development and continuous large-scale production, we have accumulated various core technological experiences, and we now have the ability to develop innovative and integrated products. We currently have sufficient research and material development capabilities to jointly develop new products with brand customers. This not only helps brand customers achieve their product goals but also integrates the development of new products that best meet market demand. This development strategy will increase the dependence between brand customers and our company, and provide more confidence in handling orders while working together on the next generation of new product development.

Currently, in addition to the NB industry, our company will gradually enter other consumer electronic product fields such as automotive/home appliances, realizing a cross-industry development strategy.

### IV · The Company's development strategies in the future will be influenced by the external competitive environment, regulatory environment and overall business environment:

In recent years, changes in the global political landscape have had a significant impact on industries and supply chain systems. Whether it is the US-China competition or the Russia-Ukraine conflict, they have caused inflation and changed many people's consumption patterns. Due to changes in geopolitical conditions, global business strategies are no longer applicable. Companies are no longer making mainland China their production center but are instead expanding overseas, adopting the "China +1" strategy to reduce supply chain risks. This trend has also spread to the notebook (NB) industry. Ju Teng GROUP is one of the largest manufacturers of NB cases and announced its investment plan in Vietnam two years ago. The company held related briefings to invite related supply chain manufacturers to set up factories locally and strengthen the NB industry's supply chain. It has now been confirmed that some models will begin production in the Vietnamese factory this year and will be delivered to local ODM and brand customers. With Ju Teng GROUP's leadership, it is believed that more manufacturers will establish new production bases in Southeast Asia in the future.

IMR process is a highly automated production method, and its modularization and low manpower requirements make it an ideal choice for institutions to quickly transfer production bases. Our company will continue to strengthen the professional skills and service training of overseas personnel to quickly respond to institutional clients' expansion



plans in various regions. At the same time, our company will also use this opportunity of dispatching technical services to seek other possible cooperation opportunities locally, and it is expected that there will be more opportunities for business promotion in the future.

In terms of environmental regulations and related issues, Taiwan's regulations for the emissions of volatile organic compounds (VOCs) and waste disposal have become increasingly strict. Compared to the past, the regulations require more stringency and greater expenditures. Our company will continue to fully cooperate with the government's requirements and regulations. Meanwhile, due to the fermentation of environmental issues, consumer markets around the world have been developing various environmentally-related product development projects. These projects include the use of recycled materials and the promotion of carbon reduction methods. Compared to the spray coating process, the in-mold decoration process that our company promotes has indeed provided more opportunities for product development. In addition, we have collaborated with brand customers to verify the feasibility of using recycled materials and key materials for repeated use in material development. Ultimately, our company hopes that such non-spray coating processes can become one of the win-win process methods that balance both design appearance requirements and compliance with environmental regulations. We believe that these efforts will eventually bear sweet fruits.

## Sentien Printing Factory Co., Ltd.

## Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements and proposal for allocation of earnings. The CPA firm of KPMG was retained to audit Sentien Printing Factory Corporation's Financial Statements and has issued an audit report with unqualified opinion relating to the Financial Statements.

The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Sentien Printing Factory Corporation. According to the Securities and Exchange Act and the Company Act, we hereby submit this report.

Chairman of the Audit Committee: HUEI-LING, FANG

May 10, 2023

## Independent Auditors' Report

To the Board of Directors of Sentien Printing Factory Corporation:

### Opinion

We have audited the financial statements of Sentien Printing Factory Corporation ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2022, and 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021 by the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"). Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

We conducted our audits by the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of professional ethics in the Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code according to the audit evidence we have obtained which is sufficient and appropriate to provide a basis of our opinion.

### Emphasis of Matter

As stated in Note 9(c) of the financial report, on October 27th, 2022, Sentien was investigated by the Seventh Special Police Corps and the Environmental Protection Administration of the Executive Yuan regarding matters related to the Air Pollution Control Act. The investigation is currently under the investigative stage, and the Company has already adopted administrative remedies from 2022Q4. Our conclusion was not amended in respect of this matter.

### 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, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Group's consolidated financial statements as of and for the year ended December 31, 2022, is as follows.

#### 1. Recognition and measurement of air pollution control fees payable

Please refer details of recognition and measurement of air pollution control fees payable in Note 4(k). For the accounting estimates and uncertainties related to the recognition and measurement of payables for air pollution control fees, please refer to Note 5(a). Further information related with the recognition and measurement of air pollution control fees payable can be found in Note 6(i) and Note 9(c) of the financial report.

