

Stock Code: 1447



LI PENG ENTERPRISE CORPORATION

Handbook of 2023 Annual General Shareholders' Meeting

Date: June 29, 2023

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

LI PENG ENTERPRISE CORPORATION
Handbook of 2023 Annual General Shareholders' Meeting
(Translation)

Table of Contents

I . Meeting Procedures -----	1
II . Meeting Agenda -----	2
III . Report Items -----	3
IV . Matters for Ratification-----	9
V . Extemporaneous Motion-----	11
VI. Attachments	
1. The 2022 auditing report and financial statements-----	12
2. Articles of Incorporation -----	32
3. Rules of Procedure for Shareholders' Meetings-----	38
4. Shareholding of All Directors-----	41

Notice to readers

This is a translation of the Handbook of 2023 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.
2023 Annual General Shareholders' Meeting Procedures

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

LI PENG ENTERPRISE CO., LTD.
2023 Annual General Shareholders' Meeting Agenda

Convention Method: Physical shareholders meeting

Time: June 29, 2023 (Thursday), 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 2022 business report
 - (2) The 2022 audit committee's audit report
 - (3) Report on Allocation of 2022 Remuneration to Board of Directors and Employees.
4. Matters for Ratification
 - (1) The 2022 business reports and financial statements
 - (2) The 2022 proposals for surplus distribution or loss allowances
5. Extemporaneous Motion
6. Meeting Adjourned

Report Items

I . The 2022 business report

Explanatory Notes: The 2022 business report is as follows.

Business report

1. The 2022 operational performance

(1) Plan execution:

In 2022, the impact of the epidemic on economic activities had diminished significantly, and countries resumed economic activities, which drove up oil prices. However, the ongoing Russo-Ukrainian War resulted in a significant increase in energy prices. The global economy faced inflationary pressure, and major economies began a cycle of rising interest rates in Europe and America. Due to high inflation and continuous rate hikes, economic momentum weakened, and demand for brands cooled down. In the second half of 2022, CPL raw material prices fell, directly impacting nylon chip and nylon yarn, and affecting the overall revenue performance of the company.

The 2022 consolidated revenue is NT\$28.501 billion, 17.52% increase than that of 2021. After tax income is NT\$-18 million, and decrease of 106.5% over 2021. Major products are nylon chips 64,896 tons, nylon yarn 17,347 tons, woven fabric 51.51 million yards, knitted fabric 1,225 tons, petrochemicals, 543,914 tons.

(2) Budget implementation :

Not available. Our company only set the 2022 internal budget, and did not disclose financial forecasts to the public.

(3) Revenue, expenditure, and profitability analysis :

The 2022 unconsolidated revenue is NT\$ 10.795 billion, after tax income is NT\$-37 million, after tax profit margin is -0.34%, earnings per share is NT\$ -0.04. Our company unconsolidated financial income and expense and profitability analysis are as below table.

Unit: Thousand NT\$

Item		2021	2022	Increase (Decrease) Amount and Ratio
Financial income and expense	Operating income	12,268,967	10,795,406	-1,473,561
	Operating cost	11,212,329	10,531,163	-681,166
	Before tax profit	325,082	-66,538	-391,620
	Net Income	269,155	-37,008	-306,163
Profitability	Return on asset (%)	1.69	0.12	-1.57
	Return on equity (%)	2.81	-0.38	-3.19
	Before tax income to paid-in capital ratio (%)	3.55	-0.72	-4.27
	Profit margin (%)	2.19	-0.34	-2.53
	Earnings per share (NT\$)	0.31	-0.04	-0.35

(4) Research and development :

To align with the trend of environmental sustainability and net zero emissions, our company has been focusing on green design and production in our product research and development. We have been developing eco-friendly products such as NylonPlus, Ecoya, and ReEcoya, while also working on carbon reduction processes and closed loop recycling systems (CRZ) with our affiliated enterprises. By reducing energy consumption and greenhouse gas emissions in our production processes, we are contributing to a circular economy through low-carbon sustainable production. The Company mass manufactured products are as follows:

Type	Application	Specifications
Elastic Nylon Chip/Yarn	Injection grade and fiber grade footwear textile industrial fiber, single fiber	Naturally elastic fiber, elasticity without processing
Modified/Industrial Nylon Chip	Used for upgrading the physical properties of products such as injection grade and extrusion grade, replacing the customer's existing imported materials.	Increase nylon chips' added value, also low gravity specification which are also in line with lightweight concepts and differentiation to the other suppliers.
Film grade Nylon Chip	Improving the physical properties of film products to enhance stability	
Functionalized Monofilament from Nylon Chip	Extrusion grade and fiber grade monofilament, industrial fiber, monofilament	Increase nylon chips' value added and differentiate with the other manufacturers
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
Nylon recycled yarn	Knit fabric textile, sport, leisure	GRS green recycling application

Type	Application	Specifications
Flame retardant nylon yarn	touch fastener, tents	Flame retardant effect
Nylon Chips and Fiber for Electric Vehicles/ Lightweight Nylon Grain and Fiber	Used for upgrading the physical properties of products such as injecting grade and extrusion grade, replacing the existing materials chosen by customers.	Increase the added value of nylon chips; the weather resistance and light weight are also consistent with differentiation from other competitors.

2. The 2023 business plan summary

The Company's main operating strategy this year is to use "start up green business opportunities, create sustainable models" and "adopt global turmoil, activate operational thinking". The global issue of carbon reduction is a trend, and achieving net zero emissions has become a global consensus. By integrating with international trends, the Company aims to develop cutting-edge and environmentally friendly products using its core abilities, in order to create new value for the circular economy. The Company is committed to achieving sustainable operations by adopting a sustainability perspective, managing risks and opportunities, and strengthening risk management.

Nylon business unit: Cautionously evaluating the changes in the supply and demand of raw materials and secondary materials, as well as price fluctuations, is essential for effectively setting our purchasing strategy.

Nylon chips: Developing new markets in America, Japan, and Southeast Asia requires an active approach to research and development, production, and marketing, with the goal of expanding our product's application scope.

Nylon yarn: Quickly responding to customer needs and continuing to develop differentiated products.

