

Stock Code: 1444



LEALEA ENTERPRISE CO., LTD.

Handbook of 2024

Annual General Shareholders' Meeting

Date: June 21, 2024

Address: No. 38, Gongye Rd., Fangyuan Industrial Area,
Fangyuan, Changhua County
(Polyester Fiber Factory)

LEALEA ENTERPRISE CO., LTD.

Handbook of 2024 Annual General Shareholders' Meeting (Translation)

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Notice to readers

This is a translation of the Handbook of 2024 Annual General Shareholders' Meeting. The translation is for reference only. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

LEALEA ENTERPRISE CO., LTD.

2024 Annual General Shareholders' Meeting Procedures

1. Commencement of Meeting
2. Chairperson's Statement
3. Report Items
4. Matters for Ratification
5. Extemporary Motion
6. Meeting Adjourned

LEALEA ENTERPRISE CO., LTD.

2024 Annual General Shareholders' Meeting Agenda

Convention Method: Physical shareholders' meeting

Time: June 21, 2024 (Friday) 11:00AM

Address: No. 38, Gongye Rd., Fangyuan Industrial Area, Fangyuan, Changhua County
(Polyester Fiber Factory)

Meeting Procedures:

1. Commencement of Meeting (Report on the number of attended shares)
2. Chairperson's Statement
3. Report Items:
 - (1) 2023 business report.
 - (2) 2023 audit committee's audit report.
 - (3) 2023 report on remuneration distribution for employees and directors.
4. Matters for Ratification:
 - (1) Motion of 2023 business report and financial statement.
 - (2) Motion of 2023 loss appropriation.
5. Extemporary Motion
6. Meeting Adjourned

Report Items

I. Please check the 2023 business report.

Explanatory Notes: The 2023 business report is as follows:

Business Report

1. 2023 Business Results

(1) Project Implementation Results:

Global economic momentum has weakened due to adverse factors such as war, inflation, and interest rate hikes, leading to sluggish economic activity and weakened consumer demand. Meanwhile, our core business faces challenges from low-priced dumping by competitors in mainland China, Southeast Asia, and India, impacting our operational performance and resulting in declining revenue and profits.

Due to the unfavorable overall market environment, all departments of the Company remain actively engaged in promoting domestic and international sales channels to diversify market risks. Efforts are made to enhance the value of high-value products such as automotive materials, electronic materials, and industrial yarn, while also developing recycled environmental products to maintain operational stability.

The Company's consolidated operating revenue in 2023 was NT\$8.149 billion, a decrease of 33.41% from 2022; the net profit after tax was NT\$-315 million. The major sales products include 46,025 tons of Drawn-texturing yarn, 75,528 tons of solid state polymerization, 16,059 tons of polyester chip, and 2,796 tons of polyester yarn, 196,160 tons of coal and 19.78 million yards of long-fiber fabrics.

(2) Budget Execution Status:

None, the Company only set internal budget targets for 2023 and did not disclose financial forecasts to the public.

(3) The Analysis of Financial Income and Expenses and Profitability:

The Company's 2023 operating revenue of unconsolidated subsidiaries is NT\$6.488 billion; net profit after tax is NT\$-273 million; net profit ratio after tax is -4.21%, a decrease of 9.01% from 2022; earnings per share is NT\$-0.28, a decrease of NT\$0.77 from 2022. The 2023 and 2022 financial income and expenses and profitability of the Company's unconsolidated subsidiaries are shown in the following table.

Unit: In Thousands of New Taiwan Dollars

Item		2022	2023	Increase (Decrease) Amount and Ratio
Financial Income and Expenses	Operating Revenues	10,191,318	6,488,051	-3,703,267
	Operating Cost	9,322,672	6,693,089	-2,629,583
	Net Profit before Tax	611,826	-318,215	-930,041
	Net Income	489,757	-273,376	-763,133
Profitability	Return on Assets (%)	3.00	-1.20	-4.20
	Return on Shareholders' Equity (%)	4.54	-2.55	-7.09
	Pre-Tax Profit to Paid-in Capital Ratio (%)	6.39	-3.19	-9.58
	Net Profit Rate (%)	4.80	-4.21	-9.01
	Earnings per Share (NT\$)	0.49	-0.28	-0.77

(4) Status of Research and Development:

In recent years, frequent occurrences of extreme weather events due to climate change have posed significant challenges to environmental sustainability for businesses worldwide. In response to global warming and environmental pollution, it is imperative not only to strengthen environmental sustainability management but also to continuously optimize and develop green products to achieve the dual objectives of business operations and environmental sustainability. LEALEA ENTERPRISE has developed a series of environmentally friendly recycled fibers, including environmentally friendly recycled low-temperature dyed fibers, environmentally friendly recycled deep-dyed fibers, and environmentally friendly recycled low-temperature cationic dyed fibers, achieving excellent results in energy conservation, carbon reduction, and reduction of dyeing wastewater.

To implement environmental sustainability, recycling and reuse are crucial components. The Company utilizes recycled materials such as PET bottles, PolyPlus, and NylonPlus to produce recycled pellets, which are then spun into yarns suitable for weaving through melt spinning. Leveraging LIBOLON's recycling technology, we process waste materials into usable yarns, ultimately resulting in marketable products. Additionally, the decolorization factory that uses garment recycling recycles polyester, nylon garments, factory scraps and waste products and it is also developed in cooperation with major overseas manufacturers and is expected to contribute to operations in 2024. Over the past two years, the company has successfully developed and mass-produced the following products, as listed in the table below:

Type of Yarn	Application	Characteristics
Plaid Silk	Weaving, Knitting, Sportswear, Casualwear	Unique aesthetics of a single fiber with several dark and light stripes
Graphene Fiber	Weaving, Knitting, Sportswear, Casualwear	Material with the function of heat preservation, far infrared, low static electricity, etc., comfortable to wear
Deep Cationic-Dye Fiber	Weaving, Knitting, Sportswear, Casualwear	with special dyeing effect
Nylon Soft Rain Silk	Knitting	The fabric surface exhibits excellent breathability and a soft, smooth texture.

Type of Yarn	Application	Characteristics
Eco-friendly Recycled Deep Dyed CD Fiber	Warp Knitting 、 sportswear fabrics 、 Casualwear fabrics	with special dyeing effect
Eco-friendly Recycled Low Temperature Dyed Polyester Fiber	Warp Knitting 、 sportswear fabrics 、 Casualwear fabrics	with special dyeing effect
Ultra-dull Fiber	Warp Knitting 、 sportswear fabrics 、 Casualwear fabrics	with special surface gloss effect and UV resistance function.

2. Summary of 2024 Business Plan:

This year, the Company defines its operational policy as the year of Persistency. The business philosophy of the founder, Mr. Kuo Mu-sheng, is " thrifty, pragmatic, positive and innovative ". We are steadily moving into global markets

The business plan for fiscal year 2024 is described in the following points:

- (1) The group is implementing the "LIBOLON Circular Economy of Green Energy Program," which starts from textile recycling, utilizes solid recovered fuel (SRF) from waste materials as fuel, and constructs wind power stations in Changhua County to achieve ESG management and net-zero carbon emissions goals.
- (2) We are continuing to promote green energy. The Fangyuan plant in Changhua County is planning to jointly establish an SRF factory with REMONDIS Taiwan, with construction expected to commence in 2024.
- (3) The decolorization plant for chemical fibers is exploring and promoting environmentally friendly recycled products.
- (4) The Drawn-texturing NEW PIN machine is transitioning to diversified, customized, and high-value-added products.
- (5) We are expanding into the electronics industry and applications for 3C products, while strengthening product development and promotion in the Electronic Business Division.

3. The Future Development Strategy of the Company, the Impact of the External Competitive Environment, the Regulatory Environment and the Macroeconomic Conditions:

(1) International situation

For years, Chinese competitors have aggressively expanded production, leading to a sharp decline in market prices. Taiwanese manufacturers, lacking a competitive edge in pricing, have shifted their focus to producing high-quality, high-value-added products or adopting a strategy of diversification with smaller production volumes. Transitioning from our traditional drawn-texturing yarn processing roots, the Company has embraced the electronics and 3C product application fields, emerging as a primary profit driver. With substantial investments already in place, 2024 is expected to yield returns on these endeavors. Our order acquisition strategy will prioritize opportunities that offer "high value-added" potential, actively bolstering profit margins. Additionally, in response to global environmental concerns and the surge in ESG investments, the company has initiated an energy transition, with anticipated results in the coming years.