Description of key audit matter:

The Company's recognition and measurement of air pollution control fees payable are estimated by the management based on the investigation conducted by the competent authority for air pollution control. However, the final amount can only be determined after the case concluded. Therefore, the recognition and measurement of air pollution control fees payable are one of important matters for the auditor to perform the financial report audit of the Company.

How the matter was audited in our audit

The main audit procedures for the above-mentioned key audit matter includes understanding the investigation status of the competent authority for air pollution prevention as of the audit report date, reviewing the correspondence and relevant board meeting records with the competent authority regarding the pending case, and evaluating whether the disclosure of the company's air pollution control fees payables is appropriate.

## 2. Inventory valuation

For the accounting policies of inventories, please refer to Note 4 (g); For the accounting estimates and assumptions uncertainty of inventory evaluation, please refer to Note 5(b); For the description of the inventory evaluation, please refer to Note 6 (e).

Description of key audit matter:

The inventory of the Company is measured by the lower cost and net realizable value. The company's product orders and sales prices are deeply affected by the fluctuations in the notebook computer market. Sales of related products may fluctuate drastically, so there is a risk that the cost of the inventory may exceed its net realizable value. Therefore, the inventory evaluation is considered as one of our key audit matters.

How the matter was addressed in our audit

The main audit procedures performed by the auditor on the key audit matter mentioned above included examining the inventory aging report and analyzing the reasonableness of changes in inventory aging. We also obtained the inventory valuation details to understand the net realizable value estimated by management for inventory valuation and performed sampling procedures to verify the accuracy of the inventory aging report and net realizable value details. In addition, we evaluated whether the disclosure made by management regarding inventory valuation was appropriate.

## 3. Recognition and measurement of refund liabilities

For the accounting policies for the recognition and measurement of refund liabilities, please refer to Note 4 (k); For the uncertainty of accounting estimates and assumptions for the recognition and measurement of refund liabilities, please refer to Note 5 (c); For the description of the recognition and measurement of refund liabilities, please refer to Note 6 (j) and (p).

Description of key audit matter:

The recognition and measurement of the company's refund liabilities are subjective judgments made by the management based on historical sales returns and discount data and industry characteristics. Therefore, the recognition of refund liabilities and measurement is one of the important evaluation matters for the accountant to perform the audit of the company's financial report.

How the matter was addressed in our audit

The main audit procedures for the above key audit matter include understanding the methods used by management to estimate the number of refund liabilities and the sources of data used and reviewing the accuracy of historical estimation of refund liabilities and comparison with the current period to see if the current valuation method is reasonable. In addition, to evaluate the disclosure of information related to the refund liability is appropriate.

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

Management is responsible for the preparation and fair presentation of the financial statements following Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC vendor and sed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Sentien's ability to continue as a going concern, disclosing, as applicable, matters related to going concerning the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has n realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted following audit standards generally accepted in 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 based on financial statement of an audit following auditing standards generally accepted in 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 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 to design audit procedures that are appropriate In the circumstances, but not to express 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 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. 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 individual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hui- Yuan Chen and Chen- Lung Hsu.

KPMG

Tainan, Taiwan (the Republic of China)

