

股票代碼：1447



LI PENG ENTERPRISE CORPORATION

Handbook of 2021 Annual General Shareholders' Meeting



Date: June 23, 2021

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

LI PENG ENTERPRISE CORPORATION
Handbook of 2021 Annual General Shareholders' Meeting
(Translation)

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Notice to readers

This is a translation of the Handbook of 2021 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.
2021 Annual General Shareholders' Meeting Procedures

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

LI PENG ENTERPRISE CO., LTD.
2021 Annual General Shareholders' Meeting Agenda

Time: 2021/ 06/ 23 (Wednesday), 9 a.m.

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) The 2020 business report
 - (2) The 2020 audit committee's audit report
 - (3) Report on Allocation of 2020 Remuneration to Board of Directors and Employees.
4. Matters for Ratification
 - (1) The 2020 business reports and financial statements
 - (2) The 2020 proposals for surplus distribution or loss allowances
5. Matters for Discussion and Election:
 - (1) Amendment to "Article of association"
 - (2) Re-election of directors
 - (3) Removal of Non-Competition Restriction Against the Board of Directors and representatives
6. Extemporaneous Motion
7. Meeting Adjourned

Report Items

I . The 2020 business report

Explanatory Notes: The 2020 business report is as follows.

Business report

1. The 2020 operational performance

(1) Plan execution:

Due to the Covid-19 epidemic, many countries 'block down has significant impact on the global supply chain. This results in a sharp decline in revenue in the first half of 2020. Moreover, the price of CPL raw materials hit bottom in the third quarter, which also affected the price and sales of nylon chips and nylon yarn. Additionally, the material suppliers stop manufacturing for maintenance in the fourth quarter causing decreased market supply, which is expected to influence the price. In the third quarter, our company established a subsidiary, named Eton Petrochemical Co., Ltd, participating in chemicals trading sector, implementing diversification and vertical integration to supply to Polytex petrochemical companies. This on one hand contributes to company's overall benefit. On the other hand, the company through Eton seizes potential opportunities in petrochemical industry, increasing the accuracy of the company's judgment on the supply and demand of the textile market and enhancing the effectiveness of operating strategy implementation.

The 2020 consolidated revenue is NT\$13.559 bil, 7.00% lower than that of 2019. After tax income is NT\$ -414 mil, 69.77% lower than that of 2019. Major products are nylon chips 119,178 tons, nylon yarn 27,452 tons, woven fabric 30,850 thousand yards 、 knit fabric 819 tons.

(2) Budget implementation :

Not available. Our company only set the 2020 internal budget, and did not disclose financial forecasts to the public.

(3) Revenue, expenditure, and profitability analysis :

The 2020 unconsolidated revenue of subsidiaries is NT\$ 10.37 billion, after tax income is NT\$ -412 mil, After tax profit margin is -3.97%, earnings per share is NT\$ -0.48. Our company unconsolidated financial income and expense and profitability analysis are as below table.

Unit: Thousand NT\$

Item		2019	2020	Increase (Decrease) Amount and Ratio
Financial income and expense	Operating income	14,452,347	10,369,775	-4,082,572
	Operating cost	14,091,788	10,168,838	-3,922,950
	Before tax profit	-322,087	-533,806	-211,719
	Net Income	-249,366	-412,009	-162,643
Profitability	Return on asset (%)	-1.11	-2.12	-1.01
	Return on equity (%)	-2.61	-4.39	-1.78
	Before tax income to paid-in capital ratio (%)	-3.52	-5.83	-2.31
	Profit margin (%)	-1.72	-3.97	-2.25
	Earnings per share (NT\$)	-0.29	-0.48	-0.19

(4) Research and development :

The company's product R&D direction is still mainly to meet the customers' demand. Beside diversifying high value-added products, we reach out of the textile area, moving toward industrial plastic area, expanding the application range of nylon.

Moreover, our product development also focuses on environmental protection and the concept of energy saving and carbon reduction. Environment friendly products contribute to reduction of energy consumption, greenhouse gas emission during the manufacturing process. The R&D has recently been focused on waste recycling, and gained positive outcomes. It has successfully converted environmental protection concepts into actual orders, achieving the economic goals. The company's products which have been mass-produced are as following table:

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/Functionalized Nylon Chip	Used for upgrading the physical properties of products such as injection grade and extrusion grade, replacing the customers; 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
Transparent Nylon Chip	Injection grade and extruded product physical properties modification use	
Brittle Polyether Chip	Modification of injection-grade and fiber-grade footwear fabric material, industrial fiber, single fiber, and recycled chips	High light transmittance, replacing PET differentiated products, high dyeing and finishing dispersion uniformity, high spinning yield Low viscosity attenuation rate during processing is in line with environmentally friendly recycling purposes
Low dye nylon fiber	High grade knit fabric, sports, leisure	Combined with normal nylon fibers to produce a two-tone nylon processed yarn
Antibacterial nylon yarn		Increase the antibacterial effectiveness after laundering and dyeing
Low moisture absorption nylon yarn		Low moisture absorption and high product size stability

Type	Application	Specifications
Nylon recycled yarn	Knit fabric textile, sport, leisure	GRS green recycling application
Flame retardant nylon yarn	touch fastener, tents	Flame retardant effect

2. The 2021 business plan summary

In terms of business strategy, the company defines this year as a leap year, with the overall spirit of “the whole company is of one mind, establishing a sustainable foundation, crossing the boundary, and breaking through international changes”.

The world has been continuously affected by Covid-19 pandemic. Taiwan has achieved such a good pandemic prevention thanks to the unity of the whole country. Also, our company with unity spirit turns risks into opportunities. In order to reduce plastic consumption, textile product application expands to 3C supporting products. With our strong R&D, sales and one stop production services, we are able to coordinate with brand owners’ R&D plan for product development, facilitating the penetration of textile products in electronic materials. We will also actively expand the market and seize business opportunities in 3C application field.

Nylon business unit: Carefully evaluate the supply and demand changes and price fluctuations of raw and auxiliary materials to effectively plan procurement strategies.

Nylon chips: Actively developing and selling products, expanding the scope of application; boosting sales in India, Central and South America, and developing new markets.

Nylon yarn : Seeking for more stable quality and continue making differentiated products.

High-end textile business unit: Improving coloring accuracy, promptly responding to customer needs; developing environmentally friendly, functional, and high-value-added textile products, strengthening brand cooperation, and seeking for new customers.

