

Sentien Printing Factory Co., Ltd.

Year 2024 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. Thursday, June 27, 2024

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: 20,858,911 shares

Percentage of shares held by shareholders present in person or by proxy: 57%

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 2023 **(Proposed by the Board of Directors)**

Explanatory Note : Please refer to Attachment 1, for 2023 Business Report.

(2). Audit Committee's Review Report of year 2023 **(Proposed by the Board of Directors)**

Explanatory Note : Please refer to Attachment 2, for Audit Committee's Review Report.

(3). Distribution of Employees' and Directors' Remuneration for the Year 2023 **(Proposed by the Board of Directors)**

Explanatory Note :

a. It is proposed to set aside NT\$12,500,000 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 2023 was NT\$256,050,751) as compensation to employees and less than NT\$500,000 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 2023 was agreed by board of Directors by May 9.

(4). Performance Evaluation and Remuneration of Directors and Managers of year 2023**(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, for Performance Evaluation and Remuneration of Directors and Managers of year 2023.

(5). Distribution of Directors' Remuneration report of year 2023 **(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, for 2023 remuneration paid to individual directors report.

(6). Dividend Distribution Table of year 2023 **(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\$ 91,473,000 were distributed to shareholders at NT\$2.5 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 2023 Business Report and Financial Statements **(Proposed by the Board of Directors)**

Explanatory Note :

- a. Sentien's 2023 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 2023 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 20,858,911 and 20,500,259 votes were cast for the proposal, which was 98.28% of the votes represented by the shareholders present.

RESOLVED, that the 2023 Business Report and Financial Statements be and hereby were accepted as submitted.

(2). Proposal on the 2023 annual profit distribution plan **(Proposed by the Board of Directors)**

Explanatory Note :

- a. Please see below for the 2023 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 20,858,911 and 20,500,259 votes were cast for the proposal, which was 98.28% 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. Ad-hoc motion : None.

9. Meeting Adjourned : The meeting was adjourned at 10:16 a.m. June 27, 2024 upon a motion duly made and seconded.

No question was raised by Shareholder.

Business report

I 、 Operating Results for 2023

(I) Results of Business Plan

Unit: NTD Thousand

	2023		2022	
	amount	%	amount	%
Revenue	1,179,628	100	1,045,210	100
Gross Profit	454,186	39	191,060	18
Operating Expenses	247,003	21	261,850	25
Non-operating income and expenses	36,080	3	97,176	10
Profit before income tax	243,263	21	26,386	3
Income tax expense	48,099	4	4,012	-
Net profit	195,164	17	22,374	3
Other comprehensive income	1,244	-	3,717	-
Total comprehensive income	196,408	17	26,091	3

Due to the continuation of the impact from the 2022 war and inflation, most brand customers prioritized inventory liquidation in Q2 of 2023, which yielded positive results. Additionally, the strong demand for new models from major customer ASUS contributed to a 13% increase in our company's revenue compared to 2022. The implementation of double-sided printing led to increased production capacity and a reduction in air pollution fees, resulting in a 21% increase in gross profit margin compared to 2022. Furthermore, the easing of the pandemic led to a significant decrease in shipping costs, reducing operating expenses by 4%. Although there was a decrease in foreign exchange gains due to the depreciation of the US dollar compared to 2022, the substantial increase in operating income resulted in a 14% increase in net profit margin for 2023.

(II) Budget implementation: The Company has not disclosed the financial forecasts for the year of 2023.

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

1. Financial revenue and expenditure

Unit: NTD Thousand

	2023	2022
Cash flow from operating activities	216,193	268,532
Cash flow from investing activities	(260,803)	(684,082)
Cash flow from financing activities	32,776	(21,196)
The number of exchange rate effects	(498)	(192)
Increase (decrease) in cash and cash equivalents	(12,332)	(436,938)
Cash and cash equivalents at the beginning of year	98,553	535,491
Cash and cash equivalents at the end of year	86,221	98,553

Analyze:

- (1) The operating cash inflow in 2023 decreased compared to 2022, mainly due to the increase in accounts receivable.
- (2) The cash outflow from investment activities in 2023 decreased compared to 2022, mainly due to the reclassification of fixed-term deposits with a maturity of three months or more (including three months) to financial assets measured at amortized cost.
- (3) The cash outflow from financing activities in 2023 increased compared to 2022, mainly due to the increase in short-term borrowings.