March 23, 2023

#### Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31,2022		December 31,2021		Liabilities and Equity		December 31,2022		December 31,2021	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 98,553	5	535,491	27	2100	Short-term borrowings (note 6(h),(v) and 8)	\$ 4,779	-	-	-
1140	Financial assets at amortized cost— current (note 6(b))	585,083	29	-	-	2170	Trade payables	75,607	4	130,869	7
1150	Notes receivable, net (note 6(c) and (p))	1,947	-	1,807	-	2200	Other payables (note 6(i) and 7)	225,550	11	104,663	5
1170	Trade receivables, net (notes 6(c) and (p))	360,562	18	450,091	23	2213	Payable on machinery and equipment	35,175	2	53,951	3
1200	Other receivable (note 6(d))	7,837	1	8,945	-	2230	Current tax liabilities	16,596	1	6,010	-
1310	Inventories (note 6(e))	129,164	6	148,024	8	2257	Current refund liabilities (note 6(j) and (p))	12,630	-	23,700	1
1410	Prepayments	5,210	-	5,862	-	2280	Current lease liabilities (note 6(k) and (v))	1,595	-	149,654	8
1476	Other financial assets — current (note 8)	7,620	-	22,322	1	2300	Other current liabilities (note 6(p))	291	-	227	-
<b>Total current assets</b>		<u>1,195,976</u>	<u>59</u>	<u>1,172,542</u>	<u>59</u>	<b>Total current liabilities</b>		<u>367,223</u>	<u>18</u>	<u>469,074</u>	<u>24</u>
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>					
1600	Property, plant and equipment (notes 6(f),8 and 9)	793,404	39	630,266	32	2540	Long-term loans (note 6(h),(v) and 8)	145,800	7	-	-
1755	Right-of-use assets (note 6(g))	2,393	-	161,547	8	2570	Deferred tax liabilities (note 6(w))	9,727	-	9,727	-
1840	Deferred tax assets (note 6(m))	30,984	2	18,806	1	2580	Non-current lease liabilities (note 6(k) and (v))	709	-	1,315	-
1900	Other non-current assets (notes 6(f))	5,259	-	4,720	-	2640	Net defined benefit liability — non-current (notes 6(l))	13,965	1	18,184	1
1920	Guarantee deposits paid	2,528	-	2,372	-	<b>Total non-current liabilities</b>		<u>170,201</u>	<u>8</u>	<u>29,226</u>	<u>1</u>
1980	Other financial assets — non-current (note 8)	3,470	-	500	-	<b>Total liabilities</b>		<u>537,424</u>	<u>26</u>	<u>498,300</u>	<u>25</u>
<b>Total non-current assets</b>		<u>838,038</u>	<u>41</u>	<u>818,211</u>	<u>41</u>	<b>Equity attributable to owners of the company (notes 6(h)):</b>					
						3110	Capital stock	365,892	18	365,892	19
						3210	Capital surplus, additional paid-in capital	324,441	16	324,441	16
						3300	Retained earnings:				
						3310	Legal reserve	169,572	9	165,346	8
						3350	Unappropriated retained earnings	636,685	31	636,774	32
								<u>806,257</u>	<u>40</u>	<u>802,120</u>	<u>40</u>
						<b>Total equity</b>		<u>1,496,590</u>	<u>74</u>	<u>1,492,453</u>	<u>75</u>
<b>Total assets</b>		<u>\$ 2,034,014</u>	<u>100</u>	<u>1,990,753</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 2,034,014</u>	<u>100</u>	<u>1,990,753</u>	<u>100</u>

## SENTIEN PRINTING FACTORY CORPORATION

## Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2022		2021	
	Amount	%	Amount	%
4000 <b>Operating revenue (note 6(j),(p))</b>	\$ 1,045,210	100	1,127,821	100
5000 <b>Operating costs (notes 6(e)(k)(l)(g),9 and 12)</b>	854,150	82	809,059	72
5900 <b>Gross profit</b>	191,060	18	318,762	28
6000 <b>Operating expenses (notes 6(k)(l)(g), 7 and 12):</b>				
6100 Selling and marketing expenses	157,054	15	156,213	14
6200 General and administrative expenses	51,818	5	48,650	4
6300 Research and development expenses	52,978	5	52,358	5
	261,850	25	257,221	23
6900 <b>Operating income</b>	(70,790)	(7)	61,541	5
7000 <b>Non-operating income and expenses:</b>				
7020 Other gains and losses (notes 6(r))	90,001	9	(13,350)	(1)
7050 Finance costs (notes 6(k),(r))	(1,907)	-	(2,130)	-
7100 Interest income	9,082	1	3,093	-
	97,176	10	(12,387)	(1)
7900 <b>Profit before income tax</b>	26,386	3	49,154	4
7950 Less: income tax expenses (notes 6(m))	4,012	-	7,279	1
8200 <b>Net profit</b>	22,374	3	41,875	3
8300 <b>Other comprehensive income (notes 6(l)(m)):</b>				
8310 <b>Item that will not be reclassified subsequently to profit or loss:</b>				
8311 Remeasurements of the defined benefit plans	4,646	-	483	-
8399 Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	929	-	96	-
8300 <b>Other comprehensive income (after tax)</b>	3,717	-	387	-
8500 <b>Total comprehensive income</b>	26,091	3	42,262	3
<b>Earnings per share (in dollars), after tax (note 6(o))</b>				
9750 <b>Basic earnings per share</b>	\$	<b>0.61</b>	\$	<b>1.14</b>
9850 <b>Diluted earnings per share</b>	\$	<b>0.60</b>	\$	<b>1.13</b>