High-end textile business unit: The company will continue to focus on energy-saving and carbon-reduction improvements in its processes, while also developing environmentally friendly, functional, and high-value-added textiles. We will work to cultivate brand owners and expand our customer base.

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

Effectively responding to climate change has become an important global issue, with reducing climate change and achieving net-zero emissions becoming consistent goals due to the disasters caused by climate change worldwide. In the area of environmental sustainability, brand owners in the global textile industry have gradually overturned the business model of the past. They are not only seeking to adopt recyclable and renewable environmentally sustainable materials, but also trying to directly adopt environmental sustainability as the main model of brand management. To respond to this trend, we have continued to use green design and green production as the direction for our product research and development. Our eco-friendly products include RePET, Ecoya,

ReEcoya, Nylon Plus, and waste recycling eco-friendly products. We expect to implement a circular economy through low carbon sustainable production. With the Company holding 70% of shares in LIBOLON ENERGY CO., LTD., we plan to invest in the wind power green energy field and march toward the goal of meeting 100% of our production electricity needs through green energy.

The ongoing Russo-Ukrainian War, along with high global inflationary pressure and sudden changes in China's epidemic policies, have led to continued instability in the global economic situation. To address these challenges, we plan to leverage our vertical integration advantages in our upstream and downstream manufacturing systems for polyester and nylon. Additionally, we will integrate the equipment scale and competitive advantages of our dyeing facilities and Indonesian plant area to achieve steady growth in our operations. 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 Manager: Ko Pei chun

II. The 2022 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 2022 financial statements which were prepared by the Board of Directors. The financial statements were audited by Deloitte's accountants, Wu, Ker-Chang and Hong, Guo-Tian and an audit report was issued. It is believed that there is no discrepancy, and they were submitted for revision in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Article of association.

Regards,

The company's 2023 regular shareholders' meeting

LI PENG ENTERPRISE CO., LTD.

Audit committee convener : Lin, Yao Chuan

Taiwan, April 26, 2023

III. Report on Allocation of 2022 Remuneration to Board of Directors and Employees.

Explanatory Notes: Since 2022 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 2022 business report and financial statements.

Explanatory Notes:

1. The 2022 financial statements audited by Deloitte's accountants Wu, Ker-Chang and Hong, Guo-Tian together with the business report reviewed by the audit committee with audit reports.
2. The business report, the accountant's audit report and the above-mentioned financial statements are as Attachments 1, p.3~6 and p.12~31.

Resolution :

Item 2

Proposed by the Board of Directors

Proposal: The 2022 proposals for surplus distribution or loss allowances**Explanatory Notes:**

The net loss after tax on the final business accounts for 2022 is NT\$37,008,966. The following table is the prepared loss appropriation for 2022:

LI PENG ENTERPRISE CO.,LTD.**Table of Loss Appropriation****R.O.C 2022**

Unit: NT\$

Item	Amount	
Accumulated deficit at the beginning of the period		(42,496,404)
Loss after tax for the current period	(37,008,966)	
Actuarial Gain (Loss) on Defined Benefit Plans	8,185,431	
Equity method recognition and disposal of equity instruments measured at fair value through other comprehensive income (loss)	598,737	
Investment adjustments retained earnings for using equity method	(556,545)	
Net (loss) profit after tax plus non-net (loss) profit after tax items included in retained earnings		(28,781,343)
Loss to be made up at the end of period		(71,277,747)

Chairman : KUO SHAO YI

Manager : KUO SHAO YI

Accounting Head : KO PEI CHUN

Resolution :

Extemporaneous Motion

Meeting Adjourned

Attachments 1

Independent Auditor's Report

To Li Peng Enterprise Corporation Limited

Opinion

We have audited the accompanying consolidated financial statements of Li Peng Enterprise Corporation Limited and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, 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 judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

The authenticity of the sales revenues from the clients with a sales growth rate of 50% of the weaving products

Li Peng Enterprise Corporation Limited and its subsidiaries comprises of nylon department, weaving department, and trading department. Since the high growth rate of the sales revenue of weaving products in the current period and the significant difference from the expected performance of the industrial environment, we regarded the authenticity of the clients sales of weaving department as a key audit matters when the positive growth rate of weaving sales in the two periods changed by 50%. Please refer to Note 4 in the consolidated financial report for the reference of the related accounting policy concerning income recognition.

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

Other Matter

We have also audited the parent company only financial statements of the Company for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2023