2. Profitability analysis

year		2023	2022
item			
Return on Assets (%)		9.21	1.18
Return on equity (%)		12.32	1.49
Ratio to paid-in capital (%)	Operating Income	56.62	-19.34
	Net Income before Tax	66.48	7.21
Net Profit Margin(%)		16.54	2.14
Basic Earnings Per Share (NT\$)		5.33	0.61

Analyze:

- (1) The asset turnover ratio and return on equity increased, mainly due to a increase in profit in 2023 compared to 2022.
- (2) The ratio of operating profit and pretax net income to paid-in capital increased, mainly due to an decrease in costs and expenses in 2023 resulting in decreased profits.
- (3) The net profit margin and earnings per share increased, mainly due to a increase in operating income and profit in 2023 compared to the previous year.

(IV). Research Development Status:

In 2023, our company experienced operational benefits from increased shipments of non-NB products, such as home appliances, as well as stable demand from NB clients and successful mass production of new products, resulting in a profitable year. However, the global situation remained impacted by wars (such as Russia-Ukraine and Israel-Palestine), inflation, ESG concerns, and fragmented regional economic supply and demand after Q4 of 2023. As a result, all client groups faced greater market pressure in 2024. To ensure stable and smooth operations in 2024, our R&D focus needs to be on developing more unique products that meet ESG requirements, such as those made with low VOC and water-based materials, while also striving for stability and streamlining in upstream and downstream material supplies.

To meet the demands of the global situation and fulfill the special requirements of clients, our R&D team has been continuously developing new products and engaging in mass production since 2022. For example, between 2022 and 2023, we successfully developed two types of special films with antibacterial and antiviral properties, partially matte films, ultra-matte films, and the INS-P series films for automotive interior parts. Building on the progress made in the past two years, we will continue our research and development efforts in 2023 and 2024 to create more special materials and unique products. In the NB sector, our plans include:

- a. Developing materials with an ultra-high stretch hardening layer that can be applied to home appliances, automotive IMR products, and potentially high-coverage NBs.

- b. Additionally, focusing on the development of electroplated products to enhance their functional appearance.
- c. Creating self-healing hardening material films to increase the multifunctionality and visual appeal of film combinations. Automotive interior parts will also be a major area of development. In addition to the INS-P series products developed between 2022 and 2023, we will continue to develop the INS-H type products in 2024. These products will feature more special appearances, such as translucent films, tactile films, light-patterned films, and special bright matte films, among others.

The R&D team believes that by expanding the range of products, our company will enhance its competitiveness in the market.

II · Summary of Business Plan for 2024

(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 impact of the pandemic on the industry officially came to an end in 2023. During this period, the notebook (NB) industry experienced explosive growth due to the demand for remote work and distance learning at the onset of the pandemic. Additionally, there were cost pressures from significant increases in material and transportation expenses throughout the supply chain. As the pandemic gradually came under control and sales volumes significantly declined, brand clients faced excessive inventory levels, which prompted a series of inventory adjustment measures such as promotions and consolidation of product models. By the second half of 2023, client inventory levels had returned to healthy pre-pandemic levels. Overall, the usage scope of NB products has been redefined, and their indispensability has been established.

The next hot topic undoubtedly revolves around AI-related issues, and the notebook (NB) industry is once again capitalizing on this wave of enthusiasm. With ample room for development and limitless possibilities in AI products, AI PCs developed from this platform have become one of the most highly-discussed products. All brand clients are fully immersed in the development of AI-related products, and it is believed that with the return to the pre-pandemic sales growth cycle and the momentum generated by the AI PC craze, the outlook for the NB industry is promising.

Additionally, according to the latest research report by DIGITIMES RESEARCH, the global notebook (NB) sales volume is expected to return to the positive sales growth cycle that existed before the pandemic, following this period of adjustment. From 2023 to 2028, the compound annual growth rate (CAGR) of global NB shipment volume is projected to be around 3%. This indicates that the annual sales volume of NBs will gradually increase to nearly 200 million units. Compared to the pre-pandemic annual sales volume of about 150 million units, this growth will create more opportunities for new NB development projects.