Statements of Comprehensive Income



(English Translation of Financial Statements Originally Issued in Chinese)

SENTIEN PRINTING FACTORY CORPORATION

Statement of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

			<u>Retained earnings</u>		
	<u>Capital stock</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Unappropriated earnings</u>	<u>Total equity</u>
<b>Balance at January 1, 2021</b>	<u>\$ 365,892</u>	<u>324,441</u>	<u>148,868</u>	<u>702,463</u>	<u>1,541,664</u>
Net Profit	-	-	-	41,875	41,875
Other comprehensive income	-	-	-	387	387
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,262</u>	<u>42,262</u>
Appropriation of 2020 earnings in 2021:					
Legal reserve	-	-	16,478	(16,478)	-
Cash dividends	-	-	-	(91,473)	(91,473)
<b>Balance at December 31, 2021</b>	<u>365,892</u>	<u>324,441</u>	<u>165,346</u>	<u>636,774</u>	<u>1,492,453</u>
Net Profit	-	-	-	22,374	22,374
Other comprehensive income	-	-	-	3,717	3,717
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,091</u>	<u>26,091</u>
Appropriation of 2021 earnings in 2022:					
Legal reserve	-	-	4,226	(4,226)	-
Cash dividends	-	-	-	(21,954)	(21,954)
<b>Balance at December 31, 2022</b>	<u>\$ 365,892</u>	<u>324,441</u>	<u>169,572</u>	<u>636,685</u>	<u>1,496,590</u>

Statement of Changes in Equity

See accompanying notes to financial statements.

## SENTIEN PRINTING FACTORY CORPORATION

## Statement of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 26,386	49,154
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit / loss:</b>		
Depreciation expenses	87,471	84,272
Amortization expenses	1,465	1,364
Interest expense	1,907	2,130
Interest income	(9,082)	(3,093)
Loss (gain) on disposal of property, plant and equipment	169	(377)
Provision (reversal) for refund liabilities	(11,070)	8,700
Unrealized foreign exchange losses	547	3,955
<b>Total adjustments to reconcile profit / loss</b>	<b>71,407</b>	<b>96,951</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes receivable	(140)	1,169
Decrease in trade receivables	88,582	76,076
Decrease in other receivable	3,017	1,192
Decrease in inventories	18,860	21,456
Decrease (increase) in prepayments	652	(412)
Decrease in other operating assets	412	634
<b>Total changes in operating assets</b>	<b>111,383</b>	<b>100,115</b>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in trade payables	(55,714)	9,365
Increase in other payables	115,814	7,676
Increase (decrease) in other current liabilities	64	(416)
Increase in defined benefit liability	427	504
<b>Total changes in operating liabilities</b>	<b>60,591</b>	<b>17,129</b>
<b>Net changes in operating assets and liabilities</b>	<b>171,974</b>	<b>117,244</b>
Cash generated from operations	269,767	263,349
Interest received	7,173	3,064
Interest paid	(1,875)	(2,178)
Income tax paid	(6,533)	(24,297)
<b>Net cash generated from operating activities</b>	<b>268,532</b>	<b>239,938</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(635,238)	-
Proceeds from financial assets at amortized cost	51,154	-
(Increase) decrease in other financial assets — current	14,702	(36)
Acquisition of property, plant and equipment	(111,816)	(92,872)
Proceeds from disposal of property, plant and equipment	706	379
Increase in other financial assets — non-current	(2,970)	-
Decrease (increase) in refundable deposits	(156)	3
Increase in other non-current assets	(464)	-
<b>Net cash used in investing activities</b>	<b>(684,082)</b>	<b>(92,526)</b>
<b>Cash flows from (used in) financing activities:</b>		
Proceeds from short-term borrowings	119,648	110,542
Repayments of short-term borrowings	(114,984)	(174,267)
Proceeds from long-term borrowings	145,800	-
Payment of lease liabilities	(149,706)	(10,177)
Cash dividends	(21,954)	(91,473)
<b>Net cash used in financing activities</b>	<b>(21,196)</b>	<b>(165,375)</b>
<b>Effects of exchange rate changes on balance of cash held in foreign currencies</b>	<b>(192)</b>	<b>(3,626)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(436,938)</b>	<b>(21,589)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>535,491</b>	<b>557,080</b>
<b>Cash and cash equivalents at the end of year</b>	<b>\$ 98,553</b>	<b>535,491</b>