(2) Regional economy

Today, Taiwan's industrial value chain, technological advancement, and foreign investment strength are crucial factors in the economic progress of the Asia-Pacific region, fostering close trade and investment relations with Northeast and Southeast Asia. With the Regional Comprehensive Economic Partnership (RCEP) officially in effect since 2022 and the rising demand from global corporations for local manufacturing, coupled with Indonesia's ample water and electricity resources and lower labor costs, the group remains committed to investing in Indonesia. Plans are underway to increase equipment and commence production in the first quarter of 2024, thereby augmenting the group's revenue contribution.

(3) Regulatory environment

In 2023, Taiwan enacted the Climate Change Response Act, echoing the principles of the Paris Agreement and setting a target of achieving net zero greenhouse gas emissions by 2050. To achieve this objective, Taiwan will introduce carbon levies, aligning with the current global trend towards carbon pricing. Concurrently, the European Union has initiated climate defenses, with the trial implementation of the Carbon Border Adjustment Mechanism (CBAM) in 2023. Under this mechanism, carbon-intensive products imported into the EU must obtain CBAM Certificates to access the European market, with full implementation slated to commence in 2026. These initiatives underscore the global movement towards net zero goals in combating the climate crisis.

In light of global movements towards carbon neutrality, net zero emissions, green energy trends, and customer demands, the LEALEA Group is actively promoting the "LIBOLON Circular Economy of Green Energy Program," hastening the achievement of established objectives through initiatives like Solid Recovered Fuel (SRF) recycling, wind power generation, and recycling garment decolorization factory. Looking ahead, in partnership with REMONDIS, their factory production process will incorporate LIBOLON's green power supply from bottle flakes to granulation stages, subsequently providing recycled bottle granules to LEALEA for production, thereby advancing towards carbon reduction.

LEALEA Enterprises, supported by a stable financial footing and the advantages of affiliate companies, continually enhances operational efficiency while upholding corporate social responsibility. Confronting forthcoming shifts in international politics and economics, we remain committed to bolstering our global competitiveness, prioritizing forward-looking research and development, emphasizing quality enhancement, and actively driving green energy transition. Grounded in our commitments to "Service," "Quality," "Professionalism," and "Technology" as assurances to our clientele, each business unit strives to embody a culture of "Expertise, Excellence, Leadership," generating maximal value for shareholders, customers, and employees, and embracing new avenues for growth amidst evolving economic landscapes.

Best wishes to everyone for good health and success in all endeavors.

Chairperson: Kuo, Shao-yi Managerial officer: Chen, Han-ching Accounting supervisor: Hsu, Li-hsueh

II. Please check the 2023 Audit Committee's audit report.

Explanatory Notes: Audit Committee's audit report is as follows:

Audit Committee's Audit Report

The company's 2023 financial statements prepared by the board of directors, completed the review and concluded the audit report by CPAs Wu, Ke-chang and Hong, Kuo-tyan of Deloitte Touche Tohmatsu Limited, together with the business report and the motion of loss appropriation, the audit committee has reviewed that there are no discrepancies in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act. Please verify.

Sincerely to

2024 Regular Shareholders' Meeting of the Company

LEALEA ENTERPRISE CO., LTD.

Convener of Audit Committee: Lee, Daw-ming

March 29, 2024

III. Please check the status report on the remuneration distribution for employees and directors in 2023.

Explanatory Notes: Due to the loss before tax in 2023, there is no remuneration allocated to employees and directors.

Matters for Ratification

Item 1

Proposed by the Board of Directors

Proposal: Please ratify the motion of 2023 business report and financial statement.

Explanatory Notes:

- (1) The 2023 financial statements have been reviewed and verified by CPAs Wu, Ke-chang and Hong, Kuo-tyan of Deloitte Touche Tohmatsu Limited, together with the business report have been reviewed by the Audit Committee, and the audit report has been issued.
- (2) For business report, balance sheet, comprehensive income statements, equity change statements, cash flow statements and accountant's audit report, please refer to p.3 to p.6 and Appendix 1 (p.12 to p.32 of the handbook).

Resolution:

Item 2

Proposed by the Board of Directors

Proposal: Please ratify the motion of loss appropriation in 2023.**Explanatory Notes:**

- (1) The net loss after tax on the final business accounts for 2023 is NT\$ 273,375,657, The following table is the prepared loss appropriation for 2023 :

LEALEA ENTERPRISE CO., LTD.
Table of Loss Appropriation
2023

Unit:New Taiwan Dollars

Item	Amount	
Unallocated earnings at the beginning of the period		109,042,560
Actuarial gain (loss) on Defined Benefit Plans	22,680,911	
Changes in affiliates recognized under the equity method	(253,314)	
Using equity method to recognize in disposal of equity instruments at fair value through other profit or loss	2,615,356	
Loss after tax for the current period	(273,375,657)	
Net profit (loss) after tax added up items other than net profit (loss), and included in amount of unallocated earnings		(248,332,704)
Plus: Reversal of special surplus reserves (Note)		19,672,370
Loss to be made up at the end the period		(119,617,774)

Note: The reversal of special surplus reserves is carried out as mandated by Article 41 of the Securities and Exchange Act.

Chairperson: Kuo, Shao-yi

Managerial officer: Chen, Han-ching

Accounting supervisor: Hsu, Li-hsueh

Resolution:

Extemporary Motion

Meeting Adjourned

Attachments 1

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Lealea Enterprise Corporation Limited:

Opinion

We have audited the accompanying consolidated financial statements of Lealea Enterprise Corporation Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

Per opinions of our accountants, the consolidated financial statements mentioned in paragraph one have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and interpretations and announcements endorsed and issued into effected by the Financial Supervisory Commission of the Republic of China in all material aspects, and can be reasonably assessed to present the consolidated financial conditions of the Company and its subsidiaries as of December 31, 2023 and 2022, as well as the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2023 and 2022.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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 do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

The authenticity of sales revenue from specific customers

The operating income of Lealea Enterprise Co., Ltd. and its subsidiaries in 2023 decreased compared with that in 2022. However, the amount of customer sales income of some bottled ester granule products increased compared with previous years. Due to the actual occurrence of sales income, relevant income was recognized and the fair expression of the consolidated

financial report, because this accountant has listed whether the sales revenue of specific growing bottle ester granules customers is actually generated as a key audit matter in 2023. For accounting policies and disclosure information related to the recognition of sales revenue, please refer to Note 4.

The main auditing procedures adopted by the accountants with regard to the issues described above are to understand the effectiveness of internal controls concerning sales management procedures related to the revealed sales revenue, test the effectiveness of design and execution related to internal control, execute test of details of revenue, take random inspections on customer orders as well as relevant documents and certificates of shipment and payment collection and raise requests for confirmation letters in order to assure the authenticity of sales revenue.

Other Matter

The financial statements of some of the investee companies that were processed using the equity method in the consolidated financial report of the years ended December 31, in 2023 were not reviewed by this accountant, but were reviewed by other accountants. Therefore, in the opinions expressed by our accountants on the consolidated financial report, the amounts listed in the financial statements of the investee companies that are treated using the equity method are based on the audit reports of other accountants. The investment amount of the above-mentioned invested company in the accounts was NT\$1,159,736 thousand, accounting for 6.07% of the total assets. From January 1 to December 31, 2023, the share of the above-mentioned investee company's comprehensive profits and losses of affiliated enterprises recognized using the equity method was NT\$24,239 thousand,

We have also audited the individual financial statements of Lealea Enterprise Corporation Limited as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing 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 taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

In the communications between us and the Company's governing body, we have determined the key audit items from 2023 consolidated financial statements of the Company and its subsidiaries. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

The engagement partners on the audit resulting in this independent auditors' report are
Wu, Ke-Chang and Hong, Kuo-Tyan

