

Stock Code: 1447



LI PING ENTERPRISE CORPORATION

Handbook of 2024

Annual General Shareholders' Meeting

Date: June 21, 2024

Place: No. 33, Gongye Road, Fangyuan Industrial Zone,
Fangyuan Township, Changhua County
(Nylon General Factory)

LI PENG ENTERPRISE CORPORATION

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.

LI PENG ENTERPRISE CO., LTD.
2024 Annual General Shareholders' Meeting Procedures

1. Commencement of Meeting
2. Chairman's Statement
3. Report Items
4. Matters for Ratification
5. Election Matters and Matters for Discussion
6. Extemporaneous Motion
7. Meeting Adjourned

LI PENG ENTERPRISE CO., LTD.
2024 Annual General Shareholders' Meeting Agenda

Convention Method: Physical shareholders meeting

Time: June 21, 2024 (Friday) 9:00AM

Place: No. 33, Gongye Road, Fangyuan Industrial Zone, Fangyuan Township, Changhua County
(Nylon General Factory)

Meeting Procedures

1. Commencement of Meeting (Report on the number of attended shares)
2. Chairman'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. Election Matters and Matters for Discussion:
 - (1) Election of new directors.
 - (2) Discussion to approve the lifting of non-competition restrictions for directors.
6. Extemporaneous Motion
7. Meeting Adjourned

Report Items

I. The 2023 business report

Explanatory Notes: The 2023 business report is as follows.

Business report

1. The 2023 operational performance

(1) Plan execution:

Global economy encountered several challenges, including certain factors, such as Russia-Ukraine war, inflation threaten, geopolitics risk, China economic trend, China-United States trade war and climate change, etc. in 2023, and they made global economic growth slow; consumption of global major countries weakened, and furthermore, sales of end consumer declined, and it led poor overall export of Taiwan.

Shortage of CPL material supply influenced availability/uptime of nylon chips in the first half year of 2023, and material supply stabilized in the second half year, however, nylon market depresses, in addition, nylon chips were excessively produced in China, and it made nylon chips present price competition situation, and affected overall revenue performance of the enterprise.

The 2023 consolidated revenue is NT\$29.670 billion, 4.10% increase than that of 2022. After tax income is NT\$-433 million, and decrease of 2318.48% over 2022 Major products are nylon chips 68,583 tons, nylon yarn 12,781 tons, woven fabric 45.64 million yards, knitted fabric 840 tons, petrochemicals, 699,423 tons.

(2) Budget implementation:

Not available. Our company only set the 2023 internal budget, and did not disclose financial forecasts to the public.

(3) Revenue, expenditure, and profitability analysis:

The 2023 unconsolidated revenue is NT\$ 8.996 billion, after tax income is NT\$-445 million, after tax profit margin is -4.94%, earnings per share is NT\$ -0.51. Our company unconsolidated financial income and expense and profitability analysis are as below table.

Unit: Thousand NT\$

Item		2022	2023	Increase (Decrease) Amount and Ratio
Financial income and expense	Operating income	10,795,406	8,996,009	-1,799,397
	Operating cost	10,531,163	9,160,697	-1,370,466
	Before tax profit	-66,538	-532,212	-465,674
	Net Income	-37,008	-445,006	-407,998
Profitability	Return on asset (%)	0.12	-1.97	-2.09
	Return on equity (%)	-0.38	-4.83	-4.45
	Before tax income to paid-in capital ratio (%)	-0.72	-5.84	-5.12
	Profit margin (%)	-0.34	-4.94	-4.60
	Earnings per share (NT\$)	-0.04	-0.51	-0.47

(4) Research and development:

Under global net zero emission trend and carbon border adjustment mechanism tendency in Europe and United States, we continue to develop and promote new materials of being friendly for environment and ecosystem, including “RePET® recycled polyester”, “ReEcoya® recycled AceColor ®ECO”, “NylonPlus® AceEco™ rNY” and other green recycled concept products, and cooperate with related companies to develop CRZ (Closed loop Recycling Zero Waste System) recycled fiber, recycle and reuse waste yarn and waste fabrics, save natural resources, and decrease environmental burden. Mass manufactured products of the Company for the past two years are as follows:

Type	Application	Specifications
Elastic Nylon Chip/Yarn	Injection grade and fiber grade footwear textile industrial fiber, single fiber	Naturally elastic fiber, elasticity without processing
Modified/Industrial Nylon Chip	Used for upgrading the physical properties of products such as injection grade and extrusion grade, replacing the customer’s existing imported materials.	Increase nylon chips’ added value, also low gravity specification which are also in line with lightweight concepts and differentiation to the other suppliers.
Film grade Nylon Chip	Improving the physical properties of film products to enhance stability	
Functionalized Monofilament from Nylon Chip	Extrusion grade and fiber grade monofilament, industrial fiber, monofilament	Increase nylon chips’ value added and differentiate with the other manufacturers
Antibacterial nylon yarn	High grade knit fabric, sports, leisure	Increase the antibacterial effectiveness after laundering and dyeing
Low moisture absorption nylon yarn	High grade knit fabric, sports, leisure	Low moisture absorption and high product size stability
Nylon recycled yarn	Knit fabric textile, sport, leisure	GRS green recycling application
Nylon Chips and Fiber for Electric Vehicles/ Lightweight Nylon Grain and Fiber	Used for upgrading the physical properties of products such as injecting grade and extrusion grade, replacing the existing materials chosen by customers.	Increase the added value of nylon chips; the weather resistance and light weight are also consistent with differentiation from other competitors.
Recycle Tire Carbon yarn	Wetsuit and other functional fabrics	Carbon recycling products

2. The 2024 business plan summary

The Company regards “work and pull together, work as one team to stabilize the foundation”, “actively innovate, poise for meeting turning point” as main inspirit of operating strategy this year, uses our core ability, research and develop reproduce technology of wastes/waste textiles, develop eco-sustainable and low-carbon products, decrease carbon emission of process to create new value of resources, and implements circular economy, goes toward the goal of sustainable operation.

Nylon business unit: seize supply and demand change of raw and indirect materials, and price fluctuations to effectively set purchase strategy.

Nylon chips: develop new markets, actively research and develop, produce and marketing, and expand applying fields.

Nylon yarn: flexibly adjust production lines to respond market change, and continue to develop high-value functional products.

High-end textile business unit: continue to develop environmentally friendly, functional, and high-value-added textiles. We will deeply cultivate brand owners and expand new customers.

3. The company’s future development strategy under impacts of external environment, legal environment, and overall business environment

Net zero carbon emission goal of year 2050 becomes consisten consensus for all countries, effectively responding climate change becomes global important issue, global textile industry actively goes toward direction of sustainable cycle to develop, decreases to use raw materials, raises recyclability and reusability of products, abandons past linear value chain of raw materials-manufacture-use-throw away, and changes into circle circulatory system, raw materials aren’t thrown away after used, and through material transformation, using in textile value chains circle at a long time; environmental protection and sustainability, green energy production and low-carbon products will become the most critical part of increasing international competitive advantages for Taiwan textile industry. The Company’s textile design, except uses Reduce/ Reuse/Recycle as development, and promotes “Circular Economy of Green Energy, LIBOLON”, contains green design, green process, green products, connects yarn, weaving and dying in series, one-stop integrated manufacture of recycling, executes comprehensively deceasing water and carbon, and implements to go toward sustainably operation from enterprise internal recycling eco-circular economy concept.

Uncertain factors, such as the Red Sea crisis escalates, global trade war, extreme climate disturbs global supply chain, geopolitics risk raise, etc. make global economy still encounter several challenges; intelligent technology drives new industry revolution, network and emerging risk will become potential critical threaten; although environment is complicated and changeable, we keenly observe market dynamics, flexibly respond change, and all departments ensure to evaluate risks, control and management, use advantages of related enterprises vertical integration, and integrate resources to respond to challenges for environment. Finally, I would like to express my deepest gratitude to all shareholders and wish you all good health and all the best.