In other industries, the company continues to expand its presence in the automotive, home appliances, and other non-NB sectors. Although there have been sales achievements in the automotive supply chain during the pandemic, the overall impact of the pandemic on the related supply chain resulted in delays in vehicle sales and challenges with

material conversion, leading to final sales falling short of expectations and a slower product development process. As products continue to evolve and the industry gradually returns to normalcy, it is anticipated that this year will bring more opportunities for the introduction and application of various products..

(III). Important production and marketing policies

The founding members included leading companies from various industries in Taiwan, including AU Optronics, Delta Electronics, TSMC, ASUS, Quanta Computer, Lite-On Technology, Acer, and Microsoft Taiwan. In the early stages of its establishment, the initiative received active responses from suppliers to the founding members, and our company was one of the first members to join.

The goal of TCP's establishment is to catch up with the 136 countries worldwide that have already declared their targets of achieving net-zero carbon emissions by 2050. Currently, environmental issues are no longer just a matter of discussion but require practical actions and regulatory guidelines. For brand customers, achieving this goal has become an urgent issue that needs to be addressed.

The eco-friendly spray-free coating method promoted by our company is a more environmentally friendly alternative to traditional spray painting. This provides brand customers with the opportunity to choose this method during the early stages of product development, aligning with their environmental policies. Our company continues to research and focus on the development of printing films, including the utilization of recycled materials in production, with the aim of maximizing the implementation of environmental concepts and values.

III ∙ Future Development Strategy

Since its establishment, our company has been dedicated to researching and developing film printing technology with the aim of providing customers with high-quality and exquisite printed films and enhancing the value of their products through film packaging. In the early stages, we were only able to produce prints based on designs provided by customers, continuously improving print quality through trial and error, and optimizing processes.

In recent years, we have established teams for material research and product design CMF (Color, Material, and Finish). After a period of effort, we have gradually gained control over key material sources and can independently customize materials with various effects and functionalities.

Additionally, in terms of product design CMF, through continuous self-design and development, we have accumulated a wealth of design expertise. In addition to recommending various new materials developed by our research unit to brand customers through product design, we can also provide assistance in product design or collaborate with them on planning new product designs.

This strategic approach effectively enhances cooperation between our company and brand customers, enabling us to gain early insights into next-generation product designs and ensuring stable orders.

This operational model extends beyond the notebook (NB) industry, as we have expanded into industries such as automotive and home appliances, aiming to engage in cross-industry collaborations with a broader range of brand customers.

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

The trade war between the US and China, as well as the conflict between Ukraine and Russia, has been ongoing for several years with no end in sight. Recently, the Israel-Palestine conflict has erupted, dealing a devastating blow to maritime transport in the Red Sea. The global situation has become increasingly unpredictable and complex. Overall,

under the influence of unfavorable factors such as war, inflation, and geopolitical tensions, the globalization that was advocated in earlier years seems to be moving further away, replaced by various protectionist policies implemented by countries. Under the current challenging international circumstances, how supply chains can overcome these tests and how to plan for distributed production to reduce production risks has become the greatest issue.

The "China+1" strategy has become one of the main considerations for suppliers. In the NB industry, the shift of supply chains to Southeast Asia is no longer in the planning stage but is currently underway, with an increasing proportion of products being produced in other regions. The world's largest computer case manufacturer, Ju Teng Group, has completed the establishment of its factory in Vietnam and is expected to start production in 2024. The products will be delivered directly to ODM/OEMs in Southeast Asia for assembly and shipment. Under this trend, more and more supply chains will choose to establish production bases in Southeast Asia.

Looking back at our company's promoted IMR process, its modular design and highly automated production line are suitable for quickly moving production bases. Our company will continue to strengthen the professional skills and service training of our overseas staff to quickly accommodate the expansion plans of institutional factory clients in various locations. At the same time, we will also use this opportunity for technical service assignments to seek other possible collaborations locally, expecting more development opportunities in business promotion.