Deloitte & Touche
Taipei, Taiwan

March 22, 2024

LEALEA ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
For The Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4, 6)	\$ 1,075,863	6	\$ 1,496,152	8
1110	Financial assets at fair value through profit or loss – Current (Note 4, 7)	231,072	1	98,215	-
1150	Notes receivable, net (Note 4, 8)	54,931	-	74,836	-
1160	Notes Receivable from related parties, net (Note 4, 8, 26)	106,244	1	87,711	-
1170	Accounts receivable, net (Note 4, 8)	380,058	2	490,546	3
1180	Accounts Receivable from related parties, net (Note 4, 8, 26)	90,217	1	96,494	-
1210	Advance loans to related parties (Note 26)	643,000	3	185,000	1
1310	Inventories – Manufacturing & Merchandising businesses (Note 4, 9)	2,341,926	12	3,037,274	16
1320	Inventories – construction (Note 4, 9)	970,631	5	896,330	5
1410	Prepayments	117,780	1	146,855	1
1476	Other financial assets – Current (Note 6)	53,135	-	120,776	1
1479	Other current assets	8	-	153	-
11XX	Total current assets	<u>6,064,865</u>	<u>32</u>	<u>6,730,342</u>	<u>35</u>
	NONCURRENT ASSETS				
1510	Financial assets at fair value through profit or loss – Noncurrent (Note 4, 7)	373	-	373	-
1517	Financial assets at fair value through Other comprehensive gains and losses – Noncurrent (Note 4, 10, 11)	16,719	-	-	-
1550	Investments accounted for using equity method (Note 4, 13)	4,839,374	25	4,851,638	26
1600	Property, plant and equipment (Note 4, 14)	6,916,106	36	6,799,626	36
1755	Right-of-use assets (Note 4, 15)	19,181	-	34,466	-
1760	Investment property (Note 4, 16)	338,141	2	336,293	2
1780	Other intangible assets	3,748	-	4,660	-
1805	Goodwill	63,337	-	63,337	-
1840	Deferred income tax assets (Note 4, 21)	147,023	1	112,200	1
1915	Prepayments for business facilities	250,791	1	36,974	-
1990	Other noncurrent assets – Others (Note 14)	451,011	3	27,415	-
15XX	Total noncurrent assets	<u>13,045,804</u>	<u>68</u>	<u>12,266,982</u>	<u>65</u>
1XXX	Total liabilities	<u>\$ 19,110,669</u>	<u>100</u>	<u>\$ 18,997,324</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Note 17)	\$ 3,400,000	18	\$ 3,740,000	20
2110	Short-term bills payable (Note 17)	30,000	-	350,000	2
2120	Financial liabilities at fair value through profit or loss – Current (Note 4, 7)	70,416	-	111	-
2150	Notes payable	45,007	-	42,178	-
2160	Notes payables to related parties (Note 26)	24,555	-	25,474	-
2170	Accounts payable	440,886	2	305,819	2
2180	Accounts payables to related parties (Note 26)	82,413	1	50,779	-
2219	Other payables	430,476	2	450,349	2
2220	Advance loans to related parties (Note 26)	551,152	3	174,710	1
2230	Current income tax liabilities (Note 21)	2,395	-	88,245	-
2280	Lease liabilities – Current (Note 4, 15)	16,882	-	17,605	-
2320	Long-term liabilities – Current portion (Note 17)	207,500	1	100,000	1
2399	Other current liabilities (Note 12)	128,295	1	138,640	1
21XX	Total current liabilities	<u>5,429,977</u>	<u>28</u>	<u>5,483,910</u>	<u>29</u>
	NONCURRENT LIABILITIES				
2540	Long-term borrowings (Note 17)	1,342,500	7	950,000	5
2570	Deferred income tax liabilities – Noncurrent (Note 4, 21)	97,098	1	107,218	-
2580	Lease liabilities – Noncurrent (Note 4, 15)	2,701	-	17,681	-
2640	Net defined liabilities – Noncurrent (Note 4, 18)	283,620	1	307,457	2
2645	Guarantee deposits	6,783	-	6,930	-
2670	Other noncurrent liabilities	794	-	794	-
25XX	Total noncurrent liabilities	<u>1,733,496</u>	<u>9</u>	<u>1,390,080</u>	<u>7</u>
2XXX	Total liabilities	<u>7,163,473</u>	<u>37</u>	<u>6,873,990</u>	<u>36</u>
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (NOTE 19)				
	Capital stock				
3110	Capital – Common stock	9,955,950	52	9,573,029	50
3200	Capital surplus	97,220	1	96,331	1
	Retained earnings				
3310	Appropriated as legal capital reserve	619,739	3	568,101	3
3320	Appropriated as special capital reserve	60,136	1	40,464	-
3350	Unappropriated earnings	(139,290)	(1)	563,274	3
3300	Total retained earnings	540,585	3	1,171,839	6
3400	Others	78,012	-	(19,672)	-
3500	Treasury stock	(28,470)	-	(28,470)	-
31XX	Equity attributable to shareholders of the parent	<u>10,643,297</u>	<u>56</u>	<u>10,793,057</u>	<u>57</u>
36XX	NON-CONTROLLING INTERESTS (Note 19)	<u>1,303,899</u>	<u>7</u>	<u>1,330,277</u>	<u>7</u>
3XXX	Total equity	<u>11,947,196</u>	<u>63</u>	<u>12,123,334</u>	<u>64</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$ 19,110,669</u>	<u>100</u>	<u>\$ 18,997,324</u>	<u>100</u>

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

Chairman: Kuo, Shao-Yi

Manager: Chen, Hang-Ching

Accounting Supervisor: Hsu, Li-Hsueh

LEALEA ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For The Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

Code		2023		2022	
		Amount	%	Amount	%
	OPERATING REVENUE (Note 4, 26, 31)				
4100	Sales revenue	\$ 8,149,113	100	\$ 12,230,309	100
4500	Construction and engineering revenue	-	-	6,917	-
4000	OPERATING REVENUE	<u>8,149,113</u>	<u>100</u>	<u>12,237,226</u>	<u>100</u>
	COST OF REVENUE (Note 9, 26)				
5110	Cost of sales	8,210,127	100	11,185,719	92
5500	Cost of construction and engineering service sales	-	-	-	-
5000	COST OF REVENUE	<u>8,210,127</u>	<u>100</u>	<u>11,185,719</u>	<u>92</u>
5900	GROSS PROFIT	(61,014)	-	1,051,507	8
5910	GROSS PROFIT BEFORE UNREALIZED WITH ASSOCIATES	<u>10,619</u>	<u>-</u>	<u>988</u>	<u>-</u>
5950	REALIZED GROSS PROFIT	(<u>50,395</u>)	<u>-</u>	<u>1,052,495</u>	<u>8</u>
	OPERATING EXPENSE (Note 26)				
6100	Marketing expenses	290,566	4	764,152	6
6200	General and administrative	215,521	3	217,981	2
6300	Research and development	37,672	-	32,137	-
6450	Expected credit impairment loss (gain)	(<u>3,841</u>)	<u>-</u>	(<u>3,008</u>)	<u>-</u>
6000	Total operating expenses	<u>539,918</u>	<u>7</u>	<u>1,011,262</u>	<u>8</u>
6900	OPERATING INCOME	(<u>590,313</u>)	(<u>7</u>)	<u>41,233</u>	<u>-</u>
	NON-OPERATING INCOME AND EXPENSE (Note 20, 26)				
7100	Interest income	66,173	1	35,791	-
7140	Gain recognized in bargain purchase transaction — Affiliated associations acquisition	19,104	-	10,920	-
7190	Other income	186,370	2	162,564	2
7020	Other gains and losses	116,765	2	379,876	3
7050	Finance costs	(78,049)	(1)	(66,560)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	(<u>78,194</u>)	(<u>1</u>)	<u>27,260</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>232,169</u>	<u>3</u>	<u>549,851</u>	<u>5</u>

Code		2023		2022	
		Amount	%	Amount	%
7900	INCOME BEFORE INCOME TAX	(\$ 358,144)	(4)	\$ 591,084	5
7950	INCOME TAX EXPENSE (Note 19)	43,080	-	(122,507)	(1)
8200	NET INCOME	(315,064)	(4)	468,577	4
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit obligation	20,309	-	30,823	-
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	76,022	1	(192,337)	(2)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising on translation of foreign operations	42,220	1	(12,847)	-
8300	Other comprehensive loss for the year, net of income tax	138,551	2	(174,361)	(2)
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(\$ 176,513)	(2)	\$ 294,216	2
	NET INCOME (LOSS) ATTRIBUTABLE TO:				
8610	Shareholders of the parent	(\$ 273,376)	(3)	\$ 489,757	4
8620	Non-controlling interests	(41,688)	(1)	(21,180)	-
8600		(\$ 315,064)	(4)	\$ 468,577	4
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
8710	Shareholders of the parent	(\$ 150,396)	(2)	\$ 321,391	2
8720	Non-controlling interests	(26,117)	-	(27,175)	-
8700		(\$ 176,513)	(2)	\$ 294,216	2
	EARNINGS PER SHARE (Note 20) FROM CONTINUING OPERATION				
9710	Basic earnings per share	(\$ 0.28)		\$ 0.49	
9810	Diluted earnings per share			\$ 0.49	

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

Chairman: Kuo, Shao-Yi Manager: Chen, Hang-Ching Accounting Supervisor: Hsu, Li-Hsueh