Li Peng Enterprise Co Ltd and Subsidiaries

Consolidated Balance Sheets

Dec 31, 2022 and 2021

Unit : Thousands of NTD

Code	Assets	Dec 31, 2022		Dec 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6)	\$ 2,360,351	12	\$ 1,331,196	7
1110	Financial assets at fair value through profit or loss - current (Note 7)	232,015	1	485,362	2
1150	Notes receivable, net (Note 8)	56,251	-	88,906	-
1160	Notes receivable from related parties, net (Note 29)	109,777	1	192,906	1
1170	Accounts receivable, net (Note 8)	2,273,747	12	2,560,254	13
1180	Accounts receivable from related parties, net (Note 29)	91,413	-	159,361	1
1210	Loan to related parties (Note 29)	321,710	2	565,160	3
130X	Inventory (Note 9)	3,248,825	16	3,158,670	16
1410	Prepayments	190,094	1	195,882	1
1476	Other financial assets - current (Note 10,29 and 30)	217,250	1	214,717	1
1479	Other current assets	30,086	-	17,801	-
11XX	Total current assets	<u>9,131,519</u>	<u>46</u>	<u>8,970,215</u>	<u>45</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss—non-current (Note 7)	6,333	-	9,902	-
1517	Financial assets at fair value through other comprehensive income—non-current (Note 11)	1,938,250	10	2,147,276	11
1550	Investment adjustments for Using Equity Method (Note 13)	2,640,045	14	2,626,184	13
1600	Property, plant, equipment (Note 14)	5,575,680	28	5,494,382	28
1755	Right of use asset (Note 15)	27,125	-	977	-
1821	Other intangible assets (Note 16)	6,240	-	5,352	-
1840	Deferred tax assets (Note 23)	357,121	2	311,341	2
1915	Prepayment for equipment	769	-	180,590	1
1990	Other non-current assets	20,115	-	10,578	-
15XX	Total non-current assets	<u>10,571,678</u>	<u>54</u>	<u>10,786,582</u>	<u>55</u>
1XXX	Total Assets	<u>\$ 19,703,197</u>	<u>100</u>	<u>\$ 19,756,797</u>	<u>100</u>
	Liability and Equity				
	Current liability				
2100	Short-term loan (Note 17)	\$ 3,675,000	19	\$ 2,795,000	14
2110	Short-term corporate bonds payable (Note 17)	520,000	3	800,000	4
2120	Financial liability at fair value through profit or loss (Note 7)	529	-	-	-
2150	Notes payable	41,127	-	38,370	-
2160	Notes payable—related parties (Note 29)	52,484	-	85,560	-
2170	Accounts payable	1,873,922	9	2,017,959	10
2180	Accounts payable—related parties (Note 29)	60,369	-	118,828	1
2219	Other payable (Note 29)	597,177	3	773,134	4
2220	Loan from related parties (Note 29)	105,000	1	113,000	1
2230	Current tax liabilities (Note 23)	6,918	-	7,854	-
2250	Current provisions	945	-	5,174	-
2280	Lease liability—current (Note 15)	2,348	-	177	-
2320	Long-term loan due in a year (Note 18)	117,500	1	31,250	-
2399	Other current liability	143,912	1	167,715	1
21XX	Total current liabilities	<u>7,197,231</u>	<u>37</u>	<u>6,954,021</u>	<u>35</u>
	Non-current liability				
2540	Long-term loan (Note 18)	1,786,875	9	1,793,750	9
2570	Deferred income tax liability (Note 23)	149,538	1	146,854	1
2580	Lease liability—non-current (Note 15)	28,047	-	362	-
2640	Accrued pension liability, net—non-current (Note 19)	242,715	1	256,602	1
2670	Other non-current liability	2,158	-	1,686	-
25XX	Total non-current liabilities	<u>2,209,333</u>	<u>11</u>	<u>2,199,254</u>	<u>11</u>
2XXX	Total liability	<u>9,406,564</u>	<u>48</u>	<u>9,153,275</u>	<u>46</u>
	Equity Attributable to Shareholders of the Parent (Note 20)				
3110	Common stock	9,144,872	46	9,144,872	46
3200	Capital reserve	187,282	1	185,591	1
	Retained earning				
3310	Legal reserve	525,527	3	525,527	3
3320	Special reserve	229,670	1	229,670	1
3350	Accrued loss	(71,277)	-	(42,496)	-
3300	Total retained earnings	683,920	4	712,701	4
3400	Other equity	(324,345)	(2)	(62,608)	-
3500	Treasury stock	(330,507)	(2)	(330,507)	(2)
31XX	Total Equity to Shareholders of the Parent	9,361,222	47	9,650,049	49
36XX	Non-controlling interests (Note 20 and 25)	935,411	5	953,473	5
3XXX	Total equity	<u>10,296,633</u>	<u>52</u>	<u>10,603,522</u>	<u>54</u>
	Total of Liability and Equity	<u>\$ 19,703,197</u>	<u>100</u>	<u>\$ 19,756,797</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, 2022, 2021

Unit: Thousands of NTD,
Except EPS

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Note4,21,29)	\$ 28,501,393	100	\$ 24,252,436	100
5000	Operating cost (Note 9, 29)	<u>27,995,196</u>	<u>98</u>	<u>23,111,115</u>	<u>96</u>
5900	Operating margin	506,197	2	1,141,321	4
5920	Realized profit on sales to associates	<u>567</u>	<u>-</u>	<u>241</u>	<u>-</u>
5950	Realized operating margin	<u>506,764</u>	<u>2</u>	<u>1,141,562</u>	<u>4</u>
	Operating expense (Note 29)				
6100	Sales expense	502,304	2	448,261	2
6200	Management expense	247,511	1	227,688	1
6300	R&D expense	94,768	-	109,783	-
6450	Expected credit loss (gain) on reversal of impairment loss	(<u>2,593</u>)	<u>-</u>	<u>1,433</u>	<u>-</u>
6000	Total operating expenses	<u>841,990</u>	<u>3</u>	<u>787,165</u>	<u>3</u>
6900	Operating net (loss) profit	(<u>335,226</u>)	(<u>1</u>)	<u>354,397</u>	<u>1</u>
	Non-operating income and expenses				
7100	Interest income (Note 22, 29)	44,389	-	18,745	-
7010	Other income (Note 22, 29)	100,619	-	51,791	-
7020	Other profit and loss (Note 22, 29)	245,129	1	(58,853)	-
7050	Finance cost (Note 22)	(77,414)	-	(41,592)	-
7060	Share of profits of associates	(<u>12,011</u>)	<u>-</u>	<u>17,160</u>	<u>-</u>
7000	Total non-operating income and loss	<u>300,712</u>	<u>1</u>	(<u>12,749</u>)	<u>-</u>

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Code		2022		2021	
		金	額 %	金	額 %
7900	Net (loss) profit before tax	(\$ 34,514)	-	\$ 341,648	1
7950	Income tax profit (expense) (Note 4, 23)	<u>16,598</u>	-	(<u>65,880</u>)	-
8200	Net (loss) profit of the year	(<u>17,916</u>)	-	<u>275,768</u>	<u>1</u>
	Other comprehensive income (net)				
8310	Uncategorized items profit and loss :				
8311	Measure on defined benefit plans	2,895	-	(29,263)	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(209,026)	(1)	(349,325)	(1)
8320	Share of other comprehensive gain of associates and joint ventures	(109,409)	-	38,935	-
8360	Items that may be reclassified subsequently to profit or loss :				
8361	Exchange differences resulting from translation on foreign operations	<u>2,661</u>	-	(<u>13,982</u>)	-
8300	Total other comprehensive income of the year	(<u>312,879</u>)	(<u>1</u>)	(<u>353,635</u>)	(<u>1</u>)
8500	Total comprehensive income of the year	(<u>\$ 330,795</u>)	(<u>1</u>)	(<u>\$ 77,867</u>)	-
	Net (loss) profit attributable to :				
8610	Shareholder of the parent	(\$ 37,008)	-	\$ 269,155	1
8620	Non-controlling interests	<u>19,092</u>	-	<u>6,613</u>	-
8600		(<u>\$ 17,916</u>)	-	<u>\$ 275,768</u>	<u>1</u>
	Comprehensive income attributable to :				
8710	Shareholders of the parent	(\$ 289,962)	(1)	\$ 15,291	-
8720	Non-controlling interests	(<u>40,833</u>)	-	(<u>93,158</u>)	-
8700		(<u>\$ 330,795</u>)	(<u>1</u>)	(<u>\$ 77,867</u>)	-
	(Loss) Earnings Per Share (Note 24)				
9710	Basic	(<u>\$ 0.04</u>)		<u>\$ 0.31</u>	
9810	Diluted	(<u>\$ 0.04</u>)		<u>\$ 0.31</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, 2022, 2021