Chairman:Kuo, Shao Yi

Manager: Chen, Ping Huang

Accounting Manager: Su, Pei Yu

II. The 2023 audit committee's audit report:

Explanatory Notes: The audit committee's audit review is as follows:

Audit committee's audit report

The audit committee reviewed the business report, the proposal for surplus distribution or loss allowances and the 2023 financial statements which were prepared by the Board of Directors. The financial statements were audited by Deloitte's accountants, Wu, Ker-Chang and Hong, Guo-Tian and an audit report was issued. It is believed that there is no discrepancy, and they were submitted for revision in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Article of association.

Regards,

The company's 2024 regular shareholders' meeting

LI PENG ENTERPRISE CO., LTD.

Audit committee convener : Lin, Yao Chuan

Taiwan, March 29, 2024

III. Report on Allocation of 2023 Remuneration to Board of Directors and Employees.

Explanatory Notes: Due to a pre-tax loss in 2023, it is not necessary to allocate employee and director's remuneration.

Matters for Ratification

Item 1

Proposed by the Board of Directors

Proposal: The 2023 business report and financial statements.

Explanatory Notes:

1. The 2023 financial statements audited by Deloitte's accountants Wu, Ker-Chang and Hong, Guo-Tian together with the business report reviewed by the audit committee with audit reports.
2. The business report, the accountant's audit report and the above-mentioned financial statements are as Attachments 1, p.3~5 and p.13~32.

Resolution :

Item 2

Proposed by the Board of Directors

Proposal: The 2023 proposals for surplus distribution or loss allowances**Explanatory Notes:**

The net loss after tax on the final business accounts for 2023 is NT\$445,005,754. The following table is the prepared loss appropriation for 2023:

LI PENG ENTERPRISE CO.,LTD.**Table of Loss Appropriation****R.O.C 2023**

Unit: NT\$

Item	Amount		Note
Accumulated deficit at the beginning of the period		-71,277,747	
Loss after tax for the current period	-445,005,754		
Actuarial Gain (Loss) on Defined Benefit Plans	7,949,087		
Equity method recognition and disposal of equity instruments measured at fair value through other comprehensive income (loss)	-5,978,542		
Net (loss) profit after tax plus non-net (loss) profit after tax items included in retained earnings		-443,035,209	
Loss to be made up at the end of period		-514,312,956	

Chairman:Kuo, Shao Yi

Manager: Chen, Ping Huang

Accounting Manager: Su, Pei Yu

Resolution :

Election Matters and Matters for Discussion

Item 1

Proposed by Board of Directors

Proposal: re-election of directors, for your election.

Explanation:

1. The term of office of 20th directors expired on August 17, 2024, according to laws and the Company's Articles of Corporation, new directors will be elected in the annual shareholders' meeting.
2. According to Article 15 of Articles of Corporation, nine directors (including three independent directors) shall be elected, and a candidates nomination system is adopted, the candidate list was approved by a resolution of board of directors on April 25 ,2024, and relevant information was specified as follows, and professional qualification and independence of independent director candidates shall be reviewed and approved in compliance with regulations by corporate governance officers.

Director candidates	1	2	3	4	5	6
Name	Kuo, Shao-yi	Chen, Ping-Huang	Kuo, Chi-kang	Lealea Enterprise Co., Ltd. Representative: Tung, Min-Hsiung	Li Mao Investmen Co., Ltd. Representative: Kuo, Shu-chen	Shun Yu Investnen Co., Ltd. Representative: Kuo, Ko-chung
Main Experience (Education)	National Taiwan University EMBA, College of Management, International Business, Lealea Enterprise, Li peng Enterprise Lealea Technology, Liling Technology, Lea Jie Energy, Apex Fong Yi Technology, Tung Ting Investment, Libolon Energy, Eton Petrochemical, Pt. Indonesia Libolon Fiber System Pt. Indonesia Hwalin Knitting Chairman	Provincial Taipei Institute of Technology -Chemical Engineering Department President of Li Peng Enterprise; Supervisor of Lea Jie Energy; Director of Fu Li Transportation	Cal poly Pomona's College of Hospitality Management, at California, USA. President of Rich Development; Chairman of Yilang Lealea Development; Chairman Forest Water Environment Eng'g. and Ho Ching Enterprise director	Department of Textile Engineering, Feng Chia University Li peng Enterprise Business Unit President Supervisor of Libolon Energy Eton Petrochemical. Supervisor. PT. Indonesia Hwalin Knitting Pt.Indonesia Libolon Fiber System Director	MBA, Yale University; Master, Yale School of Public Health, Yale University Lealea hotels and Lealea Enterprise director. Forest Water Environmental Eng'g and Rich Development Chairman	San Maring High School Lealea Enterprise, Li peng Enterprise Rich Development Director
Current Shareholding	10,222,819	27,343	400,644	152,054,853	34,177,995	11,991,397

Independent director candidates	1	2	3
Name	Lin, Yao-Chuan	Kao, Cheng-Shan	Lee, Su-chin
Main Experience (Education)	National Taiwan University, Department of Law Judge of Taiwan Shilin district Court Partner Lawyer, Liyan Legal Firm	Institute of Political Science, Chinese Cultural University First Chairman- The Taipei City Government's Indigenous Peoples Commission Deputy Director- Executive Yuan's Council of Indigenous People Executive Director - Taiwan Agricultural Strategic Alliance Foundation Deputy CEO- Taiwan foundation for Democracy Chief Executive Officer- Eastern District Construction Center, Indigenous tribe sustainable Development Project Director - Legal Aid Foundation	Graduate Institute of Finance, National Taiwan University Chief Accountant- Delta Electronics Inc., Financial management department. Vice president, President Office, Cyntec Company
Current Shareholding	0	0	0

Note: when the preceding candidates were elected as directors, drafted to lift restrictions of non-compete prohibition of new-elected directors.

3. New-elected director's term of office shall not exceed three years, from June 21, 2024 to June 20, 2027, and the term of office of existing directors expired until completion of the annual shareholders' meeting.
4. The election shall be conducted in accordance with "Procedures for Election of Directors", please refer to attachment 4 (P.42 of the meeting agenda).

Result of the election:

Item 2

Proposed by Board of Directors

Proposal: To approve the lifting of non-competition restrictions for new directors and their representative.

Explanation:

1. According to Article 209 of Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. With the help of director's profession and relevant experiences, submitted to a shareholders' meeting for approval in accordance with regulations, and lifted restrictions of non-compete prohibition of directors elected in the annual shareholders' meeting and the representatives. The list of lifting of non-compete restrictions is as follows:

Director	Name of the company	Position
Kuo, Shao-yi	Lealea Enterprise Co., Ltd.	Chairman
	Lealea Technology Co., Ltd.	Chairman
	Apex Fong Yi Technology Co., Ltd.	Chairman
	Tung Ting Investment Co., Ltd.	Chairman
	Eton Petrochemical Co., Ltd.	Chairman
	Pt.Indonesia Libolon Fiber System	Chairman
	Pt.Indonesia Hwalin Knitting	Chairman
	Liling Technology Film Co., Ltd.	Chairman - Tung Ting Investment Co., Ltd. Representative
	Lea Jie Energy Co., Ltd.	Chairman - Lealea Enterprise Co., Ltd. Representative
	Libolon Energy Co., Ltd.	Chairman - Li Peng Enterprise Co., Ltd. Representative
In Talent Investment Limited	Chairman - Li Peng Enterprise Co., Ltd. Representative	
Lealea Enterprise Co., Ltd.	Li Hao Investment Co., Ltd.	Chairman
	Li Zan Investment Co., Ltd.	Chairman
	Lea Jie Energy Co., Ltd.	Chairman
	Libolon Enterprise Co., Ltd.	Chairman
Representative: Tung, Min-Hsiung	PT. Indonesia Hwalin Knitting	Director
	Pt.Indonesia Libolon Fiber System	Director
Shun Yu Investment Co., Ltd	Li Peng Enterprise Co., Ltd.	Director
	Rich Development Co., Ltd.	Director
Representative: Kuo, Ko-chung	Li Peng Enterprise Co., Ltd.	Director - ShunYu Investment Co., Ltd. Representative
	Rich Development Co., Ltd.	Director - ShunYu Investment Co., Ltd. Representative
Representative: Kuo, Shu-chen	Rich Development Co., Ltd.	Chairman
	Lea Ming Construction Co., Ltd.	Chairman
	Lea He Investment Co. Ltd.	Chairman
	Ho Ching Enterprises Co., Ltd.	Chairman
	Taiwan Green Power Co., Ltd.	Chairman
	Forest Water Environmental Engineering Co., Ltd.	Chairman - Rich Development Co., Ltd. Representative
	LiJing Enterprise Co., Ltd.	Chairman - Rich Development Co., Ltd. Representative
	Green Forest Development Enterprise Co., Ltd.	Chairman - Forest Water Environmental Engineering Co., Ltd. Representative
	Orient Forest Development Enterprise Co., Ltd.	Chairman - Forest Water Environmental Engineering Co., Ltd. Representative
	Li Muo Investment Co., Ltd.	Director - Li Peng Enterprise Co., Ltd. Representative

	Lealea Hotels Co., Ltd	Director
Director	Name of the company	Position
Chen, Ping-Huan	Fu Li Express Co., Ltd	Director - Lealea Enterprise Co., Ltd. Representative
Kuo, Chi-kang	Forest Water Environmental Engineering Ltd.	Director - Rich Development Co., Ltd. Representative
	Ho Ching Enterprises Co., Ltd	Director - Rich Development Co., Ltd. Representative
	Lealea Hotels Co. Ltd	Director
	Rich Development Co., Ltd.	Director
	Yilan Lealea Development Holding Co. Ltd	Chairman
	Orient Forest Development Enterprise Co., Ltd.	Director - Forest Water Environmental Engineering Ltd. Representative
	Green Forest Development Enterprise Co., Ltd.	Director- Rich Development Co., Ltd. Representative
	Lealea Wushih Marina & Resorts Co., Ltd	Director -Rich Development Co., Ltd. Representative
	LiJing Enterprise Co., Ltd	Director -Rich Development Co., Ltd. Representative
Lealea Garden Hotel Co. Ltd	Director- The Richforest Hotel Co., Ltd. Representative	
Independent director	Name of the company	Position
Lin, Yao-chua	GEOSAT Aerospace & Technology Inc.	Director- Representative of Hai Yue Construction Co., Ltd.

Resolution:

Extemporary Motion

Meeting Adjourned

Attachments 1

Independent Auditor's Report

To Li Peng Enterprise Corporation Limited

Opinion

We have audited the accompanying consolidated financial statements of Li Peng 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.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 of the Company for the year 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 we do not provide a separate opinion on these matters.

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

The authenticity of the sales revenue of specific customers of nylon products

Li Peng Enterprise Corporation Limited and its subsidiaries comprises of nylon department, weaving department, and trading department. Nylon product sales revenue in 2023 will decline compared with 2022, but some new customers or non-recurring transaction customers will increase compared with the previous period and are significantly different from the expected performance of the industry environment. Therefore, in the 2023 annual audit, we listed the authenticity of sales of nylon product sales to new customers in the current period or non-recurring trading customers whose sales revenue is growing as a key audit matters. Please refer to Note 4 in the consolidated financial report for the reference of the related accounting policy concerning income recognition.

Our audit procedures related to the evaluation of the above-mentioned key audit matter, include the understanding and sampling of selected internal control design with effectively execution to have identified the transaction of sales revenue.

Other Matter

In the consolidated financial report for 2023, the financial statements of some investee companies for using the equity method were audited by other auditors. Our opinion, 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 auditors. As of December 31, 2023, the aggregate carrying amount of the equity-method investments in the related party was NT\$943,064 thousand, representing 4.95% of the Group's consolidated 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\$29,404 thousand, accounting for (10.33%) of the comprehensive profits and losses for that year.

We have also audited the parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 on which we have issued an unmodified plus other matters paragraph 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or revise the audit opinions, if such disclosures are inadequate. 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 and subsidiaries to cease operations.

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 audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2024

LI PENG ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6)	\$ 2,102,831	11	\$ 2,360,351	12
1110	Financial assets at fair value through profit or loss - current (Note 7)	220,250	1	232,015	1
1150	Notes receivable, net (Note 8)	50,450	-	56,251	-
1160	Notes receivable from related parties, net (Note 29)	96,940	1	109,777	1
1170	Accounts receivable, net (Note 8)	2,373,291	12	2,273,747	12
1180	Accounts receivable from related parties, net (Note 29)	124,890	1	91,413	-
1210	Loan to related parties (Note 29)	778,145	4	321,710	2
130X	Inventory (Note 9)	2,512,764	13	3,248,825	16
1410	Prepayments	113,690	1	190,094	1
1476	Other financial assets - current (Note 10,29 and 30)	381,308	2	217,250	1
1479	Other current assets	11,861	-	30,086	-
11XX	Total current assets	<u>8,766,420</u>	<u>46</u>	<u>9,131,519</u>	<u>46</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss—non-current (Note 7)	6,333	-	6,333	-
1517	Financial assets at fair value through other comprehensive income—non-current (Note 11)	2,054,730	11	1,938,250	10
1550	Investment adjustments for Using Equity Method (Note 13)	2,660,888	14	2,640,045	14
1600	Property, plant, equipment (Note 14)	5,072,169	27	5,575,680	28
1755	Right of use asset (Note 15)	24,506	-	27,125	-
1821	Other intangible assets (Note 16)	4,918	-	6,240	-
1840	Deferred tax assets (Note 23)	444,662	2	357,121	2
1915	Prepayment for equipment	927	-	769	-
1990	Other non-current assets	6,139	-	20,115	-
15XX	Total non-current assets	<u>10,275,272</u>	<u>54</u>	<u>10,571,678</u>	<u>54</u>
1XXX	Total Assets	<u>\$ 19,041,692</u>	<u>100</u>	<u>\$ 19,703,197</u>	<u>100</u>
	Liability and Equity				
	Current liability				
2100	Short-term loan (Note 17)	\$ 3,608,000	19	\$ 3,675,000	19
2110	Short-term corporate bonds payable (Note 17)	10,000	-	520,000	3
2120	Financial liability at fair value through profit or loss (Note 7)	43,414	-	529	-
2150	Notes payable	31,975	-	41,127	-
2160	Notes payable—related parties (Note 29)	86,318	-	52,484	-
2170	Accounts payable	1,941,963	10	1,873,922	9
2180	Accounts payable—related parties (Note 29)	62,596	-	60,369	-
2219	Other payable (Note 29)	630,102	3	597,177	3
2220	Loan from related parties (Note 29)	113,000	1	105,000	1
2230	Current tax liabilities (Note 23)	10,421	-	6,918	-
2250	Current provisions	1,062	-	945	-
2280	Lease liability—current (Note 15)	2,632	-	2,348	-
2320	Long-term loan due in a year (Note 18)	141,250	1	117,500	1
2399	Other current liability	120,420	1	143,912	1
21XX	Total current liabilities	<u>6,803,153</u>	<u>35</u>	<u>7,197,231</u>	<u>37</u>
	Non-current liability				
2540	Long-term loan (Note 18)	1,854,000	10	1,786,875	9
2570	Deferred income tax liability (Note 23)	149,089	1	149,538	1
2580	Lease liability—non-current (Note 15)	25,986	-	28,047	-
2640	Accrued pension liability, net—non-current (Note 19)	204,796	1	242,715	1
2670	Other non-current liability	2,074	-	2,158	-
25XX	Total non-current liabilities	<u>2,235,945</u>	<u>12</u>	<u>2,209,333</u>	<u>11</u>
2XXX	Total liability	<u>9,039,098</u>	<u>47</u>	<u>9,406,564</u>	<u>48</u>
	Equity Attributable to Shareholders of the Parent (Note 20)				
3110	Common stock	9,100,712	48	9,144,872	46
3200	Capital reserve	191,201	1	187,282	1
	Retained earning				
3310	Legal reserve	525,527	3	525,527	3
3320	Special reserve	229,670	1	229,670	1
3350	Accrued loss	(514,313)	(3)	(71,277)	-
3300	Total retained earnings	240,884	1	683,920	4
3400	Other equity	(209,570)	(1)	(324,345)	(2)
3500	Treasury stock	(289,292)	(1)	(330,507)	(2)
31XX	Total Equity to Shareholders of the Parent	<u>9,033,935</u>	<u>48</u>	<u>9,361,222</u>	<u>47</u>
36XX	Non-controlling interests (Note 20 and 25)	968,659	5	935,411	5
3XXX	Total equity	<u>10,002,594</u>	<u>53</u>	<u>10,296,633</u>	<u>52</u>
	Total of Liability and Equity	<u>\$ 19,041,692</u>	<u>100</u>	<u>\$ 19,703,197</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 22, 2024)