LEALEA ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
For The Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent											
		Capital Stock-Common Stock			Retained Earnings			Equity Adjustments					
Code		Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total Equity Attributable To The Parent	Non-controlling Interests	Total Equity
A1	BALANCE DECEMBER 31, 2021	957,303	\$ 9,573,029	\$ 92,954	\$ 530,980	\$ 40,464	\$ 371,211	(\$ 159,518)	\$ 336,181	(\$ 28,470)	\$ 10,756,831	\$ 1,187,124	\$ 11,943,955
	2021 Appropriation of earnings												
B1	Legal capital reserve	-	-	-	37,121	-	(37,121)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(287,191)	-	-	-	(287,191)	-	(287,191)
O1	Cash dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(11,070)	(11,070)
M1	Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	3,233	-	-	-	-	-	-	3,233	-	3,233
	Adjustments to other capital surplus:												
C7	Adjustments to share of changes in equities of associates	-	-	144	-	-	(1,351)	-	-	-	(1,207)	67	(1,140)
O1	Non-controlling interests (Note 19)	-	-	-	-	-	-	-	-	-	-	181,331	181,331
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income, accounted for using equity method	-	-	-	-	-	2,177	-	(2,177)	-	-	-	-
D1	Net income (loss) in 2022	-	-	-	-	-	489,757	-	-	-	489,757	(21,180)	468,577
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	-	25,792	(8,741)	(185,417)	-	(168,366)	(5,995)	(174,361)
D5	Total comprehensive income (loss) in 2022	-	-	-	-	-	515,549	(8,741)	(185,417)	-	321,391	(27,175)	294,216
Z1	BALANCE DECEMBER 31, 2022	957,303	9,573,029	96,331	568,101	40,464	563,274	(168,259)	148,587	(28,470)	10,793,057	1,330,277	12,123,334
	2022 Appropriation of earnings												
B1	Legal capital reserve	-	-	-	51,638	-	(51,638)	-	-	-	-	-	-
B3	Legal special capital reserve	-	-	-	-	19,672	(19,672)	-	-	-	-	-	-
B9	Stock dividends	38,292	382,921	-	-	-	(382,921)	-	-	-	-	-	-
	Adjustments to other capital surplus:												
C7	Adjustments to share of changes in equities of associates	-	-	1,996	-	-	(253)	-	-	-	1,743	(261)	1,482
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income, accounted for using equity method	-	-	-	-	-	2,615	-	(2,615)	-	-	-	-
M3	Punish investments accounted for using equity method	-	-	(1,107)	-	-	-	-	-	-	(1,107)	-	(1,107)
D1	Net income (loss) in 2023	-	-	-	-	-	(273,376)	-	-	-	(273,376)	(41,688)	(315,064)
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	22,681	29,803	70,496	-	122,980	15,571	138,551
D5	Total comprehensive income (loss) in 2023	-	-	-	-	-	(250,695)	29,803	70,496	-	(150,396)	(26,117)	(176,513)
Z1	BALANCE DECEMBER 31, 2023	995,595	\$ 9,955,950	\$ 97,220	\$ 619,739	\$ 60,136	(\$ 139,290)	(\$ 138,456)	\$ 216,468	(\$ 28,470)	\$ 10,643,297	\$ 1,303,899	\$ 11,947,196

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

Chairman: Kuo, Shao-Yi

Manager: Chen, Hang-Ching

Accounting Supervisor: Hsu, Li-Hsueh

LEALEA ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	(\$ 358,144)	\$ 591,084
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	613,613	667,263
A20200	Amortization expense	59,007	81,287
A20300	Expected credit impairment losses	(3,841)	(3,008)
A20900	Finance costs	78,049	66,560
A21200	Interest income	(66,173)	(35,791)
A21300	Dividend income	(1,190)	(2,508)
A20400	Loss (gain) on financial assets or liabilities at fair value through profit or loss, net	83,771	(13,374)
A22300	Share of profits of associates & joint ventures	78,194	(27,260)
A22500	Loss (gain) on disposal or retirement of property, plant and equipment	(12,923)	(2,895)
A23100	Disposal of loss (gain) on investment	12,629	(51)
A23700	Impairment loss (gain) on inventory	(62,109)	107,554
A23700	Impairment losses of property, plant and equipment	347	71
A23900	Unrealized gain from inter-affiliated accounts	(10,619)	(988)
A24100	Loss (gain) on foreign exchange	42,672	(25,692)
A29900	Gain recognized in bargain purchase transaction	(19,104)	(10,920)
A29900	Lease Modification Benefit	-	(38)
A30000	CHANGES IN OPERATING ASSETS AND LIABILITIES		
A31115	Collect financial assets at fair value through profit or loss	(133,792)	67,266
A31130	Notes receivable	1,562	94,139
A31150	Accounts receivable	114,715	397,429
A31200	Inventories	682,065	(60,292)
A31230	Prepayments	76,942	157,869
A31240	Other current assets	145	(44)
A31250	Other financial assets	78,014	383,982
A31990	Other assets	2,769	(743)
A32130	Notes and bills payable	1,910	(96,702)

Code		2023	2022
A32150	Accounts payable	\$ 172,118	(\$ 592,724)
A32180	Other payables	(26,299)	(118,149)
A32230	Other current liabilities	(9,995)	(169,881)
A32240	Net defined benefit liability	(4,090)	(14,119)
A33000	Net cash generated by operating activities	1,390,243	1,439,325
A33100	Interest received	64,890	34,969
AC0200	Dividend received	1,190	2,508
A33200	Dividends received from associates	23,382	37,366
A33300	Interest paid	(76,729)	(65,131)
A33500	Income tax received (paid)	(96,046)	(19,581)
AAAA	Net cash flows from operating activities	<u>1,306,930</u>	<u>1,429,456</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
B00100	Acquisition of financial assets measured at fair value through other comprehensive profit or loss	(17,960)	-
B01800	Acquisition of long-term equity investment using the equity method	(48,584)	(34,306)
B01900	Disposal of long-term equity investments using the equity method	44,093	5,994
B02700	Acquisition of property, plant and equipment	(997,211)	(524,036)
B02800	Disposal of property, plant and equipment	16,907	3,668
B03800	Increase (decrease) in guarantee deposits paid	(1,806)	(2,385)
B04300	Increase (decrease) in refundable guarantee deposits	(458,000)	(32,000)
B04500	Increase (decrease) in advance loans from related parties	(1,957)	(4,260)
B05400	Acquisition of Intangible Assets		
	Purchase of investment property	(6,150)	-
B06500	Increase Other financial assets	(424,796)	-
BBBB	Net cash used in investing activities	<u>(1,895,464)</u>	<u>(587,325)</u>
CASH FLOWS FROM FINANCIING ACTIVITIES			
C00100	Increase (decrease) in short-term loans	(340,000)	134,263
C00500	Decrease in short-term bills payable	(320,000)	(910,000)
C01600	Long-term borrowings	1,550,000	1,500,000
C01700	Repayment of long-term borrowings	(1,050,000)	(1,275,000)
C03100	Increase in guarantee deposits received	612	3,047
C03700	Increase (decrease) in advance loans payable to related parties	377,343	(430,976)
C04020	Repayment of the principal portion of lease liabilities	(17,514)	(11,891)
C04500	Cash dividends paid	-	(283,958)
C05800	Cash dividends to non-controlling interests	-	(11,070)
C05800	Non-controlling interests change	-	180,030
CCCC	Net cash used in financing activities	<u>200,441</u>	<u>(1,105,555)</u>

DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(\$ 32,196)</u>	<u>\$ 16,332</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(420,289)	(247,092)
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,496,152</u>	<u>1,743,244</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,075,863</u>	<u>\$ 1,496,152</u>

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

Chairman: Kuo, Shao-Yi Manager: Chen, Hang-Ching Accounting Supervisor: Hsu, Li-Hsueh

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Lealea Enterprise Corporation Limited:

Opinion

We have audited the accompanying parent company only financial statements of Lealea Enterprise Corporation Limited (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

Per opinions of our accountants, the parent company only financial statements mentioned in paragraph one have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, and can be reasonably assessed to present the parent company only financial conditions of the Company as of December 31, 2023 and 2022, as well as the parent company only financial performance and parent company only cash flow from January 1 to December 31, 2023 and 2022.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit results of this accountant and the audit reports of other accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only

financial statements as a whole, and in forming our opinion thereon, and do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Authenticity of specific customer sales revenue

The operating income of LEALEA ENTERPRISE Co., Ltd. in 2023 decreased compared with that in 2022, while the amount of sales revenue from customers of some bottled ester granule products increased compared with previous years. Since the actual occurrence of sales revenue will be relevant to revenue recognition and financial reporting. To be fair, this accountant has listed whether the sales revenue of specific customers of ester granules for growing bottles is actually generated as a key audit matter in 2023.

The main auditing procedures adopted by the accountants with regard to the issues described above are to understand the effectiveness of internal controls concerning sales management procedures related to the revealed sales revenue, test the effectiveness of design and execution related to internal control, execute test of details of revenue, take random inspections on customer orders as well as relevant documents and certificates of shipment and payment collection and raise requests for confirmation letters in order to assure the authenticity of sales revenue.