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

With the rise of environmental awareness, in recent years, global brands such as home furniture, apparel, footwear materials, 3C, etc. have begun to set annual carbon reduction targets. Besides their own requirements, their supply chain manufacturers also need to join carbon reduction process in order to obtain a complete green product life. The RePET, Ecoya, and ReEcoya developed by our company, and waste recycled products, have been highly recognized, and the sales volume has been increasing year by year.

For gaining more global environmentally friendly product orders, aiming to green production goals, Libolon Energy Co. LTD was established with 70% investment from our company, preparing to invest in the green power field of wind power generation to provide the energy required for the group's production. In the future, the company will move towards the goal that 100% of the power for production is green energy.

In the face of the global economic downturn and instability, the company still strives to seek for innovation and change, showing its determination of sustainable operation. 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 : KUO SHAO YI Accounting head : KO PEI CHUN

II. The 2020 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 2020 financial statements which were prepared by the Board of Directors. The financial statements were audited by Deloitte's accountants, Wu, Ker-Chang and Chiu, Ming-Yu 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 2021 regular shareholders' meeting

LI PENG ENTERPRISE CO., LTD.

Audit committee convener : Lin, Yao Chuan

Taiwan, March 29, 2021

III. Report on Allocation of 2020 Remuneration to Board of Directors and Employees.

Explanatory Notes: Since 2020 saw a before tax loss, it is not necessary to allocate employee and director's remuneration.

Matters for Ratification

Item 1

Proposed by the Board of Directors

Proposal: The 2020 business report and financial statements.

Explanatory Notes:

1. The 2020 financial statements audited by Deloitte's accountants Wu, Ker-Chang and Chiu, Ming-Yu 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.14~31.

Resolution :

Item 2

Proposed by the Board of Directors

Proposal: The 2020 proposals for surplus distribution or loss allowances**Explanatory Notes:**

The 2020 net loss after tax income is NT\$ 412,009,449. The 2020 proposals for surplus distribution or loss allowances is as follows

LI PENG ENTERPRISE CO.,LTD.
Proposals for surplus distribution or loss allowances
R.O.C 2020

Unit: NT\$

Item	Amount		Note
Loss to be made up at the beginning of the period		(248,943,111)	
After tax income	(412,009,449)		
Actuarial profit (loss) included in retained earnings	13,239,886		
Equity method recognition and disposal of equity instruments measured at fair value through other comprehensive income (loss)	(14,363,329)		
Net (loss) profit after tax plus non-net (loss) profit after tax items included in retained earnings		(413,132,892)	
Set aside the special surplus reserve according to law (Note)		372,966,405	
Loss to be made up at the end of period		(289,109,598)	

Note: According to the Financial Supervision and Administration Commission of the Executive Yuan, financial management certificate No. 1010012865 letter regulates the difference between the special surplus reserve and the net deduction of other equity is reversed.

Chairman : KUO SHAO YI

Manager : KUO SHAO YI

Accounting Head : KO PEI CHUN

Resolution :

Matters for Discussion and Election

Item 1

Proposed by the Board of Directors

Proposal: Amendment of “Articles of Association”

Explanatory Notes:

In accordance to legal regulation, Comparative Table for the Current and Amended Articles of Association is as attachment 3, Handbook page 33~38.

Resolution :

Item 2

Proposed by the Board of Directors

Proposal: Director re-election

Explanatory Notes:

1. The term of the 19th Board of Directors shall end on June 11, 2021. According to laws and regulations and the Article of association, it is proposed to cooperate with this regular shareholders' meeting to re-elect directors.
2. Pursuant to the Article of association, article 15, there are 9 directors to be elected (including 3 independent directors) deploying the candidate nomination system, each term lasts three years, from June 23, 2021 to June 22, 2024, and the term of the directors ends when the current regular shareholders' meeting is finished.
3. Director candidate list (including independent directors) was approved by the Board of Directors on May 13, 2021, as follows:

Type	Candidate	Major education and experience background	Shareholding
Director	KUO SHAO YI I	National Taiwan University of Science and technology-EMBA- Management Institute – Business Administration Department Chairman -Li Peng Enterprise Co., Ltd. Chairman- Lealea Enterprise Co., Ltd Chairman - Lealea Technology Co., Ltd. Chairman - Li Ling Film, Co., Ltd. Chairman- Lea Jie Energy Co., Ltd. Chairman- Apex Fong Yi Technology Co., Ltd. Chairman- Tung Ting Investment Co., Ltd. Chairman- Libolon Energy Co., Ltd Chairman- Eton Petrochemical Co., Ltd. Chairman- Pt. Indonesia Libolon Fiber System Chairman- In Talent Investments Limited	9,584,819
Director	CHEN PING HUANG	Provincial Taipei Institute of Technology -Chemical Engineering Department Deputy General Manager -Li Peng Enterprise Co., Ltd. Supervisor - Lea Jie Energy Co., Ltd. Director- Fuli Express Co., Ltd.	53,343
Director	KUO CHI KANG	The U.S California State Polytechnic Univeristy, Pomona, Hotel management department Director/CEO- Rich Development Co., Ltd. Chairman-	400,644

Type	Candidate	Major education and experience background	Shareholding
		Yilan Lealea Development Holding Co. Ltd. Director- Ho Ching Enterprises Co., Ltd. Director- Forest Water Environmental Engineering Ltd. Director- Li Peng Enterprise Co., Ltd. Director- Lealea Enterprise Co., Ltd	
Director	LEALEA ENTERPRISE CO., LTD Representative : TUNG, MIN-HSIUNG	Feng Chia Univerity, Department of Textile Engineering Deputy general manager - Li Peng Enterprise Co., Ltd. Supervisor - Libolon Energy Co., Ltd.	145,353,853
Director	LI MOU INVESTMENT Representative : KUO SU JEN	Yale University- MBA & Master Public Health Chairman -Ho Ching Enterprise Co., Ltd. Chairman - Lea He Investment Co. Ltd. Chairman - Forest Water Environmental Engineering Ltd. Chairman -Rich Development Co., Ltd. Director- Li Peng Enterprise Co., Ltd. Director- Lealea Enterprise Co., Ltd	34,177,995
Director	SHUN YU INVESTMENT CO., LTD Representative : KUO KO CHUNG	San Maring High School Director - Li Peng Enterprise Co., Ltd. Director- Lealea Enterprise Co., Ltd Director--Rich Development Co., Ltd	11,991,397
Independent Director	LIN YAO CHUAN	National Taiwan University, Deparment of Law Judge of Taiwan Shilin district Court Partner -Li-Yang law firm	0
Independent Director	KAO CHENG SHANG	Master degree of Politics, Chinese Culture Univerisity, National Taiwan University, Department of Law First Chairman- The Taipei City Government's Indigenous Peoples Commission Deputy Director- Executive Yuan's Council of Indegious People Executive Director - Taiwan Agricultural Strategic Alliance Foundation, Deputy excetive director- Taiwan foundation for Democracy Chief Executive Officer- Eastern District Construction Center, Indigenous tribe sustainable Development Project Director - Legal Aid Foundation	0
Independent Director	LEE SU CHIN	National Taiwan University, Master degree Chief Accountant- Delta Eletronics Inc., Financial management departent.	0