## Performance Evaluation and Remuneration of Directors and Managers of year 2022

### 1、Director Performance Evaluation Results

- (1) In order to implement corporate governance and enhance the function of the board of directors, the company has established the "Director Performance Evaluation Method" and conducts at least one board of director performance evaluation every year.
- (2) The results of the director performance evaluation are as follows:
  - 1) Evaluation methods: Board of director performance evaluation, individual director performance evaluation, and functional committee performance evaluation.
  - 2) Evaluation aspects:
    - A. Board of director performance evaluation: Includes five aspects: participation in company operations, improving the quality of board decisions, composition and structure of the board, director selection and continuous education, and internal control.
    - B. Individual director performance evaluation: Includes six aspects: understanding company goals and tasks, awareness of director responsibilities, participation in company operations, internal relationship management and communication, director's expertise and continuous education, and internal control.
    - C. Functional committee performance evaluation: Includes five aspects: participation in company operations, understanding of functional committee responsibilities, improving the quality of functional committee decisions, composition and member selection of functional committees, and internal control.
  - 3) Evaluation period: From January 1, 2022 to December 31, 2022.
  - 4) Evaluation results:
    - A. Board of director performance evaluation: The total percentage score of all directors for the five aspects ranged from 93.33% to 95.92%, with a total average of 94.35%, which meets the requirements of corporate governance.
    - B. Individual director performance evaluation: The total percentage score of all directors for the six aspects ranged from 93.33% to 96.19%, with a total average of 94.29%, which meets the requirements of corporate governance.
    - C. Functional committee performance evaluation: The total percentage score of all directors for the five aspects ranged from 86.67% to 91.67%, with a total average of 90.00%, which meets the requirements of corporate governance.

### 2、Manager Performance Evaluation Results

- (1) In order to implement corporate governance, enhance the company's competitiveness, and ensure that managers can assist the company in achieving long-term business goals and strategies in daily operations, the company has established the "Performance Appraisal Management Measures" and conducts performance evaluations every six months.
- (2) The results of the manager performance evaluation are as follows:
  - 1) Evaluation Method: Company performance evaluation management.
  - 2) Evaluation aspects: Including "Core Functions", "Management Functions", "Professional

Functions", "KPI", and other aspects.

3) Evaluation period: From January 1, 2022 to December 31, 2022.

4) Evaluation results: There is a positive correlation between the manager's annual performance, contribution, overall business performance, and individual bonuses and compensation, which is reasonable.

3、Disclosure of individual performance evaluation results and individual salary content and amount of directors and managers in the annual report, as well as the relationship and rationality between the performance evaluation results.

(1) Establishment of Compensation Committee

To assist the Board of Directors in formulating and regularly reviewing the performance evaluation standards, annual and long-term performance goals, and policies, institutional standards, and structures of remuneration and compensation for directors and managers. Regularly evaluate the achievement of performance goals of directors and managers, and based on the evaluation results obtained from the performance evaluation standards, determine the content and amount of their individual compensation.

(2) Directors

Director remuneration includes meeting attendance fees (internal and external directors), director compensation (internal directors), basic salary (external directors), job allowance (external directors), and bonuses (external directors). Director compensation is stipulated in the company's articles of association: not exceeding NT\$500,000.

(3) Managers

Manager remuneration includes fixed salary, bonuses, and employee compensation. Salaries are based on the manager's qualifications, position, and responsibilities. Bonuses and employee compensation are based on the company's operational performance, individual annual performance, position held, time invested, personal contribution, recent levels of compensation, and industry standards.

In summary, the remuneration for directors and managers paid by the company is in compliance with the above regulations and is supervised by the Compensation Committee and the Board of Directors, and is positively correlated with the company's business performance.