Unit : Thousands of NTD

Equity Attributable to Shareholders of the Parent

Code		Other Equity Items													
		Retained Earning						Foreign Organization	Financial assets unrealized profit and loss at fair value through other comprehensive income						
									Subsidiary using		Associates using		Treasury Stock	Total	Non- Controlling interests
		Share Capital	Unappropriated Earnings (Unappropriated deficit)	Financial report Exchange difference	Equity Method	Equity Method									
		Share (Thousands)	Share Capital	Capital Reserve	Legal Reserve	Special Reserve			Parent Company	Equity Method	Equity Method				
A1	Balance as of Jan 01, 2021	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	\$ 947,324	\$ 10,429,215
B17	Reversal of Special Reserve	-	-	-	-	(372,967)	372,967	-	-	-	-	-	-	-	-
C7	Changes to other capital reserve : Change in associates using equity method	-	-	4,005	-	-	-	-	-	-	-	-	4,005	-	4,005
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	5,239	-	-	(2,467)	(2,772)	-	-	-	-
O1	Cash dividends of the Company received by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,200)	(1,200)
D1	Net Profit in 2021	-	-	-	-	-	269,155	-	-	-	-	-	269,155	6,613	275,768
D3	Other comprehensive income in 2021	-	-	-	-	-	(27,782)	(13,975)	(136,312)	(113,249)	37,454	-	(253,864)	(99,771)	(353,635)
D5	Total comprehensive income in 2021	-	-	-	-	-	241,373	(13,975)	(136,312)	(113,249)	37,454	-	15,291	(93,158)	(77,867)
L7	Disposal of the parent company's stock by a subsidiary is regarded as a treasury stock transaction	-	-	44,892	-	-	-	-	-	-	-	68,446	113,338	100,507	213,845
N1	Treasury stock transferred to employees	-	-	2,074	-	-	-	-	-	-	-	33,450	35,524	-	35,524
Z1	Balance as of Dec 31, 2021	914,487	9,144,872	185,591	525,527	229,670	(42,496)	(45,610)	247,105	(214,364)	(49,739)	(330,507)	9,650,049	953,473	10,603,522
C7	Changes to other capital reserve : Change in associates using equity method	-	-	(196)	-	-	(556)	-	-	-	-	-	(752)	-	(752)
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed (Note26)	-	-	1,887	-	-	-	-	-	-	-	-	1,887	(75,312)	(73,425)
O1	Cash dividends of the Company received by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(6,750)	(6,750)
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	598	-	-	-	(598)	-	-	-	-
O1	NCI (Note20 and 25)	-	-	-	-	-	-	-	-	-	-	-	-	104,833	104,833
D1	Net Loss in 2022	-	-	-	-	-	(37,008)	-	-	-	-	-	(37,008)	19,092	(17,916)
D3	Other comprehensive income in 2022	-	-	-	-	-	8,185	1,634	(78,917)	(69,171)	(114,685)	-	(252,954)	(59,925)	(312,879)
D5	Total comprehensive income in 2022	-	-	-	-	-	(28,823)	1,634	(78,917)	(69,171)	(114,685)	-	(289,962)	(40,833)	(330,795)
Z1	Balance as of Dec 31, 2022	914,487	\$9,144,872	\$ 187,282	\$ 525,527	\$ 229,670	(\$ 71,277)	(\$ 43,976)	\$ 168,188	(\$ 283,535)	(\$ 165,022)	(\$ 330,507)	\$ 9,361,222	\$ 935,411	\$ 10,296,633

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 Cash Flows
Jan 1 to Dec 31, 2022, 2021

Unit : Thousands of NTD

Code		2022	2021
	Cash Flows From Operating Activities		
A10000	(Loss) Profit before income tax	(\$ 34,514)	\$ 341,648
A20010	Provided by (used in) operating activities:		
A20100	Depreciation	617,052	587,617
A20200	Amortization	11,581	4,349
A20300	Expected credit (gain) loss on reversal of impairment loss	(2,593)	1,433
A29900	Amortized prepayment	73,608	66,928
A20400	Financial assets and liability at fair value through (profit) or loss	(4,335)	20,136
A20900	Finance costs	77,414	41,592
A21200	Interest income	(44,389)	(18,745)
A21300	Dividend income	(60,602)	(3,107)
A21900	Transfer of treasury stock to employee compensation costs	-	2,150
A22300	Share of income to associates using equity method	12,011	(17,160)
A22500	Gain on disposal or retirement of property, plant, equipment	(2,106)	(6,209)
A23100	Gain on disposal of investment, net	(3,210)	(17,241)
A23700	Impairment loss on non-financial assets	25,782	-
A23800	Impairment loss on inventory	117,393	86,082
A23900	Unrealized profit on sales to associates	(567)	(241)
A24100	Loss (Gain) on foreign exchange, net	870	(72,253)
	Changes in operating assets and liabilities		
A31115	Collect financial assets at fair value through profit or loss	274,079	9,816
A31130	Accounts receivable	116,084	(196,978)
A31150	Accounts receivable	369,287	(762,290)
A31200	Inventory	(197,988)	(1,164,737)
A31230	Prepayments	(70,489)	(208,867)
A31240	Other current assets	(7,718)	(11,943)
A31990	Other non-current assets	25	-
A31250	Other financial assets	(17,348)	(47,227)
A32130	Notes payable	(30,319)	60,460
A32150	Accounts payable	(196,685)	1,078,297
A32180	Other accounts payable	(186,501)	310,608
A32200	Current provisions	(4,254)	(15,660)
A32240	Accrued pension liabilities, net	(13,154)	(8,466)
A32230	Other current liability	(33,570)	34,288
A33000	Cash inflow generated from operations	784,844	94,280
A33100	Interest income	41,755	17,384