Resolution :

Item 3

Proposed by the Board of Directors

Proposal: Removal of Non-Competition Restriction Against the Board of Directors and representatives

Explanatory Notes:

1. According to Article 209 of the Article of association, members of Board of Directors who engage in activities that fall within the scope of the company's business, either on their own or on a third party's account shall explain their actions and obtain the permission in the shareholders' meeting.
2. In order to take advantage of the professional and relevant experience of the directors, it is proposed for approval of Removal of Non-Competition Restriction Against the Board of Directors and representatives elected at this meeting of shareholders according to the law.
3. Removal of Non-Competition Restriction Against the Board of Directors and representatives is as follows:

Directors	Company name	Position
KUO SHAO YI I	Lealea Enterprise Co., Ltd.	Chairman
	Lealea Technology Co., Ltd.	Chairman
	Apex Fong Yi Technology Co., Ltd.	Chairman
	Tung Ting Investment Co., Ltd.	Chairman
	Pt. Indonesia Libolon Fiber System	Chairman
	Lea Jie Energy Co., Ltd.	Chairman-Lealea Enterprise Co., Ltd. Representative
	Li Ling Film Co., Ltd	Chairman-Tung Ting Investment Co., Ltd Representative
	Libolon Energy Co., Ltd.	Chairman
	Eton Petrochemical Co., Ltd	Chairman
	In Talent Investments Limited	Director
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
CHEN PING HUANG	Fu Li Express Co., Ltd	Director
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.	Director

Director Representative	Company Name	Position
KUO SU JEN	Forest Water Environmental Engineering Co., Ltd.	Chairman- Rich Development Co., Ltd Representative
	Ho Ching Enterprises Co., Ltd	Chairman- Rich Development Co., Ltd. Representative
	Lealea hotels Co., Ltd	Director
	Rich Development Co., Ltd.	Chairman
	Li Peng Enterprise Co., Ltd.	Chairman - Rich Development Co., Ltd. Representative
	Lead Way Investments Group Ltd	Chairman
	Orient Forest Development Enterprise Co., Ltd.	Chairman - Forest Water Environmental Engineering co., Ltd. Representative
	Green Forest Development Enterprise Co., Ltd	Chairman- Forest Water Environmental Engineering co., Ltd. Representative
	LiJing Enterprise Co., Ltd	Chairman - Rich Development Co., Ltd., Representative
	Lea Ming Construction Co., Ltd	Chairman
	Lealea Wushih Marina & Resorts Co., Ltd	Director - Rich Development Co., Ltd., Representative
	Lealea Enterprise Co., Ltd.	Director -Li Peng Enterprise CO., LTD. Representative
	Taiwan Green Power Co., Ltd	Chairman
KUO KO CHUNG	Lealea Enterprise Co.,Ltd.	Director- Shun Yu Investment Co., Ltd. Representative
	Rich Development Co., Ltd.	Director - Shun Yu Investment Co., Ltd Representative

Resolution :

Extemporary Motion

Meeting Adjourned

Attachments 1

Independent Auditor's Report

To Li Peng Enterprise Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Li Peng Enterprise Company Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) 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 judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. 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 ended December 31, 2020 are stated as follows:

The Actual Occurrence of Sales Revenue

The Company comprises of nylon department, weaving department, and trading department. The sales revenue of the nylon department is the highest among all. Nylon products are mainly traded as commodity and the sales condition varies from client to client. The overall sales revenue of nylon department has shown a decrease in the past year, however, the sales generated from some of the clients have increased. Thus, the auditor will report the transaction condition as non-added letters of credit, and list the sales revenue of nylon products as an item of

the key audit matters. Refer to Note 4 to the consolidated financial statements regarding revenue recognition principle.

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

The Company had repared the parent company only financial statements of 2019 and 2020 as for reference, provided with auditor's report by the Company's accountants with no further opinions on the matter.

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, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our 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, 2020 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, Ker-Chang and Chiu, Ming-Yu