Chairman: Kuo, Shao-Yi

Manager: Chen, Ping-Huang

Accounting Supervisor: Su, Pei-Yu

LI PENG ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 4, 21, 29)	\$ 29,669,737	100	\$ 28,501,393	100
5000	Operating cost (Note 9, 29)	<u>29,438,180</u>	<u>99</u>	<u>27,995,196</u>	<u>98</u>
5900	Operating profit	231,557	1	506,197	2
5910	Unrealized profit on sales to associates	(1,116)	-	(317)	-
5920	Realized profit on sales to associates	<u>317</u>	<u>-</u>	<u>884</u>	<u>-</u>
5950	Realized operating profit	<u>230,758</u>	<u>1</u>	<u>506,764</u>	<u>2</u>
	Operating expense (Note 29)				
6100	Sales expense	485,375	2	502,304	2
6200	Management expense	234,750	1	247,511	1
6300	R&D expense	109,899	-	94,768	-
6450	Expected credit gain on reversal of impairment loss	(<u>485</u>)	<u>-</u>	(<u>2,593</u>)	<u>-</u>
6000	Total operating expenses	<u>829,539</u>	<u>3</u>	<u>841,990</u>	<u>3</u>
6900	Operating net loss	(<u>598,781</u>)	(<u>2</u>)	(<u>335,226</u>)	(<u>1</u>)
	Non-operating income and expenses				
7100	Interest income (Note 22, 29)	106,212	1	44,389	-
7010	Other income (Note 22, 29)	44,237	-	100,619	-
7020	Other profit and loss (Note 22, 29)	52,561	-	245,129	1
7050	Finance cost (Note 22)	(109,282)	-	(77,414)	-
7060	Share of profits of associates	<u>3,233</u>	<u>-</u>	(<u>12,011</u>)	<u>-</u>
7000	Total non-operating income and loss	<u>96,961</u>	<u>1</u>	<u>300,712</u>	<u>1</u>

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7900	Net loss before tax	(\$ 501,820)	(1)	(\$ 34,514)	-
7950	Income tax profit (Note 4, 23)	68,526	-	16,598	-
8200	Net loss of the year	(433,294)	(1)	(17,916)	-
	Other comprehensive income (net)				
8310	Uncategorized items profit and loss :				
8311	Measure on defined benefit plans	8,512	-	2,895	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	106,804	-	(209,026)	(1)
8320	Share of other comprehensive gain of associates and joint ventures	23,897	-	(109,409)	-
8360	Items that may be reclassified subsequently to profit or loss :				
8361	Exchange differences resulting from translation on foreign operations	9,568	-	2,661	-
8300	Total other comprehensive income of the year	148,781	-	(312,879)	(1)
8500	Total comprehensive income of the year	(\$ 284,513)	(1)	(\$ 330,795)	(1)
	Net (loss) profit attributable to :				
8610	Shareholder of the parent	(\$ 445,006)	(1)	(\$ 37,008)	-
8620	Non-controlling interests	11,712	-	19,092	-
8600		(\$ 433,294)	(1)	(\$ 17,916)	-
	Comprehensive income attributable to :				
8710	Shareholders of the parent	(\$ 328,261)	(1)	(\$ 289,962)	(1)
8720	Non-controlling interests	43,748	-	(40,833)	-
8700		(\$ 284,513)	(1)	(\$ 330,795)	(1)
	Loss Per Share (Note 24)				
9710	Basic	(\$ 0.51)		(\$ 0.04)	

(Concluded)

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

(With Deloitte & Touche auditors' report dated March 22, 2024)

Chairman: Kuo, Shao-Yi Manager : Chen, Ping-Huang Accounting Supervisor : Su, Pei-Yu

LI PENG ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
(In Thousands of New Taiwan Dollars)

Code		Equity Attributable to Shareholders of the Parent											Non-Controlling interests	Total equity	
		Capital Stock-Common Stock		Capital Surplus	Retained Earning			Foreign Organization Financial report Exchange difference	Other Equity Items			Treasury Stock			Total
		(In Thousands) Shares	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings (Unappropriated deficit)		Financial assets unrealized profit and loss at fair value through other comprehensive income	Subsidiary using Equity Method	Associates using Equity Method				
A1	BALANCE JANUARY 1, 2022	914,487	\$ 9,144,872	\$ 185,591	\$ 525,527	\$ 229,670	(\$ 42,496)	(\$ 45,610)	\$ 247,105	(\$ 214,364)	(\$ 49,739)	(\$ 330,507)	\$ 9,650,049	\$ 953,473	\$ 10,603,522
	Adjustments to other capital surplus:														
C7	Adjustments to share of changes in equities of associates	-	-	(196)	-	-	(556)	-	-	-	-	-	(752)	-	(752)
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed (Note26)	-	-	1,887	-	-	-	-	-	-	-	-	1,887	(75,312)	(73,425)
O1	Cash dividends of the Company received by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(6,750)	(6,750)
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	598	-	-	(598)	-	-	-	-	-
O1	NCI (Note20 and 25)	-	-	-	-	-	-	-	-	-	-	-	-	104,833	104,833
D1	Net loss in 2022	-	-	-	-	-	(37,008)	-	-	-	-	-	(37,008)	19,092	(17,916)
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	-	8,185	1,634	(78,917)	(69,171)	(114,685)	-	(252,954)	(59,925)	(312,879)
D5	Total comprehensive income (loss) in 2022	-	-	-	-	-	(28,823)	1,634	(78,917)	(69,171)	(114,685)	-	(289,962)	(40,833)	(330,795)
Z1	BALANCE DECEMBER 31, 2022	914,487	9,144,872	187,282	525,527	229,670	(71,277)	(43,976)	168,188	(283,535)	(165,022)	(330,507)	9,361,222	935,411	10,296,633
	Adjustments to other capital surplus:														
C7	Adjustments to share of changes in equities of associates	-	-	974	-	-	-	-	-	-	-	-	974	-	974
L3	Retirement of treasury stock (Note20)	(4,416)	(44,160)	2,945	-	-	-	-	-	-	-	41,215	-	-	-
O1	Cash dividends of the Company received by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(10,500)	(10,500)
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	(5,979)	-	-	(65)	6,044	-	-	-	-
D1	Net loss in 2023	-	-	-	-	-	(445,006)	-	-	-	-	-	(445,006)	11,712	(433,294)
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	7,949	8,627	40,357	35,328	24,484	-	116,745	32,036	148,781
D5	Total comprehensive income (loss) in 2023	-	-	-	-	-	(437,057)	8,627	40,357	35,328	24,484	-	(328,261)	43,748	(284,513)
Z1	BALANCE DECEMBER 31, 2023	<u>910,071</u>	<u>\$ 9,100,712</u>	<u>\$ 191,201</u>	<u>\$ 525,527</u>	<u>\$ 229,670</u>	<u>(\$ 514,313)</u>	<u>(\$ 35,349)</u>	<u>\$ 208,545</u>	<u>(\$ 248,272)</u>	<u>(\$ 134,494)</u>	<u>(\$ 289,292)</u>	<u>\$ 9,033,935</u>	<u>\$ 968,659</u>	<u>\$ 10,002,594</u>