Other Matter

The financial statements of some of the investee companies that were processed using the equity method in the individual financial reports of the years ended December 31, in 2023 were not reviewed by this accountant, but were reviewed by other accountants. Therefore, in the opinions expressed by our accountants on the above-mentioned individual financial reports, the amounts listed in the financial statements of some investee companies that are treated using the equity method are based on the audit reports of other accountants. The investment amount of the above-mentioned invested company in the accounts of the above-mentioned invested company using the equity method was NT\$1,070,566 thousand, accounting for 6.28% of the total assets; from January 1 to December 31, the above-mentioned invested company was recognized using the equity method. The share of the comprehensive profits and losses of the affiliated enterprises was NT\$21,459 thousand.

Responsibilities of Management and Those Charged with Governance for the Parent Company only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial

Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identified and evaluated the risk of material misstatement due to fraud or error of the parent company only financial statements; designed and carried out appropriate countermeasures for the evaluated risks; obtained sufficient and appropriate evidence as the basis for the audit opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to

continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

In the communications between us and the Company's governing body, we have determined the key audit items from 2023 parent company only financial statements. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

The engagement partners on the audit resulting in this independent auditors' report are Wu, Ke-Chang and Hong, Kuo-Tyan.

Deloitte & Touche
Taipei, Taiwan

March 22, 2024

LEALEA ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
For The Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT ASSETS					
1100	Cash and cash equivalents (Note 4, 6)	\$ 984,438	6	\$ 1,361,131	8
1110	Financial assets at fair value through profit or loss—Current (Note 4, 7)	70,003	-	87,069	1
1150	Notes receivable, net (Note 4, 8)	38,797	-	57,662	-
1160	Notes Receivable from related parties, net (Note 4,8, 22)	85,167	1	56,325	-
1170	Accounts receivable, net (Note 4, 8)	240,259	1	304,467	2
1180	Accounts Receivable from related parties, net (Note 4,8, 22)	78,888	1	87,692	1
1210	Advance loans to related parties (Note 22)	1,043,681	6	429,940	2
1310	Inventories—Textile business (Note 4, 9)	1,657,939	10	2,308,675	13
1320	Inventories - Construction (Note 4, 9)	970,631	6	896,330	5
1410	Prepayments	55,616	-	105,065	1
1476	Other financial assets—Current(Note 6)	53,359	-	120,679	1
11XX	Total current assets	<u>5,278,778</u>	<u>31</u>	<u>5,815,035</u>	<u>34</u>
NONCURRENT ASSETS					
1510	Financial assets at fair value through profit or loss—Noncurrent (Note 4, 7)	373	-	373	-
1550	Investments accounted for using equity method (Note 4, 10)	6,242,174	36	6,228,011	36
1600	Property, plant and equipment (Note 4, 11)	4,549,372	27	4,851,584	28
1755	Right-of-use assets (Note 4, 12)	188	-	366	-
1760	Investment property (Note 4, 13)	296,079	2	292,417	2
1780	Other intangible assets	3,749	-	4,594	-
1840	Deferred income tax assets (Note 4, 18)	117,219	1	83,586	-
1915	Prepayments for business facilities	137,166	1	36,974	-
1990	Other noncurrent assets—Others(Note 11, 22)	426,092	2	3,671	-
15XX	Total noncurrent assets	<u>11,772,412</u>	<u>69</u>	<u>11,501,576</u>	<u>66</u>
1XXX	TOTAL ASSETS	<u>\$ 17,051,190</u>	<u>100</u>	<u>\$ 17,316,611</u>	<u>100</u>
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
2100	Short-term loans (Note 14)	\$ 3,400,000	20	\$ 3,600,000	21
2110	Short-term bills payable (Note 14)	30,000	-	300,000	2
2120	Financial liabilities at fair value through profit or loss—Current (Note 4, 7)	70,416	1	111	-
2150	Notes payable	44,357	-	41,056	-
2160	Notes payables to related parties (Note 22)	24,555	-	25,445	-
2170	Accounts payable	225,302	1	254,149	1
2180	Accounts payables to related parties (Note 22)	39,315	-	24,587	-
2200	Other payables	364,649	2	404,623	2
2220	Advance loans to related parties (Note 22)	236,000	2	257,000	1
2230	Tax liabilities (Note 18)	1,745	-	86,802	1
2280	Lease liabilities—Current (Note 4, 12)	192	-	183	-
2320	Long-term liabilities—Current portion (Note 14)	207,500	1	100,000	1
2399	Other current liabilities	114,692	1	124,663	1
21XX	Total current liabilities	<u>4,758,723</u>	<u>28</u>	<u>5,218,619</u>	<u>30</u>
NONCURRENT LIABILITIES					
2540	Long-term borrowings (Note 14)	1,342,500	8	950,000	6
2573	Deferred income tax liabilities—Noncurrent (Note 4, 18)	96,653	1	106,379	1
2580	Lease liabilities—Noncurrent (Note 4, 12)	-	-	186	-
2640	Net defined liabilities—Noncurrent (Note 4, 15)	203,235	1	242,439	1
2645	Guarantee deposits	6,782	-	5,931	-
25XX	Total noncurrent liabilities	<u>1,649,170</u>	<u>10</u>	<u>1,304,935</u>	<u>8</u>
2XXX	Total liabilities	<u>6,407,893</u>	<u>38</u>	<u>6,523,554</u>	<u>38</u>
EQUITY (NOTE 16)					
Capital stock					
3110	Capital—Common stock	9,955,950	58	9,573,029	55
3200	Capital surplus	97,220	1	96,331	-
Retained earnings					
3310	Appropriated as legal capital reserve	619,739	4	568,101	4
3320	Appropriated as special capital reserve	60,136	-	40,464	-
3350	Unappropriated earning	(139,290)	(1)	563,274	3
3300	Total retained earnings	<u>540,585</u>	<u>3</u>	<u>1,171,839</u>	<u>7</u>
3400	Others	78,012	-	(19,672)	-
3500	Treasury stock	(28,470)	-	(28,470)	-
3XXX	Total equity	<u>10,643,297</u>	<u>62</u>	<u>10,793,057</u>	<u>62</u>
TOTAL LIABILITIES AND EQUITY					
		<u>\$ 17,051,190</u>	<u>100</u>	<u>\$ 17,316,611</u>	<u>100</u>

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

Chairman: Kuo, Shao-Yi

Manager: Chen, Hang-Ching

Accounting Supervisor: Hsu, Li-Hsueh

LEALEA ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For The Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

Code		2023		2022	
		Amount	%	Amount	%
	OPERATING REVENUE (Note 4,22)				
4100	Sales revenue	\$ 6,488,051	100	\$ 10,184,401	100
4500	Construction and engineering revenue	<u>-</u>	<u>-</u>	<u>6,917</u>	<u>-</u>
4000	OPERATINGREVENUE	<u>6,488,051</u>	<u>100</u>	<u>10,191,318</u>	<u>100</u>
	COST OF REVENUE (Note 9,22)				
5110	Cost of sales	6,693,089	103	9,322,672	92
5500	Cost of construction and engineering service sales	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5000	COST OF REVENUE	<u>6,693,089</u>	<u>103</u>	<u>9,322,672</u>	<u>92</u>
5900	GROSS (LOSS) PROFIT	(205,038)	(3)	868,646	8
5910	GROSS PROFIT BEFORE UNREALIZED WITH SUBSIDIARIES AND ASSOCIATES	<u>12,069</u>	<u>-</u>	<u>3,012</u>	<u>-</u>
5950	REALIZED GROSS PROFIT	(<u>192,969</u>)	(<u>3</u>)	<u>871,658</u>	<u>8</u>
	OPERATING EXPENSE (Note 22)				
6100	Marketing expenses	194,873	3	673,092	7
6200	General and administrative	122,767	2	129,164	1
6300	Research and development	35,842	-	32,137	-
6450	Expected credit loss (gain) on reversal of impairment loss	(<u>1,484</u>)	<u>-</u>	(<u>2,528</u>)	<u>-</u>
6000	Total operating expenses	<u>351,998</u>	<u>5</u>	<u>831,865</u>	<u>8</u>
6900	OPERATING INCOME	(<u>544,967</u>)	(<u>8</u>)	<u>39,793</u>	<u>-</u>
	NON-OPERATING INCOME AND EXPENSE (Note 17, 22)				
7100	Interest income	73,445	1	40,173	1
7140	Gain recognized in bargain purchase transaction — Affiliated associations acquisition	6,176	-	-	-
7010	Other income	182,663	3	151,545	2
7020	Other gains and losses	123,820	2	445,677	4