Deloitte & Touche
Taipei, Taiwan
Republic of China

Mar 31, 2021

Financial Supervisory Commission ROC vetted
Document no. 1000028068

Financial Supervisory Commission ROC vetted
Document no. 0930160267

Li Peng Enterprise Co Ltd and Subsidiaries

Consolidated Balance Sheets

Dec 31, 2019, 2020

Unit : Thousands of NTD

Code	Assets	Dec 31, 2020		Dec 31, 2019	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6)	\$ 1,359,763	8	\$ 2,833,122	16
1110	Financial assets at fair value through profit or loss - current (Note 7)	491,974	3	301,097	2
1150	Notes receivable, net (Note 8)	33,170	-	88,747	1
1160	Notes receivable from related parties, net (Note 28)	52,264	-	13,641	-
1170	Accounts receivable, net (Note 8)	1,782,834	10	1,775,432	10
1180	Accounts receivable from related parties, net (Note 28)	161,759	1	51,954	-
1210	Loan to related parties receivable (Note 28)	552,800	3	164,000	1
130X	Inventory (Note 9)	2,080,015	12	2,553,973	14
1410	Prepayments	56,927	-	65,564	-
1476	Other financial assets - current (Note 6)	174,551	1	60,634	-
1479	Other current assets	5,868	-	7,803	-
11XX	Total current assets	<u>6,751,925</u>	<u>38</u>	<u>7,915,967</u>	<u>44</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss—non-current (Note 7)	11,825	-	13,447	-
1517	Financial assets at fair value through other comprehensive income—non-current (Note 10)	2,358,662	13	1,824,018	10
1550	Investment adjustments for Using Equity Method (Note 12)	2,613,301	15	1,782,110	10
1600	Property, plant, equipment (Note 13)	5,550,279	31	6,041,544	34
1755	Right of use asset (Note 3 and 14)	934	-	1,191	-
1780	Other intangible assets (Note 15)	8,055	-	9,697	-
1840	Deferred tax assets (Note 22)	365,958	2	244,046	2
1915	Prepayment for equipment	169,784	1	60,157	-
1990	Other non-current assets	14,084	-	21,324	-
15XX	Total non-current assets	<u>11,092,882</u>	<u>62</u>	<u>9,997,534</u>	<u>56</u>
1XXX	Total Assets	<u>\$ 17,844,807</u>	<u>100</u>	<u>\$ 17,913,501</u>	<u>100</u>
	Liability and Equity				
	Current liability				
2100	Short-term loan (Note 16)	\$ 2,044,000	11	\$ 4,050,000	23
2110	Short-term corporate bonds payable (Note 16)	1,120,000	6	620,000	4
2120	Financial liabilities at fair value through profit or loss (Note 7)	-	-	27,094	-
2150	Notes payable	54,765	-	59,179	-
2160	Notes payable—related parties (Note 28)	8,705	-	17,985	-
2170	Accounts payable	961,089	5	426,406	2
2180	Accounts payable—related parties (Note 28)	97,135	1	64,776	-
2219	Other accounts payable (Note 28)	472,257	3	500,661	3
2220	Loan to related parties payable (Note 28)	85,000	1	120,000	1
2230	Income tax payable in current period (Note 22)	2,803	-	1,830	-
2250	Liability preparation—current	20,372	-	21,653	-
2280	Lease liability—current (Note 3 and 14)	107	-	232	-
2320	Long-term loan due in a year (Note 17)	155,000	1	350,000	2
2399	Other current liability	135,187	1	140,515	1
21XX	Total current liabilities	<u>5,156,420</u>	<u>29</u>	<u>6,400,331</u>	<u>36</u>
	Non-current liability				
2540	Long-term loan (Note 17)	1,875,000	11	1,100,000	6
2570	Deferred income tax liability (Note 22)	146,650	1	147,499	1
2580	Lease liability—non-current (Note 3 and 14)	541	-	962	-
2640	Accrued pension liability, net—non-current (Note 18)	235,805	1	262,699	1
2670	Other non-current liability	1,176	-	1,475	-
25XX	Total non-current liabilities	<u>2,259,172</u>	<u>13</u>	<u>1,512,635</u>	<u>8</u>
2XXX	Total liability	<u>7,415,592</u>	<u>42</u>	<u>7,912,966</u>	<u>44</u>
	Equity Attributable to Shareholders of the Parent (Note 19)				
3110	Common stock	9,144,872	51	9,144,872	51
3200	Capital reserve	134,620	1	134,044	1
	Retained earning				
3310	Legal reserve	525,527	3	525,527	3
3320	Special reserve	602,637	4	602,637	3
3350	Accrued loss	(662,075)	(4)	(248,943)	(1)
3300	Total retained earnings	466,089	3	879,221	5
3400	Other equity	168,713	1	456,101	(3)
3500	Treasury stock	(432,403)	(3)	(432,403)	(2)
31XX	Total Equity to Shareholders of the Parent	9,481,891	53	9,269,633	52
36XX	Non-controlling interests (Note 19)	947,324	5	730,902	4
3XXX	Total equity	<u>10,429,215</u>	<u>58</u>	<u>10,000,535</u>	<u>56</u>
	Total of Liability and Equity	<u>\$ 17,844,807</u>	<u>100</u>	<u>\$ 17,913,501</u>	<u>100</u>

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

Chairman: Kuo, Shao-Yi

Manager : Kuo, Shao-Yi

Head of Accounting : Ko, Pei-Chun

Li Peng Enterprise Co Ltd and Subsidiaries
Consolidated Statements of Comprehensive Income
Jan 1 to Dec 31, 2019, 2020

Unit : Thousands of NTD
Except loss per share

Code		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Note 20, 28)	\$ 13,559,461	100	\$ 14,579,347	100
5000	Operating cost (Note 9, 28)	<u>13,324,652</u>	<u>98</u>	<u>14,201,182</u>	<u>97</u>
5900	Operating margin	234,809	2	378,165	3
5910	Unrealized profit on sales to associates	(313)	-	(72)	-
5920	Realized profit on sales to associates	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>
5950	Realized operating margin	<u>234,568</u>	<u>2</u>	<u>378,093</u>	<u>3</u>
	Operating expense (Note 28)				
6100	Sales expense	287,097	2	379,520	3
6200	Management expense	195,625	2	192,048	1
6300	R&D expense	112,090	1	116,310	1
6450	Expected credit gain on reversal of impairment loss	(<u>3,508</u>)	<u>-</u>	<u>68</u>	<u>-</u>
6000	Total operating expenses	<u>591,304</u>	<u>5</u>	<u>687,946</u>	<u>5</u>
6900	Operating net loss	(<u>356,736</u>)	(<u>3</u>)	(<u>309,853</u>)	(<u>2</u>)
	Non-operating income and expenses				
7100	Interest income (Note 21, 28)	45,307	-	65,248	-
7010	Other income (Note 21, 28)	124,861	1	125,177	1
7020	Other profit and loss (Note 21, 28)	(306,966)	(2)	(105,917)	(1)
7050	Finance cost (Note 21)	(56,497)	-	(63,737)	-
7060	Share of profits of associates	<u>17,172</u>	<u>-</u>	(<u>23,665</u>)	<u>-</u>
7000	Total non-operating income and loss	(<u>176,123</u>)	(<u>1</u>)	(<u>2,894</u>)	<u>-</u>