## Distribution of Directors' Remuneration report of year 2022

1、The policies, systems, standards and structure of remuneration payments for general directors and independent directors of the Company, and the correlation between the amount of remuneration and the amount of remuneration according to factors such as responsibilities, risks and investment time:

- (1). In accordance with Article 21 of the articles of association of the company, when the directors of the company perform the duties of the company, regardless of the company's operating profit or loss, the company may pay remuneration, and the remuneration is authorized by the board of directors to be agreed upon by the board of directors according to the degree of participation in the company's operation and the value of its contribution, and with reference to the level of peers;
- (2). The remuneration of directors of the Company differs between outside directors and internal directors (employees or appointed managers). Outside directors receive a fixed monthly salary and a fixed annual bonus; Although internal directors may allocate director's remuneration based on Article 26 of the bylaws, which allows for the distribution of profits not exceeding NTD 500,000 for the current fiscal year., they have been paid monthly (5 thousand yuan ~ 8 thousand yuan) \* number of months in service since the beginning of the payment.
- (3). All directors shall be paid a fixed amount according to the type of meeting attended.
- (4). If an internal director who is an employee of the Company or an appointed manager, the severance payment shall be paid in accordance with the Labor Base Law and the Company's "Management Measures for the Withdrawal of Appointed Manager". If you are an outside director, there is no severance pay.
- (5). The salaries and bonuses of internal directors who are employees or appointed managers of the Company shall be paid in accordance with the provisions of the Company's "Manager Remuneration Management Measures". The salary structure of managers is divided into fixed salary and variable salary, and the fixed salary is the monthly salary, including salary, meal allowance, supervisor allowance, professional allowance, living allowance, etc.; Variable salary includes year-end bonus, employee remuneration, hard work bonus, performance bonus, etc., and the evaluation criteria are as follows:
  - A. Year-end bonus: according to the company's operating performance, personal annual performance, position, time invested, personal contribution, level received in recent years, and the level of peers, it will be paid for 2~15 months, and will be paid before the Lunar New Year every year.
  - B. Employee remuneration: The total amount of payment is calculated according to the following formula: Based on the financial report profit of the accountant visa for the current year, the total amount of payment is estimated:  
The manager's total employee remuneration for the current year (A) = the total remuneration of all employees in the current year × B %.  
The total remuneration of employees for the current year shall be paid at a rate of not less than 2% of the profit made for the year in accordance with Article 26 of the Articles of Association of the Company  
B % is determined by the chairman and general manager in the range of 25%~45%.  
The remuneration of individual employees of managers is paid in August every year, taking into account the company's profits, personal annual performance, positions, time invested, personal contribution, etc.
  - C. Hardship bonus: In order to motivate employee morale and comfort employees' hard work, if the employee cannot be paid due to poor profit in the current year, the company will pay the bonus according to the situation.
  - D. Performance bonus: When the revenue increases significantly, the company may pay a bonus according to the operation situation.

The above-mentioned relevant bonus payment amount, the performance appraisal status of the manager and the reasonableness of salary and remuneration are reviewed by the Remuneration Committee and the Board of Directors, and reviewed in a timely manner according to the actual business situation and relevant laws and regulations.

2、Details of remuneration of directors (including independent directors)

單位：新台幣仟元

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 10)	Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income	Remuneration received from investee enterprises other than subsidiaries or from the parent company				
		Base compensation (A)		Retirement pay and pension (B)		Director profit sharing compensation (C)		Expenses and perquisites(D)			The Company	All consolidated entities (note)	Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)				The Company	All consolidated entities (note)		
		The Company	All consolidated entities (note)	The Company	All consolidated entities (note)	The Company	All consolidated entities (note)	The Company	All consolidated entities (note)				The Company	All consolidated entities (note)	The Company	All consolidated entities (note)	The Company						All consolidated entities (note)	
																	Amount in cash	Amount in stock					Amount in cash	Amount in stock
Chairman	Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	2,587	0	75	0	96	0	28	0	12.45	0	0	0	0	0	0	0	0	0	12.45	0	None		
Director	Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	0	0	0	0	96	0	25	0	0.54	0	2,119	0	57	0	395	0	0	0	12.03	0	None		
Director	JUN-XIONG, CHEN	0	0	0	0	96	0	28	0	0.55	0	2,040	0	70	0	368	0	0	0	11.63	0	None		
Director	HUI-XIONG, CHEN	272	0	0	0	0	0	28	0	1.34	0	0	0	0	0	0	0	0	0	1.34	0	None		
Independent Director	HUEI-LING, FANG	332	0	0	0	0	0	49	0	1.70	0	0	0	0	0	0	0	0	0	1.70	0	None		
Independent Director	LING-LING, LEE	272	0	0	0	0	0	49	0	1.44	0	0	0	0	0	0	0	0	0	1.44	0	None		
Independent Director	JIA-BIN, CHEN	224	0	0	0	0	0	49	0	1.22	0	0	0	0	0	0	0	0	0	1.22	0	None		
Total		3,687	0	75	0	288	0	256	0	19.24	0	4,159	0	127	0	763	0	0	0	41.81	0			

Note : 1. the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid :  
 In accordance with Article 21 of the articles of association of the company, when the directors of the company perform the duties of the company, regardless of the company's operating profit or loss, the company may pay remuneration, and the remuneration is authorized by the board of directors to be agreed upon by the board of directors according to the degree of participation in the company's operation and the value of its contribution, and with reference to the level of peers.  
 2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises):None.  
 3. The company has no consolidated statements.