In addition to the impacts of geopolitics, war, and inflation, another important issue is environmental protection and ESG-related topics. Taiwan has recently imposed stricter regulations on the emission of volatile organic compounds (VOCs) and waste disposal, which will significantly increase the company's environmental protection costs. Nevertheless, our company still fully complies with the government's regulatory requirements. Recently, our company's "Volatile Organic Compound Enclosed Exhaust System" became the first in the Tainan Science Park to meet the Environmental Protection Bureau's requirements for "100% enclosed negative pressure operation collection efficiency production process workplaces." In terms of carbon inventory, our company expects to obtain ISO14064-1 certification in the first quarter of 2024. Additionally, our company has many optimization measures underway in energy-saving and green design, hoping to consider environmental protection issues while developing and producing products, achieving a true win-win-win situation for the company, clients, and the planet.

Sentien Printing Factory Co., Ltd.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 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 9, 2024

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, 2023 and 2022, the statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2023, and 2022, 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, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023 and 2022 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.

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, 2023, is as follows.

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(a); 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 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.

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 the Company'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 no realistic alternative but to do so.

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

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 auditor's 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 Terry Su and Potree Yang

KPMG

Tainan, Taiwan (the Republic of China)

March 11, 2024

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.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

SENTIEN PRINTING FACTORY CORPORATION

Balance Sheets

December 31, 2023, and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31,2023		December 31,2022		Liabilities and Equity	December 31,2023		December 31,2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 86,221	4	98,553	5	2100 Short-term loan (note 6(h),(v) and 8)	\$ 60,493	3	4,779	-
1140 Financial assets at amortized cost – current (note 6(b))	718,643	32	585,083	29	2150 Notes payables (note 6(i))	61,799	3	-	-
1150 Notes receivable, net (note 6(c) and (p))	1,600	-	1,947	-	2170 Trade payables	99,797	4	75,607	4
1170 Trade receivables, net (notes 6(c) and (p))	454,246	20	360,562	18	2200 Other payables (note 6(i),(l),7 and 9)	100,272	4	220,550	11
1200 Other receivable (note 6(d))	8,663	-	7,837	1	2213 Payable on machinery and equipment	22,801	1	35,175	2
1310 Inventories (note 6(e))	134,902	6	129,164	6	2230 Current tax liabilities	45,425	2	16,596	1
1410 Prepayments	6,338	-	5,210	-	2250 Current refund liabilities (note 6(j))	5,770	-	12,630	-
1476 Other financial assets – current (note 8)	7,435	-	7,620	-	2280 Current lease liabilities (note 6(k) and (v))	747	-	1,595	-
Total current assets	1,418,048	62	1,195,976	59	2300 Other current liabilities (note 6(p))	280	-	291	-
Non-current assets:					Total current liabilities	397,384	17	367,223	18
1600 Property, plant and equipment (notes 6(f),(g),8 and 9)	806,859	36	793,404	39	Non-Current liabilities:				
1755 Right-of-use assets (note 6(f) and (g))	2,192	-	2,393	-	2540 Long-term loans (note 6(h),(v) and 8)	145,800	6	145,800	7
1840 Deferred tax assets (note 6(m))	32,308	2	30,984	2	2570 Deferred tax liabilities (note 6(w))	9,727	-	9,727	-
1900 Other non-current assets (note 6(f))	4,093	-	5,259	-	2580 Non-current lease liabilities (note 6(k) and (v))	1,436	-	709	-
1920 Refundable deposits	2,233	-	2,528	-	2611 Long-term notes payables (note 6(i))	30,900	2	-	-
1980 Other financial assets – non-current (note 8)	3,470	-	3,470	-	2645 Guarantee deposits (note 6(v))	559	-	-	-
Total non-current assets	851,155	38	838,038	41	2640 Net defined benefit liability – non-current (note 6(l))	12,719	1	13,965	1
					Total non-current liabilities	201,141	9	170,201	8
					Total liabilities	598,525	26	537,424	26
					Equity attributable to owners of the company (notes 6(n)):				
					3100 Capital stock	365,892	16	365,892	18
					3210 Capital surplus, additional paid-in capital	324,441	14	324,441	16
					3300 Retained earnings:				
					3310 Legal reserve	172,181	8	169,572	9
					3350 Unappropriated retained earnings	808,164	36	636,685	31
						980,345	44	806,257	40
					Total equity	1,670,678	74	1,496,590	74
Total assets	\$ 2,269,203	100	2,034,014	100	Total liabilities and equity	\$ 2,269,203	100	\$ 2,034,014	100