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Code		2020		2019	
		Amount	%	Amount	%
7900	Net loss before tax	(\$ 532,859)	(4)	(\$ 312,747)	(2)
7950	Income tax profit (Note 4, 22)	<u>118,526</u>	<u>1</u>	<u>68,696</u>	<u>-</u>
8200	Net loss of the year	(<u>414,333</u>)	(<u>3</u>)	(<u>244,051</u>)	(<u>2</u>)
	Other comprehensive income (net)				
8310	Uncategorized items profit and loss :				
8311	Measure on defined benefit plans	8,963	-	(21,024)	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	703,868	5	(55,878)	(1)
8320	Share of other comprehensive gain of associates and joint ventures	125,153	1	(45,164)	-
8360	Items that may be reclassified subsequently to profit or loss :				
8361	Exchange differences resulting from translation on foreign operations	(7,112)	-	(10,958)	-
8370	Shares of other comprehensive gain of associates	<u>-</u>	<u>-</u>	<u>3,985</u>	<u>-</u>
8300	Total other comprehensive income of the year	<u>830,872</u>	<u>6</u>	(<u>129,039</u>)	(<u>1</u>)
8500	Total comprehensive income of the year	<u>\$ 416,539</u>	<u>3</u>	(<u>\$ 373,090</u>)	(<u>3</u>)
	Net loss attributable to :				
8610	Shareholder of the parent	(\$ 412,009)	(3)	(\$ 249,366)	(2)
8620	Non-controlling interests	(<u>2,324</u>)	<u>-</u>	<u>5,315</u>	<u>-</u>
8600		(<u>\$ 414,333</u>)	(<u>3</u>)	(<u>\$ 244,051</u>)	(<u>2</u>)
	Comprehensive income attributable to :				
8710	Shareholders of the parent	\$ 211,682	2	(\$ 362,246)	(3)
8720	Non-controlling interests	<u>204,857</u>	<u>1</u>	(<u>10,844</u>)	<u>-</u>
8700		<u>\$ 416,539</u>	<u>3</u>	(<u>\$ 373,090</u>)	(<u>3</u>)
	Basic loss per share (Note 23)				
9710	Basic	(<u>\$ 0.48</u>)		(<u>\$ 0.29</u>)	

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

Chairman: Kuo, Shao-Yi

Manager : Kuo, Shao-Yi

Head of Accounting : Ko, Pei-Chun

Li Peng Enterprise Co Ltd and Subsidiaries
Consolidated Statements of Changes in Equity
Jan 1 to Dec 31, 2019, 2020

Unit : Thousands of NTD

		Equity Attributable to Shareholders of the Parent													
								Others							
								Unrealized gain/loss on financial assets at							
								Fair value through comprehensive income							

Li Peng Enterprise Co Ltd and Subsidiaries

Consolidated Statements of Cash Flows

Jan 1 to Dec 31, 2019, 2020

Unit : Thousands of NTD

Code		2020	2019
	Cash Flows From Operating Activities		
A10000	Profit (loss) before income tax	(\$ 532,859)	(\$ 312,747)
A20010	Provided by (used in) operating activities:		
A20100	Expected credit gain on reversal of impairment loss	617,864	614,156
A20200	Depreciation	6,472	9,011
A20300	Amortization	(3,508)	68
A29900	Amortized prepayment	71,701	94,388
A20400	Financial assets and liability at fair value through (profit) or loss	(29,449)	9,694
A20900	Finance costs	56,497	63,737
A21200	Interest income	(45,307)	(65,248)
A21300	Dividend income	(1,738)	(78,083)
A22300	Share of income to associates using equity method	(17,172)	23,665
A22500	Loss (gain) on disposal or retirement of property, plant, equipment	(668)	1,307
A23100	Gain on disposal of intangible assets	(341)	(791)
A23200	Gain on disposal of investments accounted for using equity method, net	(51)	-
A23800	Reversal of impairment loss on inventory	(71,402)	(370,509)
A23900	Unrealized profit on sales to associates	241	72
A24100	Net (gain) loss on foreign exchange	(11,910)	68,531
	Changes in operating assets and liabilities		
A31130	Notes receivable	17,354	274,278
A31115	Collect financial assets at fair value through profit or loss	(172,192)	121,495
A31150	Accounts receivable	(67,397)	(125,311)
A31200	Inventory	545,361	1,303,561
A31230	Prepayments	(67,940)	(59,873)
A31240	Other current assets	1,945	(3,492)
A31250	Other financial assets	(113,027)	19,079
A32130	Notes payable	(13,694)	(223,888)
A32150	Accounts payable	571,015	(1,045,483)
A32180	Other accounts payable	(15,161)	56,530
A32200	Liability preparation	(1,347)	3,730
A32240	Accrued pension liabilities, net	(17,931)	(27,253)
A32230	Other current liability	(37,244)	23,948
A33000	Cash generated from operations	668,112	374,572
A33100	Interest income	47,131	65,025
A33200	Dividend income	1,738	78,083
A33200	Dividend income from associates	41,872	29,523

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Code		2020	2019
A33300	Interest payable	(\$ 57,308)	(\$ 63,950)
A33500	Income tax payable	(6,449)	(13,811)
AAAA	Cash inflow from operating activities	<u>695,096</u>	<u>469,442</u>
Cash Flows from Investing Activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(49,361)	(36,609)
B00020	Acquisition or disposal of financial assets at fair value through other comprehensive income	218,584	-
B01800	Acquisition of associates	(758,415)	(15,200)
B01900	Disposal of associates	15,083	-
B02200	Cash inflow from acquisition of subsidiary, net	392	-
B05900	Decrease (increase) in loan to related parties receivable	(404,500)	32,000
B02700	Acquisition of property, plant, equipment	(245,335)	(368,768)
B02800	Disposal of property, plant, equipment	1,052	1,290
B03800	(Increase) decrease in refundable deposits	(1)	677
B04500	Acquisition of intangible asset	(3,193)	(5,921)
BBBB	Cash outflow from investment activity	<u>(1,225,694)</u>	<u>(392,531)</u>
Cash Flows From Financing Activities			
C00100	Increase (decrease) in short-term loan	(2,006,000)	1,592,000
C00500	Proceeds from short-term bills payable	500,000	516,000
C01600	Lend long-term loan	875,000	-
C01700	Repay long-term loan	(295,000)	(1,284,700)
C04020	Lease principal repayment	(463)	(57)
C03000	Increase (decrease) in refundable deposits	(298)	688
C03700	Increase (decrease) in loan to related parties receivable	(35,000)	7,000
C04500	Dividend payment to shareholders	-	(166,162)
C05800	Changes to non-controlling interests	<u>12,000</u>	<u>-</u>
CCCC	Cash inflows (outflows) from financing activities	<u>(949,761)</u>	<u>664,769</u>
DDDD	Effect of exchange rate on cash or cash equivalents	<u>7,000</u>	<u>(38,314)</u>
EEEE	Net Increase (Decrease) in Cash and Cash Equivalents	(1,473,359)	703,366
E00100	Balance of cash and cash equivalents, beginning of the year	<u>2,833,122</u>	<u>2,129,756</u>
E00200	Balance of cash and cash equivalents, end of the year	<u>\$ 1,359,763</u>	<u>\$ 2,833,122</u>

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

Chairman: Kuo, Shao-Yi

Manager : Kuo, Shao-Yi

Head of Accounting : Ko, Pei-Chun

Independent Auditors' Report

Li Peng Enterprise Company Limited

Opinion

We have audited the accompanying parent company only financial statements of Li Peng Enterprise Company Limited (the "Company"), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgement, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2020. 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 ended December 31, 2020 are stated as follows:

The Actual Occurrence of Sales Revenue

The Company comprises of nylon department, weaving department, and trading department. The sales revenue of the nylon department is the highest among all. Nylon products are mainly traded as commodity and the sales condition varies from client to client. The overall sales revenue of nylon department has shown a decrease in the past year, however, the sales generated from some of the clients have increased. Thus, the auditor will report the transaction condition as non-added letters of credit, and list the sales revenue of nylon products as an item of the key audit matters. Refer to Notes 4 to the parent company only financial statements regarding revenue recognition principle.