Sentien Printing Factory Co., Ltd.  
2022 Statement of Surplus Distribution

Unit: NTD

Item	Amount
<b>Undistributed earnings at the beginning of the period</b>	<b>\$ 610,593,956</b>
Add: 2022 net income after tax	22,373,955
2022 due to remeasurement of defined benefit plan.	3,716,678
<b>Distributable earnings</b>	<b>636,684,589</b>
Distribution/Compensation:	
Legal reserve	(2,609,063)
Cash dividends ---NT\$0.61 per share	(22,319,412)
<b>Undistributed earnings at the end of the period</b>	<b>\$ 611,756,114</b>

## Sentien Printing Factory Co., Ltd.

## Election of Directors

Position	Name	No. of Shares Held	Educational Background	Experience	Current Position	Whether the Director Has Been Elected as the Independent Director for Three Consecutive Terms / Reason
Director	Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	4,112,400	Bachelor degree in Chemistry from National Sun Yat-sen University	Chairman of Sentien Printing Factory Co., Ltd. Chairman of YONG EN Investment Co., Ltd. Chairman of YI SIN Investment Co., Ltd.	Chairman of Sentien Printing Factory Co., Ltd. Chairman of YONG EN Investment Co., Ltd. Chairman of YI SIN Investment Co., Ltd.	NA
Director	Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	4,112,400	Bachelor degree in Electronic Engineering from Kun Shan University	Director of Senzhan Enterprise Co., Ltd.	President of Sentien Printing Factory Co., Ltd. Chairman of YOU SHENG Investment Co., Ltd. Chairman of SHAO WEI Investment Co., Ltd.	NA
Director	JUN-XIONG, CHEN	100,960	Bachelor degree in Civil Engineering from Chung Yuan Christian University	Team leader of NEW ASIA CONSTRUCTION & DEVELOPMENT CORP.	Assistant Manager of Sentien Printing Factory Co., Ltd.	NA
Independent Director	HUEI-LING, FANG	2,000	Bachelor degree in Accounting from National Cheng Kung University	CPA, KPMG TAIWAN.	·Independent Director & Member of Remuneration Committee, TOPOWER CO.,LTD. ·Independent Director & Member of Remuneration Committee, Sheh Fung Screws Co.,Ltd ·Independent Director & Member of Remuneration Committee, JUNG SHING WIRE CO.,LTD.	No.



Position	Name	No. of Shares Held	Educational Background	Experience	Current Position	Whether the Director Has Been Elected as the Independent Director for Three Consecutive Terms / Reason
Independent Director	LING-LING, LEE	0	Master of Law, National Taiwan University	·Executive Supervisor of The Taiwan Bar Association. ·President of Legal Aid Foundation Kaohsiung Branch.	·Partner-in-Charge, Ling-Yun Attorneys-At-Law ·Independent Director & Member of Remuneration Committee, China Steel Corporation	No.
Independent Director	JIA-BIN, CHEN	10,000	PhD in Finance, University of Kentucky	·Professor of National Chung Hsing University Department of Business and Professional Master Program of Agricultural Business Management. ·CEO of National Chung Hsing University Executive Master of Business Administration	Professor of National Chung Hsing University Department of Business Administration	No.
Independent Director	YU-CHENG, CHEN	0	Ph.D. In Accounting, National Chengchi University	·Professor & Chairperson, Department of Finance, National Chung Hsing University ·Chairperson, Department of Accounting, Providence University ·Independent Director, Tachia Yung Ho Machine Industry Co., Ltd. ·Independent Director, Da Fon Environmental Technology Co., Ltd. ·Independent Director, Grand Bills Finance Corp.	·Professor, Department of Finance, National Chung Hsing University ·Independent Director & Member of Remuneration Committee, Taiwan Sakura Corporation ·Independent Director & Member of Remuneration Committee, Sunspring Metal Corp.	No.