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Code		2022	2021
A33200	Dividend income	\$ 60,602	\$ 3,107
A33200	Dividend income from associates	40,510	35,750
A33300	Interest payable	(75,516)	(41,923)
A33500	Income tax payable	(17,245)	5,200
AAAA	Cash inflow from operating activities	<u>834,950</u>	<u>113,798</u>
Cash Flows from Investing Activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(164,326)
B00020	Disposal of financial assets at fair value through other comprehensive income	-	26,387
B01800	Acquisition of associates	(180,030)	-
B02200	Cash inflow from acquisition of subsidiaries	3,378	-
B05900	Decrease in loan to related parties receivable	245,710	1,080
B02700	Acquisition of property, plant, equipment	(435,100)	(554,795)
B02800	Disposal of property, plant, equipment	15,838	6,641
B03800	Increase in refundable deposits	(7,692)	(118)
B04500	Acquisition of intangible asset	(5,461)	(1,646)
BBBB	Cash outflow from investment activity	<u>(363,357)</u>	<u>(686,777)</u>
Cash Flows From Financing Activities			
C00100	Increase in short-term loan	880,000	751,000
C00500	Proceeds from short-term bills payable	(280,000)	(320,000)
C01600	Lend long-term loan	2,750,000	1,825,000
C01700	Repay long-term loan	(2,702,066)	(2,030,000)
C04020	Lease principal repayment	(2,195)	(482)
C03000	Increase in refundable deposits	472	509
C03700	Increase (decrease) in loan to related parties receivable	(8,000)	28,000
C05000	Disposal of treasury stock	-	213,845
C05100	Treasury stock transferred to employee	-	33,374
C05800	Changes to non-controlling interests	(80,175)	(1,200)
CCCC	Cash inflows from financing activities	<u>558,036</u>	<u>500,046</u>
DDDD	Effect of exchange rate on cash or cash equivalents	(474)	44,366
EEEE	Net Increase (Decrease) in Cash and Cash Equivalents	1,029,155	(28,567)
E00100	Balance of cash and cash equivalents, beginning of the year	<u>1,331,196</u>	<u>1,359,763</u>
E00200	Balance of cash and cash equivalents, end of the year	<u>\$ 2,360,351</u>	<u>\$ 1,331,196</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

To Li Peng Enterprise Corporation Limited

Opinion

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

In our opinion, 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, 2022 and 2021, 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. 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, 2022 are stated as follows :

The authenticity of the sales revenues from the clients with a sales growth rate of 50% of the weaving products

The Company comprises of nylon department, weaving department, and trading department. Since the high growth rate of the sales revenue of weaving products in the current period and the significant difference from the expected performance of the industrial environment, we regarded the authenticity of the clients sales of weaving department as a key audit matters when the positive growth rate of weaving sales in the two periods changed by 50%. Please refer to Note 4 in the parent company only financial report for the reference of the related accounting policy concerning income recognition.

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

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, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2023

Li Peng Enterprise Co Ltd
Parent company only Balance Sheets
December 31, 2022 and 2021

Unit : Thousands of NTD

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6)	\$ 1,821,027	10	\$ 1,279,090	7
1110	Financial assets at fair value through profit or loss (Note 7)	65,635	-	50,092	-
1150	Notes receivable (Note 8)	56,251	-	88,906	-
1160	Notes receivable – related parties (Note 28)	109,777	1	192,906	1
1170	Accounts receivable (Note 8)	727,930	4	1,063,602	6
1180	Accounts receivable – related parties (Note 28)	90,617	1	192,154	1
1210	Loan to related parties (Note 28)	383,875	2	902,087	5
130X	Inventory (Note 9)	2,954,568	16	3,088,472	17
1410	Prepayments	187,956	1	63,170	-
1476	Other financial assets - current (Note 10, 28)	1,154,714	6	994,553	5
1479	Other current assets	16,882	-	17,887	-
11XX	Total current assets	<u>7,569,232</u>	<u>41</u>	<u>7,932,919</u>	<u>42</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss – non-current (Note 7)	6,333	-	9,902	-
1517	Financial assets at fair value through other comprehensive income- non-current (Note 11)	731,781	4	810,698	4
1550	Investment adjustments for Using Equity Method (Note 12)	4,198,963	23	4,016,737	22
1600	Property, plant, equipment (Note 13)	5,479,132	30	5,465,726	29
1755	Right of use asset (Note 14)	366	-	538	-
1780	Other intangible assets (Note 15)	5,145	-	5,352	-
1840	Net deferred tax assets (Note 23)	346,432	2	311,310	2
1915	Prepayment for equipment	315	-	180,136	1
1990	Other non-current assets	275	-	466	-
15XX	Total non-current assets	<u>10,768,742</u>	<u>59</u>	<u>10,800,865</u>	<u>58</u>
1XXX	Total Assets	<u>\$ 18,337,974</u>	<u>100</u>	<u>\$ 18,733,784</u>	<u>100</u>
	Liability and Equity				
	Current liability				
2100	Short-term loan (Note 16)	\$ 3,675,000	20	\$ 2,795,000	15
2110	Short-term corporate bonds payable (Note 16)	520,000	3	800,000	4
2120	Financial liability at fair value through profit or loss (Note 7)	529	-	-	-
2150	Notes payable	41,127	-	38,370	-
2160	Notes payable – related parties (Note 28)	52,484	-	85,560	-
2170	Accounts payable	255,860	2	1,139,194	6
2180	Accounts payable – related parties (Note 28)	60,065	-	110,584	1
2219	Other payable (Note 17, 28)	1,681,200	9	1,433,345	8
2220	Loan from related parties (Note 28)	252,000	1	281,000	2
2250	Current provisions	945	-	5,174	-
2280	Lease liability – current (Note 14)	183	-	177	-
2320	Long-term loan due in a year (Note 18)	117,500	1	31,250	-
2399	Other current liability	141,600	1	165,309	1
21XX	Total current liabilities	<u>6,798,493</u>	<u>37</u>	<u>6,884,963</u>	<u>37</u>
	Non-current liability				
2540	Long-term loan (Note 18)	1,786,875	10	1,793,750	9
2580	Lease liability – non-current (Note 14)	186	-	362	-
2570	Deferred income tax liability (Note 23)	147,206	1	146,840	1
2640	Accrued pension liability – non-current (Note 19)	242,309	1	256,602	1
2670	Other non-current liability	1,683	-	1,218	-
25XX	Total non-current liabilities	<u>2,178,259</u>	<u>12</u>	<u>2,198,772</u>	<u>11</u>
2XXX	Total Liability	<u>8,976,752</u>	<u>49</u>	<u>9,083,735</u>	<u>48</u>
	Equity (Note 20)				
3110	Common stock	9,144,872	50	9,144,872	49
3200	Capital reserve	187,282	1	185,591	1
	Retained earning				
3310	Legal reserve	525,527	3	525,527	3
3320	Special reserve	229,670	1	229,670	1
3350	Accrued loss	(71,277)	-	(42,496)	-
3300	Total retained earnings	<u>683,920</u>	<u>4</u>	<u>712,701</u>	<u>4</u>
3400	Other equity	(324,345)	(2)	(62,608)	-
3500	Treasury stock	(330,507)	(2)	(330,507)	(2)
3XXX	Total Equity	<u>9,361,222</u>	<u>51</u>	<u>9,650,049</u>	<u>52</u>
	Total of Liability and Equity	<u>\$ 18,337,974</u>	<u>100</u>	<u>\$ 18,733,784</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-Chu