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.

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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and 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, 2020 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, Ker-Chang and Chiu, Ming-Yu

Deloitte & Touche
Taipei, Taiwan
Republic of China

Mar 31, 2021

Financial Supervisory Commission ROC vetted
Document no. 1000028068

Financial Supervisory Commission ROC vetted
Document no. 0930160267

Li Peng Enterprise Co Ltd
Parent Company Only Balance Sheets
December 31, 2019 to 2020

Unit : Thousands of NTD

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6)	\$ 926,455	5	\$ 2,526,588	15
1110	Financial assets at fair value through profit or loss (Note 7)	55,979	-	54,886	-
1150	Notes receivable (Note 8)	33,170	-	72,905	1
1160	Notes receivable – related parties (Note 28)	52,264	-	13,641	-
1170	Accounts receivable (Note 8)	1,301,064	8	1,561,858	9
1180	Accounts receivable – related parties (Note 28)	611,603	4	582,362	3
1210	Loan to related parties receivable (Note 28)	597,329	4	-	-
130X	Inventory (Note 9)	1,994,434	12	2,524,490	15
1410	Prepayments	51,630	-	60,877	-
1476	Other financial assets - current (Note 6, 28)	458,987	3	60,362	-
1479	Other current assets	5,827	-	7,998	-
11XX	Total current assets	<u>6,088,742</u>	<u>36</u>	<u>7,465,967</u>	<u>43</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss – non-current (Note 7)	11,825	-	13,447	-
1517	Financial assets at fair value through other comprehensive income- non-current (Note 10)	947,010	6	682,247	4
1550	Investment adjustments for Using Equity Method (Note 11)	3,979,609	23	2,860,462	17
1600	Property, plant, equipment (Note 12)	5,518,193	32	6,006,963	35
1755	Right of use asset (Note 13)	720	-	1,191	-
1780	Other intangible assets (Note 14)	8,055	-	9,630	-
1840	Net deferred tax assets (Note 22)	365,891	2	244,046	1
1915	Prepayment for equipment	169,784	1	60,158	-
1990	Other non-current assets	3,318	-	11,212	-
15XX	Total non-current assets	<u>11,004,405</u>	<u>64</u>	<u>9,889,356</u>	<u>57</u>
1XXX	Total Assets	<u>\$ 17,093,147</u>	<u>100</u>	<u>\$ 17,355,323</u>	<u>100</u>
	Liability and Equity				
	Current liability				
2100	Short-term loan (Note 15)	\$ 2,044,000	12	\$ 4,050,000	23
2110	Short-term corporate bonds payable (Note 15)	1,120,000	7	620,000	4
2120	Financial liabilities at fair value through profit or loss – current (Note 7)	-	-	27,094	-
2150	Notes payable	54,765	-	59,180	-
2160	Notes payable – related parties (Note 28)	8,705	-	17,985	-
2170	Accounts payable	789,047	5	421,909	3
2180	Accounts payable – related parties (Note 28)	56,451	-	51,416	-
2219	Other account payable (Note 16, 28)	752,603	5	496,664	3
2280	Lease liability – current (Note 13)	107	-	232	-
2220	Loan to related parties payable (Note 28)	230,000	1	325,000	2
2250	Liability preparation – current	20,372	-	21,653	-
2320	Long-term loan due in a year (Note 17)	155,000	1	350,000	2
2399	Other current liability	121,505	1	132,892	1
21XX	Total current liabilities	<u>5,352,555</u>	<u>32</u>	<u>6,574,025</u>	<u>38</u>
	Non-current liability				
2580	Lease liability – non-current (Note 13)	541	-	962	-
2540	Long-term loan (Note 17)	1,875,000	11	1,100,000	6
2570	Deferred income tax liability (Note 22)	146,650	1	147,499	1
2640	Accrued pension liability – non-current (Note 18)	235,805	1	262,699	2
2670	Other non-current liability	705	-	505	-
25XX	Total non-current liabilities	<u>2,258,701</u>	<u>13</u>	<u>1,511,665</u>	<u>9</u>
2XXX	Total Liability	<u>7,611,256</u>	<u>45</u>	<u>8,085,690</u>	<u>47</u>
	Equity (Note 19)				
3110	Common stock	9,144,872	53	9,144,872	53
3200	Capital reserve	134,620	1	134,044	1
	Retained earning				
3310	Legal reserve	525,527	3	525,527	3
3320	Special reserve	602,637	4	602,637	3
3350	Accrued loss	(662,075)	(4)	(248,943)	(1)
3300	Total retained earnings	466,089	3	879,221	5
3400	Other equity	168,713	1	(456,101)	(3)
3500	Treasury stock	(432,403)	(3)	(432,403)	(3)
3XXX	Total Equity	<u>9,481,891</u>	<u>55</u>	<u>9,269,633</u>	<u>53</u>
	Total of Liability and Equity	<u>\$ 17,093,147</u>	<u>100</u>	<u>\$ 17,355,323</u>	<u>100</u>

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

Chairman: Kuo, Shao-Yi

Manager : Kuo, Shao-Yi

Head of Accounting : Ko, Pei-Chun

Li Peng Enterprise Co Ltd
Parent Company Only Statements of Comprehensive Income
Jan 1 to Dec 31 2019, 2020