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

(With Deloitte & Touche auditors' report dated March 22, 2024)

Chairman: Kuo, Shao-Yi

Manager : Chen, Ping-Huang

Accounting Supervisor : Su, Pei-Yu

LI PENG ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash Flows from Operating Activities		
A10000	Loss before income tax	(\$ 501,820)	(\$ 34,514)
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	617,684	617,052
A20200	Amortization expense	3,839	11,581
A20300	Expected credit gain for bad debt expense	(485)	(2,593)
A29900	Amortized prepayment	56,330	73,608
A20400	Financial assets and liability at fair value through (profit) or loss	43,242	(4,335)
A20900	Finance costs	109,282	77,414
A21200	Interest income	(106,212)	(44,389)
A21300	Dividend income	(1,188)	(60,602)
A22300	Share of income to associates using equity method	(3,233)	12,011
A22500	Loss (Gain) on disposal or retirement of property, plant, equipment	1,246	(2,106)
A23100	Gain on disposal of investment, net	(18,908)	(3,210)
A23700	Impairment loss on non-financial assets	-	25,782
A23800	Impairment loss (gain) on inventory	(58,288)	117,393
A23900	Unrealized profit on sales to associates	799	(567)
A24100	Loss (Gain) on foreign exchange, net	(78,735)	870
	Changes in operating assets and liabilities		
A31115	Collect financial assets at fair value through profit or loss	29,105	274,079
A31130	Notes receivable	18,738	116,084
A31150	Accounts receivable	(87,144)	369,287
A31200	Inventory	793,897	(197,988)
A31230	Prepayments	21,204	(70,489)
A31240	Other current assets	27,196	(7,718)
A31990	Other non-current assets	7,662	25
A31250	Other financial assets	(162,699)	(17,348)
A32130	Notes payable	24,682	(30,319)
A32150	Accounts payable	97,241	(196,685)
A32180	Other payables	84,850	(186,501)
A32200	Current provisions	117	(4,254)
A32240	Accrued pension liabilities	(29,407)	(13,154)
A32230	Other current liability	(17,810)	(33,570)
A33000	Cash inflow generated from operations	871,185	784,844
A33100	Interest income	104,248	41,755
A33200	Dividend income	1,188	60,602

(Continued)

Code		2023	2022
A33200	Dividend income from associates	\$ 15,320	\$ 40,510
A33300	Interest payable	(109,529)	(75,516)
A33500	Income tax payable	(24,801)	(17,245)
AAAA	Cash inflow from operating activities	<u>857,611</u>	<u>834,950</u>
	Cash Flows from Investing Activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(47,135)	-
B00020	Disposal of financial assets at fair value through other comprehensive income	37,459	-
B01800	Acquisition of associates	-	(180,030)
B02200	Cash inflow from acquisition of subsidiaries	-	3,378
B02700	Acquisition of property, plant, equipment	(139,181)	(435,100)
B02800	Disposal of property, plant, equipment	5,133	15,838
B03800	Decrease (Increase) in refundable deposits	6,272	(7,692)
B04500	Acquisition of intangible asset	(2,485)	(5,461)
B05900	Decrease (Increase) in loan to related parties receivables	(<u>448,577</u>)	<u>245,710</u>
BBBB	Cash outflow from investment activity	<u>(588,514)</u>	<u>(363,357)</u>
	Cash Flows from Financing Activities		
C00100	Increase (Decrease) in short-term loan	(67,000)	880,000
C00500	Decrease in short-term bills payable	(510,000)	(280,000)
C01600	Lend long-term loan	2,894,000	2,750,000
C01700	Repay long-term loan	(2,803,125)	(2,702,066)
C04020	Lease principal repayment	(2,683)	(2,195)
C03000	Increase (Decrease) in refundable deposits	(84)	472
C03700	Increase (decrease) in loan to related parties payables	8,000	(8,000)
C05200	Issuance of preference shares by subsidiaries	(10,500)	(6,750)
C05800	Changes to non-controlling interests	<u>-</u>	<u>(73,425)</u>
CCCC	Net cash flows from (used in) financing activities	<u>(491,392)</u>	<u>558,036</u>
DDDD	Effect of exchange rate on cash or cash equivalents	(<u>35,225</u>)	(<u>474</u>)
EEEE	Net Increase (Decrease) in Cash and Cash Equivalents	(257,520)	1,029,155
E00100	Balance of cash and cash equivalents, beginning of the year	<u>2,360,351</u>	<u>1,331,196</u>
E00200	Balance of cash and cash equivalents, end of the year	<u>\$ 2,102,831</u>	<u>\$ 2,360,351</u>

(Concluded)

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

(With Deloitte & Touche auditors' report dated March 22, 2024)

Chairman: Kuo, Shao-Yi Manager: Chen, Ping-Huang Accounting Supervisor : Su, Pei-Yu

Independent Auditors' Report

To Li Peng Enterprise Corporation Limited

Opinion

We have audited the accompanying parent company only financial statements of Li Peng Enterprise Corporation Limited (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 of the Company for the year 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 we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent only financial statements for the year 2023 are stated as follows :

The authenticity of the sales revenue of specific customers of nylon products

Li Peng Enterprise Corporation Limited and its subsidiaries comprises of nylon department, weaving department, and trading department. Nylon product sales revenue in 2023 will decline compared with 2022, but some new customers or non-recurring transaction customers will increase compared with the previous period and are significantly different from the expected performance of the industry environment. Therefore, in the 2023 annual audit, we listed the authenticity of sales of nylon product sales to new customers in the current period or non-recurring trading customers whose sales revenue is growing as a key audit matters. Please refer to Note 4 in the parent company only financial report for the reference of the related accounting policy concerning income recognition.

Our audit procedures related to the evaluation of the above-mentioned key audit matter, include the understanding and sampling of selected internal control design with effectively execution to have identified the transaction of sales revenue.

Other Matter

In the parent company only financial statements for 2023, the financial statements of some investee companies for using the equity method were audited by other auditors. Our opinion, on the parent company only financial statements 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 auditors. As of December 31, 2023, the aggregate carrying amount of the equity-method investments in the related party was NT\$943,064 thousand, representing 5.25% of the Company's 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\$29,404 thousand, accounting for (8.96%) of the comprehensive profits and losses for that year.

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.

Auditor's 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 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or revise the audit opinions, if such disclosures are inadequate. 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 where applicable, related safeguards.