C o d e		2023		2022	
		Amount	%	Amount	%
7050	Finance costs	(\$ 82,462)	(2)	(\$ 62,838)	(1)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	(76,890)	(1)	(2,524)	-
7000	Total non-operating income and expenses	<u>226,752</u>	<u>3</u>	<u>572,033</u>	<u>6</u>
7900	INCOME BEFORE INCOME TAX	(318,215)	(5)	611,826	6
7950	INCOME TAX (EXPENSE) PROFIT (Note 18)	<u>44,839</u>	<u>1</u>	(<u>122,069</u>)	(<u>1</u>)
8200	NET INCOME	(<u>273,376</u>)	(<u>4</u>)	<u>489,757</u>	<u>5</u>
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit obligation	22,300	-	13,221	-
8330	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	70,877	1	(172,846)	(2)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising on translation of foreign operations	<u>29,803</u>	<u>1</u>	(<u>8,741</u>)	<u>-</u>
8300	Other comprehensive loss for the year, net of income tax	<u>122,980</u>	<u>2</u>	(<u>168,366</u>)	(<u>2</u>)
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(<u>\$ 150,396</u>)	(<u>2</u>)	<u>\$ 321,391</u>	<u>3</u>
	EARNINGS (LOSS) PER SHARE (Note 19) FROM CONTINUING OPERATION				
9710	Basic earnings per share	(<u>\$ 0.28</u>)		<u>\$ 0.49</u>	
9810	Diluted earnings per share			<u>\$ 0.49</u>	

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

Chairman: Kuo, Shao-Yi Manager: Chen, Hang-Ching Accounting Supervisor: Hsu, Li-Hsueh

LEALEA ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGE IN EQUITY
For The Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

C o d e	Capital Stock-Common Stock			Retained Earnings			Equity Adjustments				Total Equity
	Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock		
A1	BALANCE JANUARY 1, 2022	957,303	\$ 9,573,029	\$ 92,954	\$ 530,980	\$ 40,464	\$ 371,211	(\$ 159,518)	\$ 336,181	(\$ 28,470)	\$ 10,756,831
B1	2021 Appropriation of earnings	-	-	-	-	-	-	-	-	-	-
B5	Legal capital reserve	-	-	-	37,121	-	(37,121)	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(287,191)	-	-	-	(287,191)
M1	Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	3,233	-	-	-	-	-	-	3,233
C7	Adjustments to other capital surplus:	-	-	-	-	-	-	-	-	-	-
	Adjustments to share of changes in equities of associates	-	-	144	-	(1,351)	-	-	-	-	(1,207)
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income, accounted for using equity method	-	-	-	-	2,177	-	(2,177)	-	-	-
D1	Net income in 2022	-	-	-	-	489,757	-	-	-	-	489,757
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	25,792	(8,741)	(185,417)	-	-	(168,366)
D5	Total comprehensive income (loss) in 2022	-	-	-	-	515,549	(8,741)	(185,417)	-	-	321,391
Z1	BALANCE DECEMBER 31, 2022	957,303	9,573,029	96,331	568,101	40,464	563,274	(168,259)	148,587	(28,470)	10,793,057
B1	2022 Appropriation of earnings	-	-	-	-	-	-	-	-	-	-
B3	Legal capital reserve	-	-	-	51,638	-	(51,638)	-	-	-	-
B9	Legal special capital reserve	-	-	-	-	19,672	(19,672)	-	-	-	-
B9	Stock dividends	38,292	382,921	-	-	-	(382,921)	-	-	-	-
C7	Adjustments to other capital surplus:	-	-	-	-	-	-	-	-	-	-
	Adjustments to share of changes in equities of associates	-	-	1,996	-	(253)	-	-	-	-	1,743
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income, accounted for using equity method	-	-	-	-	2,615	-	(2,615)	-	-	-
M3	Punish investments accounted for using equity method	-	-	(1,107)	-	-	-	-	-	-	(1,107)
D1	Net income (loss) in 2023	-	-	-	-	(273,376)	-	-	-	-	(273,376)
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	22,681	29,803	70,496	-	-	122,980
D5	Total comprehensive income (loss) in 2023	-	-	-	-	(250,695)	29,803	70,496	-	-	(150,396)
Z1	BALANCE DECEMBER 31, 2023	995,595	\$ 9,955,950	\$ 97,220	\$ 619,739	\$ 60,136	(\$ 139,290)	(\$ 138,456)	\$ 216,468	(\$ 28,470)	\$ 10,643,297

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

Chairman: Kuo, Shao-Yi

Manager: Chen, Hang-Ching

Accounting Supervisor: Hsu, Li-Hsueh

LEALEA ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	(\$ 318,215)	\$ 611,826
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	489,139	548,907
A20200	Amortization expense	58,614	81,070
A20300	Expected credit gain on reversal of impairment loss	(1,484)	(2,528)
A20900	Finance costs	82,462	62,838
A21200	Interest income	(73,445)	(40,173)
A21300	Dividend income	(1,123)	(2,162)
A20400	Loss (gain) on financial assets or liabilities at fair value through profit or loss, net	86,397	(14,581)
A22300	Share of profits (loss) of subsidiaries, associates and joint ventures accounted for using equity method	76,890	2,524
A22500	Gain on disposal or retirement of property, plant and equipment	(9,298)	(2,077)
A23100	Disposal of investment losses	1,207	-
A23700	Impairment loss (gain) on inventory	(49,802)	110,897
A23700	Impairment loss on Property, plant and equipment	347	71
A23900	Unrealized (realized) gain from inter-affiliated accounts	(12,069)	(3,012)
A24100	Loss on foreign exchange	61,250	(47,216)
A29900	Gain recognized in bargain purchase transaction	(6,176)	-
A30000	CHANGES IN OPERATING ASSETS AND LIABILITIES		
A31115	Collect financial assets at fair value through profit or loss	6,390	-
A31130	Notes receivable	(9,787)	97,601
A31150	Accounts receivable	71,406	415,839
A31200	Inventories	626,237	(72,194)
A31230	Prepayments	101,230	(20,062)
A31250	Other financial assets	75,329	386,022
A31990	Other assets	68	(5)
A32130	Notes and bills payable	2,411	(97,305)
A32150	Accounts payable	(14,136)	(348,796)
A32180	Other payables	(46,446)	(150,131)
A32230	Other current liabilities	(9,971)	(175,214)
A32240	Net defined benefit liability	(16,904)	(17,840)
A33000	Net cash generated by operating activities	1,170,521	1,324,299

Code		2023	2022
A33100	Interest received	\$ 71,803	\$ 39,233
A33200	Dividend received	1,123	2,162
A33200	Dividends received from associates	23,382	63,196
A33300	Interest paid	(82,112)	(61,021)
A33500	Income tax paid	(88,920)	(6,927)
AAAA	Net cash flows from operating activities	1,095,797	1,360,942
CASH FLOWS FROM INVESTING ACTIVITIES			
B01800	Acquisition of long-term equity investment using the equity method	(13,868)	(420,070)
B01900	Disposal of long-term equity investment using the equity method	12,657	-
B02700	Acquisition of property, plant and equipment	(390,690)	(302,360)
B02800	Disposal of property, plant and equipment	13,281	2,850
B03700	Increase (decrease) in refundable guarantee deposits	(1,396)	(2,386)
B04300	Decrease in advance loans from related parties	(636,325)	87,994
B04500	Acquisition of Intangible assets	(1,796)	(4,260)
B05400	Purchase of investment property	(6,150)	-
B06500	Increase Other financial assets	(424,796)	-
BBBB	Net cash used in investing activities	(1,449,083)	(638,232)
CASH FLOWS FROM FINANCIING ACTIVITIES			
C00100	Increase in short-term loans	(200,000)	150,000
C00500	Increase (decrease) in short-term bills payable	(270,000)	(960,000)
C01600	Long-term borrowings	1,550,000	1,500,000
C01700	Repayment of long-term borrowings	(1,050,000)	(1,275,000)
C03100	Increase in guarantee deposits received	1,406	2,324
C03700	Increase (decrease) in advance loans payable to related parties	(21,000)	(89,000)
C04020	Repayment of the principal portion of lease liabilities	(189)	(181)
C04500	Cash dividends paid	-	(287,191)
CCCC	Net cash used in financing activities	10,217	(959,048)
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(33,624)	18,307
EEEE	NET DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS	(376,693)	(218,031)
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,361,131	1,579,162
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 984,438	\$ 1,361,131

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

Chairman: Kuo, Shao-Yi Manager: Chen, Hang-Ching Accounting Supervisor: Hsu, Li-Hsueh

Attachments 2

LEALEA ENTERPRISE CO., LTD.

Rules of Procedure for Shareholders Meetings

Amended on March 29, 2021.