SENTIEN PRINTING FACTORY CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (note 6(j) and (p))	\$ 1,179,628	100	1,045,210	100
5000 Operating costs (notes 6(e),(k),(l),(q),9 and 12)	725,442	61	854,150	82
5900 Gross profit	454,186	39	191,060	18
6000 Operating expenses (notes 6(k),(l),(q), 7 and 12):				
6100 Selling and marketing expenses	138,194	12	157,054	15
6200 General and administrative expenses	52,913	4	51,818	5
6300 Research and development expenses	55,896	5	52,978	5
	247,003	21	261,850	25
6900 Operating income	207,183	18	(70,790)	(7)
7000 Non-operating income and expenses:				
7020 Other gains and losses (notes 6(r))	8,822	1	90,001	9
7050 Finance costs (notes 6(k) and (r))	(3,788)	-	(1,907)	-
7100 Interest income	31,046	2	9,082	1
	36,080	3	97,176	10
7900 Profit before income tax	243,263	21	26,386	3
7950 Less: income tax expenses (notes 6(m))	48,099	4	4,012	-
8200 Net profit	195,164	17	22,374	3
8300 Other comprehensive income :				
8310 Item that will not be reclassified subsequently to profit or loss:				
8311 Remeasurements of the defined benefit plans	1,555	-	4,646	-
8399 Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss (notes 6(m))	311	-	929	-
8300 Other comprehensive income (after tax)	1,244	-	3,717	-
8500 Total comprehensive income	\$ 196,408	17	26,091	3
Earnings per share (in dollars), after tax (note 6(o))				
9750 Basic earnings per share	\$	5.33		0.61
9850 Diluted earnings per share	\$	5.30		0.60

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Capital stock	Capital surplus	Retained earnings		Total equity
			Legal reserve	Unappropriated earnings	
Balance as of January 1, 2022	\$ 365,892	324,441	165,346	636,774	1,492,453
Net Profit	-	-	-	22,374	22,374
Other comprehensive income	-	-	-	3,717	3,717
Total comprehensive income	-	-	-	26,091	26,091
Appropriation of 2021 earnings in 2022					
Legal reserve appropriated	-	-	4,226	(4,226)	-
Cash dividends of ordinary share	-	-	-	(21,954)	(21,954)
Balance as of January 1, 2023	365,892	324,441	169,572	636,685	1,496,590
Net Profit	-	-	-	195,164	195,164
Other comprehensive income	-	-	-	1,244	1,244
Total comprehensive income	-	-	-	196,408	196,408
Appropriation of 2022 earnings in 2023					
Legal reserve appropriated	-	-	2,609	(2,609)	-
Cash dividends of ordinary share	-	-	-	(22,320)	(22,320)
Balance as of December 31, 2023	365,892	324,441	172,181	808,164	1,670,678