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2024

LI PENG ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6)	\$ 1,796,077	10	\$ 1,821,027	10
1110	Financial assets at fair value through profit or loss - current (Note 7)	54,720	-	65,635	-
1150	Notes receivable, net (Note 8)	50,450	-	56,251	-
1160	Notes receivable from related parties, net (Note 28)	96,940	1	109,777	1
1170	Accounts receivable, net (Note 8)	631,160	4	727,930	4
1180	Accounts receivable from related parties, net (Note 28)	183,307	1	90,617	1
1210	Loan to related parties (Note 28)	948,731	5	383,875	2
130X	Inventory (Note 9)	2,193,348	12	2,954,568	16
1410	Prepayments	62,117	-	187,956	1
1476	Other financial assets - current (Note 10 and 28)	1,537,305	9	1,154,714	6
1479	Other current assets	11,798	-	16,882	-
11XX	Total current assets	<u>7,565,953</u>	<u>42</u>	<u>7,569,232</u>	<u>41</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss—non-current (Note 7)	6,333	-	6,333	-
1517	Financial assets at fair value through other comprehensive income—non-current (Note 11)	778,547	4	731,781	4
1550	Investment adjustments for Using Equity Method (Note 12)	4,203,525	23	4,198,963	23
1600	Property, plant, equipment (Note 13)	4,984,932	28	5,479,132	30
1755	Right of use asset (Note 14)	189	-	366	-
1780	Other intangible assets (Note 15)	4,168	-	5,145	-
1840	Deferred tax assets (Note 23)	434,159	3	346,432	2
1915	Prepayment for equipment	927	-	315	-
1990	Other non-current assets	269	-	275	-
15XX	Total non-current assets	<u>10,413,049</u>	<u>58</u>	<u>10,768,742</u>	<u>59</u>
1XXX	Total Assets	<u>\$ 17,979,002</u>	<u>100</u>	<u>\$ 18,337,974</u>	<u>100</u>
	Liability and Equity				
	Current liability				
2100	Short-term loan (Note 16)	\$ 3,608,000	20	\$ 3,675,000	20
2110	Short-term corporate bonds payable (Note 16)	10,000	-	520,000	3
2120	Financial liability at fair value through profit or loss (Note 7)	43,414	-	529	-
2150	Notes payable	31,041	-	41,127	-
2160	Notes payable—related parties (Note 28)	86,318	1	52,484	-
2170	Accounts payable	424,414	2	255,860	2
2180	Accounts payable—related parties (Note 28)	65,118	-	60,065	-
2219	Other payable (Note 28)	1,936,664	11	1,681,200	9
2220	Loan from related parties (Note 28)	279,000	2	252,000	1
2250	Current provisions	1,062	-	945	-
2280	Lease liability—current (Note 14)	192	-	183	-
2320	Long-term loan due in a year (Note 18)	141,250	1	117,500	1
2399	Other current liability	112,923	1	141,600	1
21XX	Total current liabilities	<u>6,739,396</u>	<u>38</u>	<u>6,798,493</u>	<u>37</u>
	Non-current liability				
2540	Long-term loan (Note 18)	1,854,000	10	1,786,875	10
2580	Lease liability—non-current (Note 14)	-	-	186	-
2570	Deferred income tax liability (Note 23)	146,650	1	147,206	1
2640	Accrued pension liability, net—non-current (Note 19)	203,335	1	242,309	1
2670	Other non-current liability	1,686	-	1,683	-
25XX	Total non-current liabilities	<u>2,205,671</u>	<u>12</u>	<u>2,178,259</u>	<u>12</u>
2XXX	Total liability	<u>8,945,067</u>	<u>50</u>	<u>8,976,752</u>	<u>49</u>
	Equity (Note 20)				
3110	Common stock	9,100,712	51	9,144,872	50
3200	Capital reserve	191,201	1	187,282	1
	Retained earning				
3310	Legal reserve	525,527	3	525,527	3
3320	Special reserve	229,670	1	229,670	1
3350	Accrued loss	(514,313)	(3)	(71,277)	-
3300	Total retained earnings	240,884	1	683,920	4
3400	Other equity	(209,570)	(1)	(324,345)	(2)
3500	Treasury stock	(289,292)	(2)	(330,507)	(2)
3XXX	Total equity	<u>9,033,935</u>	<u>50</u>	<u>9,361,222</u>	<u>51</u>
	Total of Liability and Equity	<u>\$ 17,979,002</u>	<u>100</u>	<u>\$ 18,337,974</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 22, 2024)

Chairman: Kuo, Shao-Yi

Manager: Chen, Ping-Huang

Accounting Supervisor: Su, Pei-Yu

LI PENG ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note21,28)	\$ 8,996,009	100	\$ 10,795,406	100
5000	Operating cost (Note 9, 28)	<u>9,160,697</u>	<u>102</u>	<u>10,531,163</u>	<u>97</u>
5900	Operating profit (loss)	(164,688)	(2)	264,243	3
5910	Unrealized profit on sales to associates	(1,116)	-	(317)	-
5920	Realized profit on sales to associates	<u>317</u>	<u>-</u>	<u>884</u>	<u>-</u>
5950	Realized operating profit (loss)	(<u>165,487</u>)	(<u>2</u>)	<u>264,810</u>	<u>3</u>
	Operating expense (Note 28)				
6100	Sales expense	247,997	3	375,005	3
6200	Management expense	178,869	2	181,709	2
6300	R&D expense	109,899	1	94,768	1
6450	Expected credit gain on reversal of impairment loss	(<u>949</u>)	<u>-</u>	(<u>2,407</u>)	<u>-</u>
6000	Total operating expenses	<u>535,816</u>	<u>6</u>	<u>649,075</u>	<u>6</u>
6900	Operating net loss	(<u>701,303</u>)	(<u>8</u>)	(<u>384,265</u>)	(<u>3</u>)
	Non-operating income and expenses				
7100	Interest income (Note 22, 28)	100,689	1	41,774	1
7010	Other income(Note 22, 28)	43,910	-	63,676	1
7020	Other profit and loss (Note 22, 28)	85,562	1	252,780	2
7050	Finance cost (Note 22)	(108,641)	(1)	(75,339)	(1)
7070	Share of profits of subsidiaries and associates	<u>47,571</u>	<u>1</u>	<u>34,836</u>	<u>-</u>
7000	Total non-operating income and loss	<u>169,091</u>	<u>2</u>	<u>317,727</u>	<u>3</u>

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7900	Net loss before tax	(\$ 532,212)	(6)	(\$ 66,538)	-
7950	Income tax profit (Note 4, 23)	<u>87,206</u>	<u>1</u>	<u>29,530</u>	<u>-</u>
8200	Net loss of the year	(<u>445,006</u>)	(<u>5</u>)	(<u>37,008</u>)	<u>-</u>
	Other comprehensive income (net)				
8310	Uncategorized items profit and loss :				
8311	Measure on defined benefit plans	8,647	-	2,972	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	40,357	-	(78,917)	(1)
8330	Share of other comprehensive gain of associates and joint ventures	59,114	1	(178,643)	(2)
8360	Items that may be reclassified subsequently to profit or loss :				
8361	Exchange differences resulting from translation on foreign operations	<u>8,627</u>	<u>-</u>	<u>1,634</u>	<u>-</u>
8300	Total other comprehensive income of the year	<u>116,745</u>	<u>1</u>	(<u>252,954</u>)	(<u>3</u>)
8500	Total comprehensive income of the year	(<u>\$ 328,261</u>)	(<u>4</u>)	(<u>\$ 289,962</u>)	(<u>3</u>)
	Loss Per Share (Note 24)				
9710	Basic	(<u>\$ 0.51</u>)		(<u>\$ 0.04</u>)	

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

(With Deloitte & Touche auditors' report dated March 22, 2024)

Chairman: Kuo, Shao-Yi Manager : Chen, Ping-Huang Accounting Supervisor : Su, Pei-Yu

LI PENG ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGE IN EQUITY
(In Thousands of New Taiwan Dollars)