- Article 1 The company's shareholders' meeting is conducted in accordance with these rules.
- Article 2 The "shareholders" mentioned in these rules refer to the shareholders themselves and their agents and solicitors as regulated by the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".
- Article 3 Shareholders attending the shareholders meeting should present their attendance sign card or other attendance certificates to complete the procedures for attending the shareholders meeting; and should bring the original identification documents or other certification documents approved by the company, so that the staff can check it when necessary before going through the attendance. The number of attending shares shall be calculated based on the attendance card or other attendance certificates that have completed attendance procedures, plus the number of shares exercising voting rights electronically.
- Article 4 The place of the shareholders meeting shall be at the place where the company operates and suitable for the meeting of shareholders. The start time of the meeting shall not be earlier than nine o'clock in the morning or later than three o'clock in the afternoon.
- The registration area should be clearly marked, and there should be adequate staff at the venue, and the attendance procedures for shareholders should be handled at least 30 minutes before the start of the meeting; However, in the event of sudden force majeure, it is not subject to this limitation, and the situation should be eliminated as soon as possible, or other countermeasures should be adopted to accept shareholders to attend the shareholders meeting.
- Relevant personnel who need to participate in and assist in the convening of the shareholders' meeting, if they are shareholders, may not be restricted by the announced time for attendance procedures.
- Article 5 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
- If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair, or, if there are no directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors or the directors shall select from among themselves one person to serve as chair.
- Article 6 This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
- Article 7 Regarding the process of the shareholders meeting, the company shall record or record the entire process and keep it for at least one year.

Article 8 At the appointed meeting time, with the attendance of shareholders representing more than half of the total issued shares, the chair shall call the meeting to order. If the meeting time has passed but no shareholders representing more than half of the total issued shares are present, the chairman may announce the postponement. If the quorum is not met after two postponements but with the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175 of the Company Act with the approval of more than half of the voting rights of the shareholders present.

When the shareholders' meeting being a tentative resolution in the preceding paragraph, if the total number of shares represented by the shareholders present is sufficient to represent more than half of the total number of issued shares, the chairman may declare a formal meeting at any time and submit the tentative resolutions that have been made to the meeting again for voting.

Article 9 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda. After reaching the time for the announced shareholders' meeting, it cannot be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

Article 10 When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means.

A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Shareholders who exercise their voting rights electronically and have not revoked their expressions of intent two days before the shareholders' meeting can still attend the shareholders' meeting to participate in the proposal and voting of the interim motion, but they cannot propose amendments to the original proposal and can no longer exercise their voting rights.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the shareholder account number and name, and his/her subject of the speech. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

Article 12 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 13 When a legal person is entrusted to attend the shareholders meeting, the legal person may only appoint one representative to attend.

- Article 14 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 15 When the chairman considers that the discussion of the proposal has reached the point where it can be voted, he may announce the cessation of the discussion and put it to the vote.
- Article 16 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. The results of the voting shall be announced on-site at the meeting, and with a record made of the vote.
- Article 17 When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 18 The voting of the proposal shall be passed with the approval of more than half of the voting rights.
A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- Article 19 Shareholders may not participate in the voting when they have their own interests in matters of the meeting that may be harmful to the interests of the company and shall not act on behalf of other shareholders to exercise their voting rights.
- Article 20 The resolutions of the shareholders' meeting shall not be included in the total number of issued shares for the number of shares of non-voting shareholders. The number of shares for which voting rights cannot be exercised in the preceding article shall not be counted as the number of voting rights of shareholders present.
- Article 21 When there are amendments or alternatives to the same motion, the chairman shall determine the order of voting in accordance with the original motion. If one of the bills has been passed, the other bills are deemed to be rejected and there is no need to vote again.
- Article 22 The chairman may direct pickets, security personnel or staff to help maintain order in the venue.
- Article 23 The resolutions of the shareholders' meeting shall be recorded in the minutes, signed or stamped by the chairman, and distributed to all shareholders within 20 days after the meeting. The distribution of the minutes shall be made by public announcement.
The minutes of the proceedings should record the year, month, day, venue, chairman's name and resolution method of the meeting, and should record the essentials and results of the proceedings.
The minutes of the proceedings, the attendance card of the attending shareholders, and the proxy attendance letter of attorney shall be properly kept in accordance with the regulations of the competent authority.
- Article 24 These Rules, and any amendments hereto, shall be implemented after adoption by Board of Directors.
Matters not stipulated in this rule shall be handled in accordance with the company law.

Attachments 3

LEALEA ENTERPRISE CO., LTD. Articles of Incorporation

Chapter I General Principles

- Article 1 The company was organized in accordance with the provisions of the Company Act and was named LEALEA ENTERPRISE CO., LTD.
- Article 2 The Company's businesses are as follows :
1. A102060 Grain Commerce
 2. A401020 Animal Husbandry
 3. C301010 Yarn Spinning Mills
 4. C302010 Knit Fabric Mills
 5. C399990 Other Textile Products Manufacturing
 6. C601990 Other Paper Products Manufacturing
 7. C701010 Printing
 8. C702010 Platemaking Manufacturing
 9. C801100 Synthetic Resin & Plastic Manufacturing
 10. C801120 Manmade Fiber Manufacturing
 11. D101050 Steam and Electricity Paragenesis
 12. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
 13. F108040 Wholesale of Cosmetics
 14. F111090 Wholesale of Building Materials
 15. F113010 Wholesale of Machinery
 16. F114010 Wholesale of Automobiles
 17. F114030 Wholesale of Motor Vehicle Parts and Supplies
 18. F201010 Retail sale of Agricultural Products
 19. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
 20. F208040 Retail Sale of Cosmetics
 21. F208050 Retail Sale of the Second Type Patent Medicine
 22. F211010 Retail Sale of Building Materials
 23. F213080 Retail Sale of Machinery and Equipment
 24. F214010 Retail Sale of Automobiles
 25. F214030 Retail Sale of Motor Vehicle Parts and Supplies
 26. F301010 Department Stores
 27. F301020 Supermarkets
 28. F401010 International Trade
 29. F501030 Coffee/Tea Shops and Bars

- 30. F501060 Restaurants
- 31. G202010 Parking Garage Business
- 32. H701010 Residence and Buildings Lease Construction and Development
- 33. H701020 Industrial Factory Buildings Lease Construction and Development
- 34. H701040 Specialized Field Construction and Development
- 35. H701060 New County and Community Construction and Investment
- 36. H703090 Real Estate Commerce
- 37. H703100 Real Estate Rental and Leasing
- 38. IG01010 Biotechnology Services
- 39. IG02010 Research Development Service
- 40. IZ99990 Other Industry and Commerce Services Not Elsewhere Classified
- 41. J101080 Resource Recycling
- 42. J101090 Waste Disposal
- 43. J701020 Amusement Parks
- 44. J701040 Recreational Activities grounds and Facilities
- 45. J801030 Athletics and Recreational Sports Stadium
- 46. JA01010 Automotive Repair and Maintenance
- 47. JE01010 Rental and Leasing Business
- 48. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 2-1 Based on the business needs, the Company may provide external guarantees.
- Article 2-2 The Company's investment in other businesses may not be restricted by the Company Law related to the total amount of investment, but the investment in long-term equity shall be approved by the board of directors.
- Article 3 The company set up a head office in Taipei City, and if necessary, through the resolution of the board of directors, it may establish branches at home and abroad.
- Article 4 The company's announcement method shall be handled in accordance with Article 28 of the Company Law.

Chapter II Shares

- Article 5 The total capital is rated at twelve billion New Taiwan dollars, divided into 1.2 billion shares, each with a denomination of ten New Taiwan dollars per share, and is issued in multiples. Unissued shares are authorized to be issued by the board of directors based on actual needs.
- Article 6 The transfer to employees at a price lower than the average price of the actual shares bought back should be submitted to the latest shareholders meeting to represent more than half of the total issued shares before the transfer, and with more than two-thirds of the voting rights of present shareholders agree.
- Article 7 In accordance with the laws and regulations the stocks are delivered in the form of account book transfer instead of printing the physical stocks; the same applies to the issuance of other securities.

Article 8 Changes to the record in the shareholder register shall not be made within 60 days before the regular shareholders meeting, 30 days before the extraordinary shareholders meeting, or within 5 days before the base date of the company's decision to distribute dividends, bonuses or other benefits.

Chapter III Shareholders' Meeting

Article 9 The company's shareholders meeting is divided into two types: The regular shareholders meeting is held within six months after the end of each fiscal year; The extraordinary shareholders meeting shall be convened in accordance with relevant laws and regulations when necessary.

The shareholders' meeting may be held by video conference or other means announced by the central competent authority.

Article 9-1 The company's shareholders meeting should be convened 30 days before, and the convening of the extraordinary shareholders meeting should be held 15 days before. The date, place and reason for the meeting should be notified to all shareholders and announced.

The notice of the convening of the shareholders meeting may be carried out electronically if the shareholders agree.