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 243,263	26,386
Adjustments:		
Adjustments to reconcile profit / loss:		
Depreciation expenses	89,043	87,471
Amortization expenses	1,581	1,465
Interest expense	3,788	1,907
Interest income	(31,046)	(9,082)
Loss on disposal of property, plant and equipment	427	169
Reversal for refund liabilities	(6,860)	(11,070)
Gain on lease amendment	(6)	-
Unrealized foreign exchange losses	28,983	547
Total adjustments to reconcile profit / loss	<u>85,910</u>	<u>71,407</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes receivable	347	(140)
(Increase) decrease in trade receivables	(109,200)	88,582
(Increase) decrease in other receivable	(1,122)	3,017
(Increase) decrease in inventories	(5,738)	18,860
(Increase) decrease in prepayments	(1,128)	652
Decrease in other operating assets	215	412
Total changes in operating assets	<u>(116,626)</u>	<u>111,383</u>
Changes in operating liabilities:		
Increase (decrease) in trade payables	24,244	(55,714)
Increase (decrease) in other payables	(27,594)	115,814
Increase (decrease) in other current liabilities	(11)	64
Increase in defined benefit liability	309	427
Total changes in operating liabilities	<u>(3,052)</u>	<u>60,591</u>
Net changes in operating assets and liabilities	<u>(119,678)</u>	<u>171,974</u>
Cash flows (used in) generated from operations	209,495	269,767
Interest received	31,342	7,173
Interest paid	(3,739)	(1,875)
Income tax paid	(20,905)	(6,533)
Net cash (used in) generated from operating activities	<u>216,193</u>	<u>268,532</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(309,290)	(635,238)
Proceeds from financial assets at amortized cost	162,119	51,154
Increase in other financial assets — current	185	14,702
Acquisition of property, plant and equipment	(113,921)	(111,816)
Proceeds from disposal of property, plant and equipment	439	706
Increase in non-current other financial assets	-	(2,970)
(Increase) decrease in refundable deposits	295	(156)
Increase in other non-current assets	(630)	(464)
Net cash used in investing activities	<u>(260,803)</u>	<u>(684,082)</u>
Cash flows from (used in) financing activities:		
Proceeds from short-term loans	267,744	119,648
Repayments of short-term loans	(211,571)	(114,984)
Proceeds from long-term debt	-	145,800
Proceeds from Guarantee deposits	559	-
Payment of lease liabilities	(1,636)	(149,706)
Cash dividends	(22,320)	(21,954)
Net cash used in financing activities	<u>32,776</u>	<u>(21,196)</u>
Effects of exchange rate changes on balance of cash held in foreign currencies	<u>(498)</u>	<u>(192)</u>
Net decrease in cash and cash equivalents	<u>(12,332)</u>	<u>(436,938)</u>
Cash and cash equivalents at the beginning of year	<u>98,553</u>	<u>535,491</u>
Cash and cash equivalents at the end of year	<u>\$ 86,221</u>	<u>98,553</u>

Performance Evaluation and Remuneration of Directors and Managers of year 2023

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, 2023 to December 31, 2023.
 - 4) Evaluation results:
 - A. Board of director performance evaluation: The total percentage score of all directors for the five aspects ranged from 96.33% to 99.59%, with a total average of 97.14%, 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 95.24% to 99.05%, with a total average of 96.77%, 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 92.50% to 98.57%, with a total average of 95.38%, 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, 2023 to December 31, 2023.

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 2023

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	3,129	0	75	0	96	0	33	0	1.71	0	0	0	0	0	0	0	0	0	1.71	0	None
Director	Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	0	0	0	0	96	0	33	0	0.06	0	2,281	0	57	0	500	0	0	0	1.52	0	None
Director	JUN-XIONG, CHEN	0	0	0	0	96	0	33	0	0.06	0	2,479	0	74	0	499	0	0	0	1.62	0	None
Director	HUI-XIONG, CHEN	134	0	0	0	0	0	15	0	0.08	0	0	0	0	0	0	0	0	0	0.08	0	None
Independent Director	HUEI-LING, FANG	332	0	0	0	0	0	55	0	0.20	0	0	0	0	0	0	0	0	0	0.20	0	None
Independent Director	LING-LING, LEE	272	0	0	0	0	0	55	0	0.17	0	0	0	0	0	0	0	0	0	0.17	0	None
Independent Director	JIA-BIN, CHEN	272	0	0	0	0	0	55	0	0.17	0	0	0	0	0	0	0	0	0	0.17	0	None
Independent Director	YU-CHENG, CHEN	139	0	0	0	0	0	21	0	0.08	0	0	0	0	0	0	0	0	0	0.08	0	None
Total		4,278	0	75	0	288	0	300	0	2.53	0	4,760	0	131	0	999	0	0	0	5.55	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.
 4. Director HUI-XIONG, CHEN was dismissed after the comprehensive re-election on June 27, 2023.
 5. Independent director YU-CHENG, CHEN was appointed after the comprehensive re-election on June 27, 2023.

Sentien Printing Factory Co., Ltd.
2023 Statement of Surplus Distribution

Unit: NTD

Item	Amount
Undistributed earnings at the beginning of the period	\$ 611,756,114
Add: 2023 net income after tax	195,164,389
2023 due to remeasurement of defined benefit plan.	1,243,786
Distributable earnings	808,164,289
Distribution/Compensation:	
Legal reserve	(19,640,818)
Cash dividends ---NT\$2.50 per share	(91,473,000)
Undistributed earnings at the end of the period	\$ 697,050,471