Code		Capital Stock-Common Stock		Retained Earning				Other Equity Items					Total
		Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Unappropriated deficit)	Foreign Organization Financial report Exchange difference	Financial assets unrealized profit and loss at fair value through other comprehensive income			Treasury Stock	
									Parent Company	Subsidiary using Equity Method	Associates using Equity Method		
A1	BALANCE JANUARY 1, 2022	914,487	\$ 9,144,872	\$ 185,591	\$ 525,527	\$ 229,670	(\$ 42,496)	(\$ 45,610)	\$ 247,105	(\$ 214,364)	(\$ 49,739)	(\$ 330,507)	\$ 9,650,049
	Adjustments to other capital surplus:												
C7	Adjustments to share of changes in equities of associates	-	-	(196)	-	-	(556)	-	-	-	-	-	(752)
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	1,887	-	-	-	-	-	-	-	-	1,887
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	598	-	-	-	(598)	-	-
D1	Net loss in 2022	-	-	-	-	-	(37,008)	-	-	-	-	-	(37,008)
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	-	8,185	1,634	(78,917)	(69,171)	(114,685)	-	(252,954)
D5	Total comprehensive income (loss) in 2022	-	-	-	-	-	(28,823)	1,634	(78,917)	(69,171)	(114,685)	-	(289,962)
Z1	BALANCE DECEMBER 31, 2022	914,487	9,144,872	187,282	525,527	229,670	(71,277)	(43,976)	168,188	(283,535)	(165,022)	(330,507)	9,361,222
	Adjustments to other capital surplus:												
C7	Adjustments to share of changes in equities of associates	-	-	974	-	-	-	-	-	-	-	-	974
L3	Retirement of treasury stock (Note20)	(4,416)	(44,160)	2,945	-	-	-	-	-	-	-	41,215	-
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	(5,979)	-	-	(65)	6,044	-	-
D1	Net loss in 2023	-	-	-	-	-	(445,006)	-	-	-	-	-	(445,006)
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	7,949	8,627	40,357	35,328	24,484	-	116,745
D5	Total comprehensive income (loss) in 2023	-	-	-	-	-	(437,057)	8,627	40,357	35,328	24,484	-	(328,261)
Z1	BALANCE DECEMBER 31, 2023	<u>910,071</u>	<u>\$ 9,100,712</u>	<u>\$ 191,201</u>	<u>\$ 525,527</u>	<u>\$ 229,670</u>	<u>(\$ 514,313)</u>	<u>(\$ 35,349)</u>	<u>\$ 208,545</u>	<u>(\$ 248,272)</u>	<u>(\$ 134,494)</u>	<u>(\$ 289,292)</u>	<u>\$ 9,033,935</u>

The accompanying notes are an integral part of the parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 22, 2024)

Chairman: Kuo, Shao-Yi

Manager : Chen, Ping-Huang

Accounting Supervisor : Su, Pei-Yu

LI PENG ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash Flows from Operating Activities		
A10000	Loss before income tax	(\$ 532,212)	(\$ 66,538)
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	602,708	602,417
A20200	Amortization expense	3,462	4,189
A20300	Expected credit gain for bad debt expense	(949)	(2,407)
A29900	Amortized prepayment	54,245	71,873
A20400	Financial assets and liability at fair value through (profit) or loss	52,352	(11,446)
A20900	Finance costs	108,641	75,339
A21200	Interest income	(100,688)	(41,774)
A21300	Dividend income	(1,188)	(22,945)
A22400	Share of income to associates using equity method	(47,571)	(34,836)
A23100	Gain on disposal of investment, net	(17,353)	-
A22500	Loss (Gain) on disposal or retirement of property, plant, equipment	1,246	(2,106)
A23800	Impairment loss (gain) on inventory	(59,095)	117,112
A24000	Realized loss (profit) on sales to subsidiaries and associates	799	(567)
A24100	Loss on foreign exchange, net	50,263	21,960
A30000	Changes in operating assets and liabilities		
A31115	Collect financial assets at fair value through profit or loss	18,801	-
A31130	Notes receivable	18,738	116,084
A31150	Accounts receivable	2,948	434,950
A31200	Inventory	820,315	16,792
A31230	Prepayments	71,200	(200,076)
A31240	Other current assets	13,719	3,543
A31250	Other financial assets	(419,994)	(177,324)
A32130	Notes payable	23,748	(30,319)
A32150	Accounts payable	164,898	(935,908)
A32180	Other payables	315,940	241,892
A32200	Current provisions	117	(4,254)
A32240	Accrued pension liabilities	(30,327)	(11,321)
A32230	Other current liability	(23,539)	(33,482)

(Continued)

Code		2023	2022
A33000	Cash inflow generated from operations	\$ 1,091,224	\$ 130,848
A33100	Interest income	96,994	40,828
A33200	Dividend income	1,188	22,945
A33200	Dividend income from associates	110,925	60,761
A33300	Interest payable	(108,875)	(73,331)
A33500	Income tax payable	(9,750)	(4,752)
AAAA	Cash inflow from operating activities	<u>1,181,706</u>	<u>177,299</u>
Cash Flows from Investing Activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(6,409)	-
B01800	Acquisition of associates	-	(180,030)
B02200	Cash outflow from acquisition of subsidiaries	-	(203,427)
B02700	Acquisition of property, plant, equipment	(138,935)	(426,660)
B02800	Disposal of property, plant, equipment	5,133	15,838
B03800	Decrease in refundable deposits	6	16
B04500	Acquisition of intangible asset	(2,485)	(3,982)
B04300	Decrease (Increase) in loan to related parties receivables	(580,234)	520,674
BBBB	Cash outflow from investment activity	<u>(722,924)</u>	<u>(277,571)</u>
Cash Flows from Financing Activities			
C00100	Increase (Decrease) in short-term loan	(67,000)	880,000
C00500	Decrease in short-term bills payable	(510,000)	(280,000)
C01600	Lend long-term loan	2,894,000	500,000
C01700	Repay long-term loan	(2,803,125)	(420,625)
C04020	Lease principal repayment	(188)	(181)
C03000	Increase in refundable deposits	3	465
C03700	Increase (decrease) in loan to related parties payables	27,000	(29,000)
CCCC	Net cash flows from (used in) financing activities	<u>(459,310)</u>	<u>650,659</u>
DDDD	Effect of exchange rate on cash or cash equivalents	(24,422)	(8,450)
EEEE	Net Increase (Decrease) in Cash and Cash Equivalents	(24,950)	541,937
E00100	Balance of cash and cash equivalents, beginning of the year	<u>1,821,027</u>	<u>1,279,090</u>
E00200	Balance of cash and cash equivalents, end of the year	<u>\$ 1,796,077</u>	<u>\$ 1,821,027</u>

(Concluded)

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(With Deloitte & Touche auditors' report dated March 22, 2024)

Chairman: Kuo, Shao-Yi Manager : Chen, Ping-Huang Accounting Supervisor : Su, Pei-Yu

Attachments 2

LI PENG ENTERPRISE CO., LTD. Article of association

Chapter I General Principles

- Article 1 The company was organized in accordance with the provisions of the Company Act and was named LI PENG ENTERPRISE CO., LTD.
- Article 2 The Company's businesses are as follows :
1. A101020 Growing of Crops.
 2. A102060 Food Dealers.
 3. A401020 Raising of Livestock and Poultry.
 4. C301010 Spinning of Yarn.
 5. C302010 Weaving of Textiles.
 6. C305010 Printing, Dyeing, and Finishing.
 7. C306010 Wearing Apparel.
 8. C399990 Other Textile and Products Manufacturing.
 9. C601990 Other Paper Products Manufacturing.
 10. C701010 Printing.
 11. C702010 Plate Making Industry.
 12. C801100 Synthetic Resin and Plastic Manufacturing.
 13. D101050 Combined Heat and Power.
 14. D101060 self-usage power generation equipment utilizing renewable energy industry.
 15. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
 16. F113010 Wholesale of Machinery.
 17. F114010 Wholesale of Motor Vehicles.
 18. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
 19. F201010 Retail Sale of Agricultural Products.
 20. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
 21. F213080 Retail Sale of Machinery and Tools.
 22. F214010 Retail Sale of Motor Vehicles.
 23. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
 24. F301020 Supermarkets.
 25. G202010 Parking Area Operators.
 26. H701040 Specific Area Development.
 27. H701060 New Towns, New Community Development.
 28. I301010 Information Software Services.
 29. I301030 Electronic Information Supply Services.