Article 10 When a shareholder is unable to attend the shareholders meeting for some reason, a letter of attorney issued by the company shall be issued, stating the scope of authorization. An agent will attend the meeting.

Article 10-1 The chairperson of the shareholders meeting shall be the chairperson of the board of directors. If the chairperson is absent, the vice chairperson shall act as the deputy chairperson of the board of directors when there is a vice chairperson; When the vice chairperson is also absent for some reason, the chairperson shall appoint a director to act as his agent; If the chairperson of the board does not appoint a person, one of the directors will recommend each other as an agent; If it is convened by a convener other than the board of directors, the chairperson shall be the convener. If there are two or more conveners, one of the other conveners shall be elected.

Article 11 Shareholders of the company have one voting right per share; however, those who are restricted or have no voting rights listed in Paragraph 2, Article 179 of the Company Law shall not be subject to this restriction.

Article 12 The resolutions of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of shares issued, unless otherwise provided by relevant laws and regulations, and shall be executed with the approval of more than half of the voting rights of the shareholders present. When the number of shareholders present is less than the amount specified in the preceding paragraph, it is understood that the relevant provisions of the Company Law shall be followed.

Article 13 The resolutions of the shareholders' meeting shall be recorded in the minutes, which shall be signed or sealed by the chairperson, and the minutes shall be distributed to all shareholders within 20 days after the meeting.

The production and distribution of the proceedings can be done electronically, and the method of distribution can be announced.

The minutes of the proceedings should record the year, month, day, venue, chairperson's name and resolution method of the meeting, and should record the essentials and results of the proceedings.

The minutes of the proceedings, the attendance card of the attending shareholders, and the proxy attendance letter of attorney shall be properly kept in accordance with the regulations of the competent authority.

- Article 14 The shareholders' meeting may check the schedules and reports of the audit committee submitted by the board of directors, and decide on the distribution of surplus or compensation of losses.

Chapter IV Directors and Supervisors

- Article 15 A company may have nine to eleven directors (including at least three independent directors), and the term of office of a director shall not exceed three years, but he/she may be eligible for re-election.

The election of directors adopts a candidate nomination system, and the shareholders choose from the list of director candidates.

- Article 16 The directors organize the board of directors. Two-thirds or more of the directors present and more than half of the directors' present agree to elect one of them as the chairperson of the board, and a vice chairperson may be appointed by the directors in the same way to perform all the affairs of the company. The president represents the company externally.

- Article 17 When the vacancy of directors reaches one-third or all independent directors are dismissed, the board of directors shall convene an interim meeting of shareholders within 60 days to elect them.

- Article 18 When the chairperson of the board asks for leave or is unable to exercise his powers for some reason, his agency shall be handled in accordance with Article 208 of the Company Law.

When a director entrusts other directors to attend a meeting as an agent, he shall issue a power of attorney each time and list the authorized scope of the reason for the convening.

The notice of the convocation of the board of directors can be notified in writing, fax, e-mail, etc.

When the board of directors is meeting, if a video conference is used, the directors who participate in the meeting on the video screen shall be deemed to have attended the meeting in person.

- Article 19 The resolution of the board of directors, unless otherwise stipulated by the Company Law, should be attended by more than half of the directors, and more than half of the directors present should agree to it.

Article 20 Delete

Article 21 Delete

Article 22 Delete

Article 23 Delete

Article 24 Delete

Article 25 Delete

Article 26 The remuneration of the chairperson and directors shall be authorized by the board of directors to determine the extent of their participation in the operation of the company and the value of their contribution to the usual standards of the industry.

Chapter V Managers

Article 27 The company may have one general manager and several managers, and their appointment, dismissal and remuneration shall be handled in accordance with the relevant provisions of the Company Law.

Chapter VI Accounting

Article 28 At the end of each fiscal year, the board of directors shall prepare: (1) Business report (2) Financial statements (3) Proposals for surplus distribution or loss allowances, etc. After 30 days before the meeting of the regular shareholders meeting, it is submitted to the audit committee for verification, and then submitted to the regular shareholders meeting to request recognition.

Article 29 If there is a profit in the year, at least 2% should be allocated for employee compensation, and no more than 5% for directors' compensation. However, when there are accumulated losses, the compensation amount shall be reserved, and then the remuneration of employees and directors shall be allocated in accordance with the aforementioned proportion. The remuneration of employees shall be determined by the board of directors in stock or cash, and the payment objects may include employees of affiliated companies who meet the conditions set by the board of directors.

Article 30 If there is a surplus in the annual final accounts, the accumulated losses shall be made up first, and then 10% shall be allocated as the statutory surplus reserve according to law; However, when the statutory surplus reserve has reached the total paid-in capital, it is exempted to continue to be listed. The special surplus reserve shall be allocated or transferred in the second time according to laws or regulations or regulations of the competent authority. If there is a balance, add the accumulated undistributed surplus at the beginning of the period as the distributable surplus, and allocate 0% to 100% of the distributable surplus, which shall be distributed after the board of directors drafts a distribution proposal and submits it to the shareholders meeting for resolution. Among the shareholder dividends decided by the board of directors, the cash dividend shall not be less than 5% of the total dividends. However, if the cash dividend per share does not reach 0.1 yuan, it may be paid as a stock dividend.

Due to the changeable industrial environment and the development of diversification, the board of directors may change the payment of stock dividends in accordance with the capital budget and capital status.

Chapter VII Supplementary Provisions

Article 31 Matters not stipulated in this Articles of Association shall be handled in accordance with the Company Law and relevant laws and regulations.

Article 32 This charter was established on December 8, 1978
The first amendment was made on December 29, 1980
The second amendment was made on February 24, 1981

The third amendment was on February 21, 1982
The fourth amendment was on September 8, 1984
The fifth amendment was on September 4, 1988
The sixth amendment was made on September 25, 1988
The seventh amendment was made on November 28, 1988
The eighth amendment was made on April 15, 1989
The ninth amendment was on June 7, 1989
The tenth amendment was on February 23, 1990
The eleventh amendment was made on April 24, 1991
The twelfth amendment was made on March 27, 1992
The thirteenth amendment was made on May 19, 1993
The fourteenth amendment was made on April 26, 1994
The fifteenth amendment was on May 10, 1995
The sixteenth amendment was made on June 5, 1996
The seventeenth amendment was made on May 7, 1997
The eighteenth amendment was on April 23, 1998
The nineteenth amendment was on May 27, 1999
The twentieth amendment was on April 26, 2000
The twenty-first amendment was made on June 13, 2001
The twenty-second revision was made on June 12, 2002
The twenty-third revision was on June 3, 2004
The twenty-fourth amendment was made on June 10, 2005
The twenty-fifth amendment was made on June 14, 2006
The twenty-sixth amendment was on June 13, 2008
The twenty-seventh amendment was on June 19, 2009
The twenty-eighth amendment was on June 17, 2010
The twenty-ninth amendment was on June 15, 2011
The thirtieth amendment was on June 6, 2012
The thirty-first amendment was made on June 13, 2013
The thirty-second amendment was made on June 11, 2014
The thirty-third revision was on June 10, 2015
The thirty-fourth amendment was made on June 8, 2016
The thirty-fifth amendment was made on June 12, 2018
The thirty-sixth amendment was on June 18, 2020
The thirty-seventh amendment was on August 18, 2021
The thirty-eighth amendment was on June 24, 2022
The thirty-ninth amendment was on June 29, 2023

LEALEA ENTERPRISE CO., LTD.
Chairperson KUO, SHAO-YI

Attachments 4

LEALEA ENTERPRISE CO., LTD.
Shareholding of All Directors

As of the Closing Date: April 23, 2024

Title	Name	Closing Date Number of Shareholding	Explanation
Chairperson	Kuo, Shao-yi	15,249,638	1. As of the closing date the Company's total number of issued shares is 995,595,059 shares. 2. In accordance with Article 26 of the Securities Exchange Law and the "Public Company's Directors and Supervisors' Shareholding Ratio and Inspection Implementation Rules", the minimum total number of the shares that all directors should hold are 31,859,041 shares. 3. All directors of the Company actually hold 195,334,752 shares, which has reached the statutory threshold.
Director	Tung Ting Investment Co., Ltd. Representative: Chen, Han-ching	79,390,255	
Director	Li Peng Enterprise Co., Ltd. Representative: Kuo, Shu-chen	75,221,924	
Director	Shun Yu Investment Co., Ltd. Representative: Kuo, Ko-chung	15,974,309	
Director	Li Zan Investment Co., Ltd. Representative: Kuo, Chi-an	6,345,430	
Director	Hung, Tsung-chi	3,153,196	
Independent Director	Lee, Daw-ming	0	
Independent Director	Lu, Chi-chant	0	
Independent Director	Ou, Yu-lun	0	
Total		195,334,752	