				Unit: Thousands of NTD, Except loss per share	
Code		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Note 20, 28)	\$ 10,369,775	100	\$ 14,452,347	100
5000	Operating cost (Note 9, 28)	<u>10,168,838</u>	<u>98</u>	<u>14,091,788</u>	<u>97</u>
5900	Operating margin	200,937	2	360,559	3
5910	Unrealized sales (profit) loss	(464)	-	4,240	-
5920	Realized sales (loss) profit	(<u>4,240</u>)	<u>-</u>	(<u>570</u>)	<u>-</u>
5950	Realized operating margin	<u>196,233</u>	<u>2</u>	<u>364,229</u>	<u>3</u>
	Operating expense (Note 28)				
6100	Sales expense	279,412	3	373,800	3
6200	Management expense	167,451	1	171,900	1
6300	R&D expense	112,090	1	116,310	1
6450	Expected credit gain on reversal of impairment loss	(<u>2,752</u>)	<u>-</u>	(<u>314</u>)	<u>-</u>
6000	Total operating expenses	<u>556,201</u>	<u>5</u>	<u>661,696</u>	<u>5</u>
6900	Operating net loss	(<u>359,968</u>)	(<u>3</u>)	(<u>297,467</u>)	(<u>2</u>)
	Non-operating income and expenses				
7100	Interest income (Note 21, 28)	31,529	-	40,349	-
7010	Other income(Note 21, 28)	121,994	1	75,605	1
7020	Other profit and loss (Note 21)	(308,897)	(3)	(108,789)	(1)
7050	Finance cost (Note 21, 28)	(57,704)	-	(65,351)	-
7070	Share of profits of subsidiaries and associates	<u>39,240</u>	<u>-</u>	<u>33,566</u>	<u>-</u>
7000	Total non-operating income and loss	(<u>173,838</u>)	(<u>2</u>)	(<u>24,620</u>)	<u>-</u>

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Code		2020		2019	
		Amount	%	Amount	%
7900	Net loss before tax	(\$ 533,806)	(5)	(\$ 322,087)	(2)
7950	Income tax profit (Note 4, 22)	<u>121,797</u>	<u>1</u>	<u>72,721</u>	<u>-</u>
8200	Net loss of the year	(<u>412,009</u>)	(<u>4</u>)	(<u>249,366</u>)	(<u>2</u>)
	Other comprehensive income (net)				
8310	Uncategorized items profit and loss:				
8311	Measure on defined benefit plans	8,963	-	(21,024)	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	261,635	3	(21,387)	-
8330	Share of other comprehensive gain of subsidiaries and associates	360,205	3	(63,496)	(1)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences resulting from translation on foreign operations	(7,112)	-	(10,958)	-
8380	Share of other comprehensive gain of subsidiaries and associates	<u>-</u>	<u>-</u>	<u>3,985</u>	<u>-</u>
8300	Total other comprehensive income of the year	<u>623,691</u>	<u>6</u>	(<u>112,880</u>)	(<u>1</u>)
8500	Total comprehensive income of the year	<u>\$ 211,682</u>	<u>2</u>	(<u>\$ 362,246</u>)	(<u>3</u>)
	Basic loss per share (Note 23)				
9710	Basic	(<u>\$ 0.48</u>)		(<u>\$ 0.29</u>)	

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

Chairman: Kuo, Shao-Yi

Manager : Kuo, Shao-Yi

Head of Accounting : Ko, Pei-Chun

Li Peng Enterprise Co Ltd
Parent Company Only Statements of Changes in Equity
Jan 1 to Dec 31, 2019, 2020

Unit: Thousands of NTD

		Retained Earning						Other Equity Items					
		Share Capital					Unappropriated Earnings (Unappropriated deficit)	Foreign Organization	Financial assets unrealized profit and loss at fair value through other comprehensive income				
Code		Share (Thousands)	Share Capital	Capital Reserve	Legal Reserve	Special Reserve		Financial report Exchange difference	Parent Company	Subsidiary using Equity Method	Associates using Equity Method	Treasury Stock	Total
A1	Balance as of Jan 1, 2019	914,487	9,144,872	117,015	509,332	276,208	546,762	(13,565)	143,169	(309,252)	(184,390)	(432,403)	9,797,748
B1	Appropriations of earnings in 2018												
B3	Allowance of legal reserve	-	-	-	16,195	-	(16,195)	-	-	-	-	-	-
B5	Allowance of special reserve	-	-	-	-	326,429	(326,429)	-	-	-	-	-	-
	Cash dividends to the shareholders	-	-	-	-	-	(182,898)	-	-	-	-	-	(182,898)
C7	Changes to other capital reserve :												
	Change in associates using equity method	-	-	293	-	-	-	-	-	-	-	-	293
M1	Cash dividends from parent company to subsidiary	-	-	16,736	-	-	-	-	-	-	-	-	16,736
D1	Net loss in 2019	-	-	-	-	-	(249,366)	-	-	-	-	-	(249,366)
D3	Other comprehensive income (loss) in 2019	-	-	-	-	-	(20,817)	(10,958)	(21,387)	(18,332)	(41,386)	-	(112,880)
D5	Total comprehensive income (loss) in 2019	-	-	-	-	-	(270,183)	(10,958)	(21,387)	(18,332)	(41,386)	-	(362,246)
Z1	Balance as of Dec 31, 2019	914,487	9,144,872	134,044	525,527	602,637	(248,943)	(24,523)	121,782	(327,584)	(225,776)	(432,403)	9,269,633
C7	Changes to other capital reserve :												
	Change in associates using equity method	-	-	141	-	-	-	-	-	-	-	-	141
M7	Changes to equity ownership of subsidiary	-	-	435	-	-	-	-	-	-	-	-	435
Q1	Subsidiary and associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	(14,363)	-	-	(6,116)	20,479	-	-
D1	Profit and Loss in 2020	-	-	-	-	-	(412,009)	-	-	-	-	-	(412,009)
D3	Other comprehensive income (loss) in 2020	-	-	-	-	-	13,240	(7,112)	261,635	235,052	120,876	-	623,691
D5	Total comprehensive income (loss) in 2020	-	-	-	-	-	(398,769)	(7,112)	261,635	235,052	120,876	-	211,682
Z1	Balance as of Dec 31, 2020	914,487	\$ 9,144,872	\$ 134,620	\$ 525,527	\$ 602,637	(\$ 662,075)	(\$ 31,635)	\$ 383,417	(\$ 98,648)	(\$ 84,421)	(\$ 432,403)	\$ 9,481,891

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

Chairman: Kuo, Shao-Yi

Manager : Kuo, Shao-Yi

Head of Accounting : Ko, Pei-Chun

Li Peng Enterprise Co Ltd
Parent Company Only Statements of Cash Flows
Jan 1 to Dec 31, 2019 ,2020