30. IZ99990 Other Industrial and Commercial Services.
31. J701020 Amusement Parks.
32. J701040 Recreational Activities Venue.
33. J801030 Athletics and Recreational Sports Stadium.
34. JA01010 Automobile Repair.
35. JE01010 Rental and Leasing.
36. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The company's investment in other businesses is not subject to the total investment restrictions of the Company Law.

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, and depending on the business or investment relationship or inter-industry needs, external guarantees.

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 The stocks shall be issued through book entry system instead of issuing printing stocks according to laws and regulations; 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.

A shareholders' meeting may be conducted visual communication meeting or other methods announced by central 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, and signing and sealing to entrust an agent to attend the meeting.

Article 10-1 The chairman of the shareholders meeting shall be the chairman of the board of directors. If the chairman is absent, the vice chairman shall act as the deputy chairman of the board of directors when there is a vice chairman; When the vice chairman is also absent for some reason, the chairman shall appoint a director to act as his agent; If the chairman 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 chairman 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 chairman, 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, 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 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 The Company shall have nine to eleven directors (including at least three independent directors), the term of office 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 chairman of the board, and a vice chairman 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 chairman 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 The remuneration of the chairman 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 26 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 27 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 28 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 29 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 NT\$0.1, 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 30 Matters not stipulated in this Articles of Association shall be handled in accordance with the Company Law and relevant laws and regulations.

Article 31 This charter was established on August 11, 1975
The first amendment was made on March 28, 1976
The second amendment was made on December 6, 1976
The third amendment was on June 30, 1981
The fourth amendment was on July 26, 1981
The fifth amendment was on August 10, 1985
The sixth amendment was made on July 8, 1987
The seventh amendment was made on July 8, 1988
The eighth amendment was made on June 15, 1990
The ninth amendment was on April 18, 1991
The tenth amendment was on March 23, 1992
The eleventh amendment was made on May 20, 1993
The twelfth amendment was made on April 28, 1994
The thirteenth amendment was made on May 9, 1995
The fourteenth amendment was made on May 7, 1997
The fifteenth amendment was on April 23, 1998
The sixteenth amendment was made on May 27, 1999
The seventeenth amendment was made on April 26, 2000
The eighteenth amendment was on June 13, 2001

The nineteenth amendment was on June 12, 2002
The twentieth amendment was on June 3, 2004
The twenty-first amendment was made on June 10, 2005
The twenty-second revision was made on June 14, 2006
The twenty-third revision was on June 15, 2007
The twenty-fourth amendment was made on June 15, 2007
The twenty-fifth amendment was made on June 17, 2010
The twenty-sixth amendment was on June 6, 2012
The twenty-seventh amendment was on June 13, 2000
The twenty-eighth amendment was on June 11, 2013
The twenty-ninth amendment was on June 10, 2015
The thirtieth amendment was on June 8, 2016
The thirty-first amendment was made on June 12, 2018
The thirty-second amendment was made on June 18, 2020.
The thirty-third amendment was made on August 18, 2021
The thirty-fourth amendment was made on June 24, 2022

LI PENG ENTERPRISE CO., LTD.
Chairman KUO, SHAO-YI

Attachments 3

LI PENG ENTERPRISE CO., LTD.

Rules of Procedure for Shareholders Meetings

Amended on 2021.03.29

- 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 4

LI PENG ENTERPRISE CO., LTD.

Director election method

2015.06.10 (Amended)

- Article 1: The election and appointment of directors shall be handled in accordance with these Measures, unless otherwise provided by laws or regulations or articles of association.
- Article 2: Directors shall be elected by persons with capacity in the shareholders meeting, and in accordance with the number of positions specified in the company's articles of association, the votes obtained shall represent the greater number of voting rights, and shall be elected in turn.
- Article 3: A cumulative voting system is adopted. The ballot should be prepared by the company and indicate its weight.
- Article 4: Each share has the same voting rights as the number of directors to be elected, and one person may be elected collectively or several persons may be distributed.
- Article 5: Independent directors and non-independent directors shall be elected together, and votes shall be counted separately. When two or more people have the same number of votes and exceed the prescribed number of votes, the person with the same number of votes shall draw lots. For those who are not present, the chairman shall draw lots on their behalf.
- Article 6: The chairman shall appoint a scrutineer and the teller to handle the matters of scrutiny and count, and the scrutineer shall be a shareholder.
- Article 7: The ballot boxes provided shall be inspected by the scrutineers before voting.
- Article 8: If the electee is a shareholder, the elector must fill in the electee's account name and shareholder account number in the electee column of the ballot; Those who are not shareholders shall fill in the name of the electee and the uniform number of the identity card. However, when a government or legal person shareholder is an elected person, the name of the government or legal person should be entered in the account of the electee in the ballot, and the name of the representative may also be added; When there are several representatives, the names of the representatives should be added separately.
- Article 9: The ballot paper is invalid if one of the following circumstances occurs:
1. Those who are not the votes specified in these Measures.
 2. Those who put blank ballots into the ballot box.
 3. The handwriting is illegible or unrecognizable due to alteration.
 4. The same ballot is filled with two or more electees.
 5. Fail to fill in the items specified in Article 8 or fill in incompletely.
 6. In addition to the items specified in Article 8, other words or signs are mixed.
 7. The name of the electee filled in is the same as that of other shareholders, but the shareholder account number or the uniform number of the identity card is not filled in for identification.
 8. The total number of voting rights voted by the elector exceeds the total number of voting rights held by the elector.
- Article 10: Ballots shall be opened at the end of the voting time. After the scrutineers have confirmed that they are correct, the chairman shall announce the list of elections on the spot.
- Article 11: This method shall be implemented after being approved by the shareholders' meeting, and it shall be the same at the time of revision.

Attachments 5

**Li Peng Enterprise Co., Ltd
all directors' shareholdings**

As of the closing date: 2024, April 23

Position	Name	Shareholding by the closing date	Explanation
Chairman	KUO SHAO YI	10,222,819	<p>1. As of the closing date the Company's total number of issued shares is 910,071,242 shares.</p> <p>2. Pursuant to Article 26, the Securities and Exchange Act, and "The regulation of publicly revealing equity percentage of the company's directors, supervisors and implementation inspection, the total number of directors' shareholding must be at least 29,122,279 shares.</p> <p>3. All directors of the company actually hold 208,875,051 shares, which has reached the regulated threshold.</p>
Director	LEALEA ENTERPRISE CO., LTD Representative: TUNG MIN HSIUNG	152,054,853	
Director	LI MOU INVESTMENT CO., LTD Representative: KUO SU JEN	34,177,995	
Director	SHUN YU INVESTMENT CO., LTD Representative: KUO KO CHUNG	11,991,397	
Director	CHEN PING HUANG	27,343	
Director	KUO CHI KANG	400,644	
Independent Director	LIN YAO CHUAN	0	
Independent Director	KAO CHENG SHANG	0	
Independent Director	LEE SU CHIN	0	
TOTAL		208,875,051	