Li Peng Enterprise Co Ltd
Parent company only Statements of Comprehensive Income
Jan 1 to Dec 31 2022, 2021

Unit: Thousands of NTD,
Except EPS

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Note 21, 28)	\$ 10,795,406	100	\$ 12,268,967	100
5000	Operating cost (Note 9, 28)	<u>10,531,163</u>	<u>97</u>	<u>11,212,329</u>	<u>91</u>
5900	Operating margin	264,243	3	1,056,638	9
5910	Unrealized sales (profit) loss	(317)	-	72	-
5920	Realized sales profit	<u>884</u>	<u>-</u>	<u>320</u>	<u>-</u>
5950	Realized operating margin	<u>264,810</u>	<u>3</u>	<u>1,057,030</u>	<u>9</u>
	Operating expense (Note 28)				
6100	Sales expense	375,005	3	429,995	3
6200	Management expense	181,709	2	188,640	2
6300	R&D expense	94,768	1	109,784	1
6450	Expected credit loss (gain) on reversal of impairment loss	(<u>2,407</u>)	<u>-</u>	<u>1,419</u>	<u>-</u>
6000	Total operating expenses	<u>649,075</u>	<u>6</u>	<u>729,838</u>	<u>6</u>
6900	Operating net (loss) profit	(<u>384,265</u>)	(<u>3</u>)	<u>327,192</u>	<u>3</u>
	Non-operating income and expenses				
7100	Interest income (Note 22, 28)	41,774	1	11,596	-
7010	Other income (Note 22, 28)	63,676	1	44,920	-
7020	Other profit and loss(Note 22)	252,780	2	(62,856)	-
7050	Finance cost(Note 22, 28)	(75,339)	(1)	(42,803)	-
7070	Share of profits of subsidiaries and associates	<u>34,836</u>	<u>-</u>	<u>47,033</u>	<u>-</u>
7000	Total non-operating income and loss	<u>317,727</u>	<u>3</u>	(<u>2,110</u>)	<u>-</u>

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Code		2022		2021	
		Amount	%	Amount	%
7900	Net (loss) profit before tax	(66,538)	-	325,082	3
7950	Income tax profit (expense) (Note 4, 23)	<u>29,530</u>	-	(<u>55,927</u>)	(<u>1</u>)
8200	Net (loss) profit of the year	(<u>37,008</u>)	-	<u>269,155</u>	<u>2</u>
	Other comprehensive income (net)				
8310	Uncategorized items profit and loss:				
8311	Measure on defined benefit plans	2,972	-	(29,263)	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(78,917)	(1)	(136,312)	(1)
8330	Share of other comprehensive gain of subsidiaries and associates	(178,643)	(2)	(74,314)	(1)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences resulting from translation on foreign operations	<u>1,634</u>	-	(<u>13,975</u>)	-
8300	Total other comprehensive income of the year	(<u>252,954</u>)	(<u>3</u>)	(<u>253,864</u>)	(<u>2</u>)
8500	Total comprehensive income of the year	(<u>\$ 289,962</u>)	(<u>3</u>)	<u>\$ 15,291</u>	-
	(Loss) Earnings Per Share (Note 24)				
9710	Basic	(<u>\$ 0.04</u>)		<u>\$ 0.31</u>	
9810	Diluted	(<u>\$ 0.04</u>)		<u>\$ 0.31</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, 2022, 2021