Unit : Thousands of NTD

Code		2020	2019
	Cash Flows From Operating Activities		
A10000	Profit (loss) before income tax	(\$ 533,806)	(\$ 322,087)
A20010	Provided by (used in) operating activities:		
A20300	Expected credit gain on reversal of impairment loss	(2,752)	(314)
A20100	Depreciation	614,708	610,891
A20200	Amortization	6,405	8,871
A29900	Amortized prepayment	71,701	94,388
A20400	Financial assets and liability at fair value through (profit) or loss	(26,566)	10,801
A20900	Finance costs	57,704	65,351
A21200	Interest income	(31,529)	(40,349)
A21300	Dividend income	(1,555)	(31,454)
A22400	Share of income to associates using equity method	(39,240)	(33,566)
A22500	Loss (gain) on disposal or retirement of property, plant, equipment	(668)	1,317
A23100	Gain on disposal of intangible assets, net	-	(756)
A23200	Gain on disposal of investments accounted for using equity method, net	(51)	-
A23800	Reversal of impairment loss on inventory	(71,083)	(367,741)
A23900	Unrealized loss on sales to subsidiaries and associates	-	(3,670)
A24000	Realized profit on sales to subsidiaries and associates	4,704	-
A24100	(Gain) loss on foreign exchange, net	(8,665)	92,205
A30000	Changes in operating assets and liabilities		
A31115	Collect financial assets at fair value through profit or loss	-	1,461
A31130	Notes receivable	1,512	50,574
A31150	Accounts receivable	280,928	684,305
A31200	Inventory	601,139	1,304,990
A31230	Prepayment	(67,341)	(62,069)
A31240	Other current assets	2,192	(3,740)
A31250	Other financial assets	(388,322)	28,733
A32130	Notes payable	(13,695)	(223,887)
A32150	Accounts payable	374,405	(1,015,764)
A32180	Other payables	269,304	56,013
A32200	Liability preparation	(1,347)	3,730
A32240	Accrued pension liabilities	(17,931)	(27,253)
A32230	Other current liability	(43,380)	26,131

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Code		2020	2019
A33000	Cash generated from operations	\$ 1,036,771	\$ 907,111
A33100	Interest income	33,262	38,941
AC0200	Dividend income	1,555	31,454
A33200	Dividend income from associates	41,872	29,523
A33300	Interest payable	(58,583)	(65,514)
A33500	Income tax payable	(4,043)	(12,630)
AAAA	Cash inflow from operating activities	<u>1,050,834</u>	<u>928,885</u>
Cash Flows From Investing Activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(3,127)	-
B01800	Acquisition of associates	(787,965)	(15,200)
B01900	Acquisition or disposal of associates	15,083	-
B02700	Acquisition of property, plant, equipment	(244,580)	(368,768)
B02800	Disposal of property, plant, equipment	1,052	1,280
B03800	Refundable deposit refunded	-	674
B04500	Acquisition of intangible asset	(3,193)	(5,921)
B04300	Increase in loan to related parties receivable	(617,522)	-
BBBB	Cash outflow from investment activity	<u>(1,640,252)</u>	<u>(387,935)</u>
Cash Flows From Financing Activities			
C00100	(Decrease) increase in short-term loan	(2,006,000)	1,592,000
C00500	Proceeds from short-term bills payable	500,000	516,000
C01600	Lend long-term loan	875,000	-
C01700	Repay long-term loan	(295,000)	(1,284,700)
C04020	Lease principal repayment	(236)	(57)
C03000	Increase in refundable deposits received	200	200
C04500	Dividend payment to shareholders	-	(182,898)
C03700	Loan payable to related parties (less) more	(95,000)	70,000
CCCC	Cash inflows (outflows) from financing activities	<u>(1,021,036)</u>	<u>710,545</u>
DDDD	Effect of exchange rate on cash or cash equivalents	<u>10,321</u>	<u>(45,651)</u>
EEEE	Net Increase (Decrease) in Cash and Cash Equivalents	<u>(\$ 1,600,133)</u>	<u>\$ 1,205,844</u>
E00100	Balance of cash and cash equivalents, beginning of the year	<u>2,526,588</u>	<u>1,320,744</u>
E00200	Balance of cash and cash equivalents, end of the year	<u>\$ 926,455</u>	<u>\$ 2,526,588</u>

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

Chairman: Kuo, Shao-Yi

Manager : Kuo, Shao-Yi

Head of Accounting : Ko, Pei-Chun

Attachments 2

LI PENG ENTERPRISE CO., LTD.

Comparative Table for the Current and Amended Articles of “Article of association”

Current Articles	Amended Articles	Amending Reasons
<p>Article 7: The company’s stocks are registered stocks that are signed or sealed by three or more directors and issued after being issued with a visa from the issuing registration agency approved by the competent authority. The shares issued by the company may be exempted from printing stocks and should be registered with the securities centralized custodial institution.</p>	<p>Article 7: <u>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.</u></p>	Follow the regulation amendment
<p>Article 31: This charter was established on August 11, 1975 The first amendment was made on March 28, 1976 • • • The thirty-second amendment was made on June 18, 2020</p>	<p>Article 31: This Article was established on August 11, 1975 The first amendment was made on March 28, 1976 • • • <u>The thirty-third amendment was made on June 23, 2021</u></p>	Add amendment date and number of amendment times

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 company's stocks are registered stocks that are signed or sealed by three or more directors and issued after being issued with a visa from the issuing registration agency approved by the competent authority. The shares issued by the company may be exempted from printing stocks and should be registered with the securities centralized custodial institution.
- 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.
- 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 There are nine directors (including three independent directors) with a term of three years, and they may be re-elected. 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 0.1 yuan, it may be paid as a stock dividend.

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

Chapter VII Supplementary Provisions

- Article 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.

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

Attachments 3

LI PENG ENTERPRISE CO., LTD.

Director election method

2015.03.23 (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 4

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 5

Li Peng Enterprise Co., Ltd all directors' shareholdings

As of the closing date: 2021, April 25

Position	Name	Shareholding by the closing date	Explanation
Chairman	KUO SHAO YI	9,584,819	<p>1. The total number of issued shares of the company as of the closing date is 914,487,242 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 29,263,591 shares.</p> <p>3. All directors of the company actually hold 201,562,051 shares, which has reached the regulated threshold.</p>
Director	LEALEA ENTERPRISE CO., LTD Representative: TUNG MIN HSIUNG	145,353,853	
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	53,343	
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		201,562,051	