Unit : Thousands of NTD

Code		Retained Earning						Foreign Organization	Other Equity Items				
		Share Capital			Unappropriated Earnings (Unappropriated deficit)			Financial report	Financial assets unrealized profit and loss at fair value through other comprehensive income				
									Subsidiary using		Associates using		
		Share (Thousands)	Share Capital	Capital Reserve	Legal Reserve	Special Reserve		Exchange difference	Parent Company	Equity Method	Equity Method	Treasury Stock	Total
A1	Balance as of Jan 01, 2021	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
B17	Reversal of Special Reserve	-	-	-	-	(372,967)	372,967	-	-	-	-	-	-
C7	Changes to other capital reserve : Change in associates using equity method	-	-	4,005	-	-	-	-	-	-	-	-	4,005
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	5,239	-	-	(2,467)	(2,772)	-	-
D1	Net Profit in 2021	-	-	-	-	-	269,155	-	-	-	-	-	269,155
D3	Other comprehensive income in 2021	-	-	-	-	-	(27,782)	(13,975)	(136,312)	(113,249)	37,454	-	(253,864)
D5	Total comprehensive income in 2021	-	-	-	-	-	241,373	(13,975)	(136,312)	(113,249)	37,454	-	15,291
L7	Disposal of the parent company's stock by a subsidiary is regarded as a treasury stock transaction	-	-	44,892	-	-	-	-	-	-	-	68,446	113,338
N1	Treasury stock transferred to employees	-	-	2,074	-	-	-	-	-	-	-	33,450	35,524
Z1	Balance as of Dec 31, 2021	914,487	9,144,872	185,591	525,527	229,670	(42,496)	(45,610)	247,105	(214,364)	(49,739)	(330,507)	9,650,049
C7	Changes to other capital reserve : Change in associates using equity method	-	-	(196)	-	-	(556)	-	-	-	-	-	(752)
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	1,887	-	-	-	-	-	-	-	-	1,887
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	598	-	-	-	(598)	-	-
D1	Net Loss in 2022	-	-	-	-	-	(37,008)	-	-	-	-	-	(37,008)
D3	Other comprehensive income in 2022	-	-	-	-	-	8,185	1,634	(78,917)	(69,171)	(114,685)	-	(252,954)
D5	Total comprehensive income in 2022	-	-	-	-	-	(28,823)	1,634	(78,917)	(69,171)	(114,685)	-	(289,962)
Z1	Balance as of Dec 31, 2022	914,487	\$ 9,144,872	\$ 187,282	\$ 525,527	\$ 229,670	(\$ 71,277)	(\$ 43,976)	\$ 168,188	(\$ 283,535)	(\$ 165,022)	(\$ 330,507)	\$ 9,361,222

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, 2022, 2021

Unit : Thousands of NTD

Code		2022	2021
	Cash Flows From Operating Activities		
A10000	(Loss) Profit before income tax	(\$ 66,538)	\$ 325,082
A20010	Provided by (used in) operating activities:		
A20100	Depreciation	602,417	584,279
A20200	Amortization	4,189	4,349
A20300	Expected credit (gain) loss on reversal of impairment loss	(2,407)	1,419
A29900	Amortized prepayment	71,873	66,928
A20400	Financial assets and liability at fair value through (profit) or loss	(11,446)	7,810
A20900	Finance costs	75,339	42,803
A21200	Interest income	(41,774)	(11,596)
A21300	Dividend income	(22,945)	(842)
A21900	Transfer of treasury stock to employee compensation costs	-	2,150
A22400	Share of income to associates using equity method	(34,836)	(47,033)
A22500	Gain on disposal of property, plant, equipment	(2,106)	(6,209)
A23800	Impairment loss on inventory	117,112	86,082
A24000	Realized profit on sales to subsidiaries and associates	(567)	(392)
A24100	Loss (Gain) on foreign exchange, net	21,960	(83,024)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	116,084	(196,978)
A31150	Accounts receivable	434,950	685,752
A31200	Inventory	16,792	(1,180,120)
A31230	Prepayment	(200,076)	(80,850)
A31240	Other current assets	3,543	(12,075)
A31250	Other financial assets	(177,324)	(539,262)
A32130	Notes payable	(30,319)	60,460
A32150	Accounts payable	(935,908)	402,929
A32180	Other payables	241,892	690,472
A32200	Current provisions	(4,254)	(15,660)
A32240	Accrued pension liabilities	(11,321)	(8,466)
A32230	Other current liability	(33,482)	45,641
A33000	Cash inflow generated from operations	130,848	823,649

(continue in next page)

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Code		2022	2021
A33100	Interest income	40,828	10,916
A33200	Dividend income	22,945	842
A33200	Dividend income from associates	60,761	39,350
A33300	Interest payable	(73,331)	(43,118)
A33500	Income tax payable	(4,752)	10,052
AAAA	Cash inflow from operating activities	<u>177,299</u>	<u>841,691</u>
Cash Flows From Investing Activities			
B01800	Acquisition of associates	(180,030)	-
B02200	Cash outflow from acquisition of subsidiaries	(203,427)	-
B02700	Acquisition of property, plant, equipment	(426,660)	(554,956)
B02800	Disposal of property, plant, equipment	15,838	6,641
B03800	Decrease (Increase) in refundable deposit	16	(119)
B04500	Acquisition of intangible asset	(3,982)	(1,646)
B04300	Decrease (Increase) in loan to related parties receivable	<u>520,674</u>	(<u>288,743</u>)
BBBB	Cash outflow from investment activity	(<u>277,571</u>)	(<u>838,823</u>)
Cash Flows From Financing Activities			
C00100	Increase in short-term loan	880,000	751,000
C00500	Proceeds from short-term bills payable	(280,000)	(320,000)
C01600	Lend long-term loan	500,000	1,825,000
C01700	Repay long-term loan	(420,625)	(2,030,000)
C04020	Lease principal repayment	(181)	(106)
C03000	Increase in refundable deposits received	465	513
C03700	Loan payable to related parties (less) more	(29,000)	51,000
C05100	Treasury stock transferred to employee	-	33,374
CCCC	Cash inflows from financing activities	<u>650,659</u>	<u>310,781</u>
DDDD	Effect of exchange rate on cash or cash equivalents	(<u>8,450</u>)	<u>38,986</u>
EEEE	Net Increase in Cash and Cash Equivalents	541,937	352,635
E00100	Balance of cash and cash equivalents, beginning of the year	<u>1,279,090</u>	<u>926,455</u>
E00200	Balance of cash and cash equivalents, end of the year	<u>\$ 1,821,027</u>	<u>\$ 1,279,090</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. Article of association

Chapter I General Principles

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

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

- Article 2-1 The company's investment in other businesses is not subject to the total investment restrictions of the Company Law.
- Article 3 The company set up a head office in Taipei City, and if necessary, through the resolution of the board of directors, it may establish branches at home and abroad, and depending on the business or investment relationship or inter-industry needs, external guarantees.
- Article 4 The company's announcement method shall be handled in accordance with Article 28 of the Company Law.

Chapter II Shares

- Article 5 The total capital is rated at twelve billion New Taiwan dollars, divided into 1.2 billion shares, each with a denomination of ten New Taiwan dollars per share, and is issued in multiples. Unissued shares are authorized to be issued by the board of directors based on actual needs.
- Article 6 The transfer to employees at a price lower than the average price of the actual shares bought back should be submitted to the latest shareholders meeting to represent more than half of the total issued shares before the transfer, and with more than two-thirds of the voting rights of present shareholders agree.
- Article 7 The stocks shall be issued through book entry system instead of issuing printing stocks according to laws and regulations; the same applies to the issuance of other securities.
- Article 8 Changes to the record in the shareholder register shall not be made within 60 days before the regular shareholders meeting, 30 days before the extraordinary shareholders meeting, or within 5 days before the base date of the company's decision to distribute dividends, bonuses or other benefits.

Chapter III Shareholders' Meeting

- Article 9 The company's shareholders meeting is divided into two types: The regular shareholders meeting is held within six months after the end of each fiscal year; The extraordinary shareholders meeting shall be convened in accordance with relevant laws and regulations when necessary.
A shareholders' meeting may be conducted visual communication meeting or other methods announced by central authority.
- Article 9-1 The company's shareholders meeting should be convened 30 days before, and the convening of the extraordinary shareholders meeting should be held 15 days before. The date, place and reason for the meeting should be notified to all shareholders and announced.

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

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

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

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

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

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

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

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

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

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

Chapter IV Directors and Supervisors

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

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

- Article 16 The directors organize the board of directors. Two-thirds or more of the directors present and more than half of the directors' present agree to elect one of them as the chairman of the board, and a vice chairman may be appointed by the directors in the same way to perform all the affairs of the company. The president represents the company externally.
- Article 17 When the vacancy of directors reaches one-third or all independent directors are dismissed, the board of directors shall convene an interim meeting of shareholders within 60 days to elect them.
- Article 18 When the chairman of the board asks for leave or is unable to exercise his powers for some reason, his agency shall be handled in accordance with Article 208 of the Company Law.
- When a director entrusts other directors to attend a meeting as an agent, he shall issue a power of attorney each time and list the authorized scope of the reason for the convening.
- The notice of the convocation of the board of directors can be notified in writing, fax, e-mail, etc.
- When the board of directors is meeting, if a video conference is used, the directors who participate in the meeting on the video screen shall be deemed to have attended the meeting in person.
- Article 19 The resolution of the board of directors, unless otherwise stipulated by the Company Law, should be attended by more than half of the directors, and more than half of the directors present should agree to it.
- Article 20 Delete
- Article 21 Delete
- Article 22 Delete
- Article 23 Delete
- Article 24 Delete
- Article 25 The remuneration of the chairman and directors shall be authorized by the board of directors to determine the extent of their participation in the operation of the company and the value of their contribution to the usual standards of the industry.

Chapter V Managers

- Article 26 The company may have one general manager and several managers, and their appointment, dismissal and remuneration shall be handled in accordance with the relevant provisions of the Company Law.

Chapter VI Accounting

- Article 27 At the end of each fiscal year, the board of directors shall prepare: (1) Business report (2) Financial statements (3) Proposals for surplus distribution or loss allowances, etc. After 30 days before the meeting of the regular shareholders meeting, it is submitted to the audit committee for verification, and then submitted to the regular shareholders meeting to request recognition.

- Article 28 If there is a profit in the year, at least 2% should be allocated for employee compensation, and no more than 5% for directors' compensation. However, when there are accumulated losses, the compensation amount shall be reserved, and then the remuneration of employees and directors shall be allocated in accordance with the aforementioned proportion. The remuneration of employees shall be determined by the board of directors in stock or cash, and the payment objects may include employees of affiliated companies who meet the conditions set by the board of directors.
- Article 29 If there is a surplus in the annual final accounts, the accumulated losses shall be made up first, and then 10% shall be allocated as the statutory surplus reserve according to law; However, when the statutory surplus reserve has reached the total paid-in capital, it is exempted to continue to be listed. The special surplus reserve shall be allocated or transferred in the second time according to laws or regulations or regulations of the competent authority. If there is a balance, add the accumulated undistributed surplus at the beginning of the period as the distributable surplus, and allocate 0% to 100% of the distributable surplus, which shall be distributed after the board of directors drafts a distribution proposal and submits it to the shareholders meeting for resolution. Among the shareholder dividends decided by the board of directors, the cash dividend shall not be less than 5% of the total dividends. However, if the cash dividend per share does not reach NT\$0.1, it may be paid as a stock dividend.
- Due to the changeable industrial environment and the development of diversification, the board of directors may change the payment of stock dividends in accordance with the capital budget and capital status.

Chapter VII Supplementary Provisions

- Article 30 Matters not stipulated in this Articles of Association shall be handled in accordance with the Company Law and relevant laws and regulations.
- Article 31 This charter was established on August 11, 1975
The first amendment was made on March 28, 1976
The second amendment was made on December 6, 1976
The third amendment was on June 30, 1981
The fourth amendment was on July 26, 1981
The fifth amendment was on August 10, 1985
The sixth amendment was made on July 8, 1987
The seventh amendment was made on July 8, 1988
The eighth amendment was made on June 15, 1990
The ninth amendment was on April 18, 1991
The tenth amendment was on March 23, 1992
The eleventh amendment was made on May 20, 1993
The twelfth amendment was made on April 28, 1994
The thirteenth amendment was made on May 9, 1995
The fourteenth amendment was made on May 7, 1997
The fifteenth amendment was on April 23, 1998
The sixteenth amendment was made on May 27, 1999
The seventeenth amendment was made on April 26, 2000
The eighteenth amendment was on June 13, 2001

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

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

Attachments 3

LI PENG ENTERPRISE CO., LTD. Rules of Procedure for Shareholders Meetings

Amended on 2021.03.29

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Attachments 4

Li Peng Enterprise Co., Ltd all directors' shareholdings

As of the closing date: 2023, May 1

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 201,536,051 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	27,343	
Director	KUO CHI KANG	400,644	
Independent Director	LIN YAO CHUAN	0	
Independent Director	KAO CHENG SHANG	0	
Independent Director	LEE SU CHIN	0	
TOTAL		201,536,051	

