

Stock Code: 1447



LI PING ENTERPRISE CORPORATION

Handbook of 2025

Annual General Shareholders' Meeting

Date: June 13, 2025

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

LI PENG ENTERPRISE CORPORATION

Handbook of 2025 Annual General Shareholders' Meeting (Translation)

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Notice to readers

This is a translation of the Handbook of 2025 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.
2025 Annual General Shareholders' Meeting Procedures

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

LI PENG ENTERPRISE CO., LTD.
2025 Annual General Shareholders' Meeting Agenda

Convention Method: Physical shareholders meeting

Time: June 13, 2025 (Friday) 9:00AM

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

Meeting Procedures

1. Commencement of Meeting (Report on the number of attended shares)
2. Chairman's Statement
3. Report Items:
 - (1) 2024 business report.
 - (2) 2024 audit committee's audit report.
 - (3) 2024 report on remuneration distribution for employees and directors.
4. Matters for Ratification
 - (1) Motion of 2024 business report and financial statement.
 - (2) Motion of 2024 Earnings Distribution.
5. Matters for Discussion:
 - (1) Motion of partial articles amendment of the "Articles of Incorporation".
6. Extemporary Motion
7. Meeting Adjourned

Report Items

I. The 2024 business report

Explanatory Notes: The 2024 business report is as follows.

Business report

1. The 2024 operational performance

(1) Plan execution:

International situation was still in ferment in 2024, although Russo-Ukrainian War and inflation has been slow down, the price of raw materials was influenced by geopolitics and climate change, red sea crisis made global supply chain chaos, and it caused that freight gradually rose, it made international political economy fall into unstable situation.

Nevertheless, we got rid of downturn of year 2023, we gained favor of customers and brand owners through one continuous vertical integration production line of sophistication, differentiation and customization. In the situation of stop falling and stabilization of nylon product price, we have positively expectation for the operation of next year.

The Company's consolidated revenue of year 2024 was NT\$ 34.825 billion, compared with year 2023, it increased 17.38%; income after tax was NT\$ 73 million, compared with year 2023, it increased 116.86%. Major selling products include 75,442 tons of nylon chip, 17,575 tons of nylon yarn, 45.27 million yards of woven fabric, 1,021 tons of knitted fabric, and 1,756,401 tons of petrochemicals.

(2) Budget implementation:

Not available. Our company only set the 2024 internal budget, and did not disclose financial forecasts to the public.

(3) Revenue, expenditure, and profitability analysis:

The 2024 unconsolidated revenue is NT\$ 10.669 billion, income after tax was NT\$ 40 million, net profit margin was 0.37%, earnings was NT\$ 0.04 per share. The Company's all financial revenue and expenditure and profitability uncombined subsidiary of end of year 2024 are described as the table below.

Unit: Thousand NT\$

Item		2023	2024	Increase (Decrease) Amount and Ratio
Financial income and expense	Operating income	8,996,009	10,669,091	1,673,082
	Operating cost	9,160,697	10,553,122	1,392,425
	Before tax profit	-532,212	32,420	564,632
	Net Income	-445,006	39,939	484,945
Profitability	Return on asset (%)	-1.97	0.68	2.65
	Return on equity (%)	-4.83	0.44	5.27
	Before tax income to paid-in capital ratio (%)	-5.84	0.35	6.19
	Profit margin (%)	-4.94	0.37	5.31
	Earnings per share (NT\$)	-0.51	0.04	0.55

(4) Research and development:

As we continuously develop and promote, customers and brand owners have accepted green eco-friendly products, like “RePET® eco-regenerated polyester fiber”, “ReEcoya® eco-recycled dope dyed black fiber” and “NylonPlus® recycled nylon fiber”, etc., and we make efforts to increase their added-value, and it’s also the effort direction of our department of development and research. Mass manufactured products of the Company for the past two years are as follows:

Item	Application	Features
Nylon fishnet and ocean recycled yarn	Knitted apparel, sportswear and casual wear	GRS-certified recycled material applications to reduce energy consumption and carbon emissions
Pre-consumer / Post-consumer Nylon recycle yarn	Knitted apparel, sportswear and casual wear	GRS-certified recycled material applications to reduce energy consumption and carbon emissions
Nylon chip & Fibre for Electric Vehicle / Lightweight Nylon chip & Fibre	Alternative to current product with property modification in injection grade and extrusion grade	High performance nylon chips offer in lightweight and superior heat durability.
Recycle Tire carbon black yarn	Diving suit and other functional fabrics	Product of Recycled carbon
Other development of modification in plastic function	Using in composite materials	To enhance the stability of product specification
CRZ high-performance eco-friendly yarn	Suitable for development in both apparel and non-apparel textile applications	GRS-certified recycled material applications to reduce energy consumption and carbon emissions
Eco-friendly ReFLEX™ abrasion-resistant stretch fabric	Abrasion-resistant stretch fabric	Fabrics with natural stretch and excellent abrasion resistance, a good replacement for less percentage OP fabrics.
Biodegradable eco-friendly fabric	Fabric with brushed or sanded feature	Reduce microplastic pollution
ReEcoya™ Ultra-Fine Eco-Friendly Monofilaments & Multifilaments	For lightweight highly breathable/ waterproof jacket and ski jackets	Eco-Friendly Lightweight Fabrics & 3-Layer Lamination Fabric

2. The 2025 business plan summary

The Company regards “sustainable co-creation and master net zero new opportunities”, “ low carbon as core and co-construct green blueprint” as general spirit of business policy this year. Along with the rising of global environmental awareness, more international organizations and countries boost environmental protection by strict policies and regulations, industries actively adjust strategies to decrease risk, rise competitiveness, our production process and products of development and research will use low carbon and environmental protection, sustainable recycle as principle, and enhance ESG strategy, use practical environmental activities to increase brand value, and make progress toward to the goal of sustainable management in the future.

Nylon business unit: Mater price of raw and indirect materials influenced by international oil futures fluctuation to effectively formulate procurement strategy.

Nylon chips: Develop the field of engineering plastics, expand toward to non-textile market and enlarge applicable fields.

Nylon yarn: Focus on development and research and promotion of eco-nylon products, and stabilize product quality to rise gross profit.

High-end textile business unit: Actively participate in international exhibitions, master popular pulse, properly adjust development and research strategy, and deepen the combination with brand owners.

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

Research report of World Meteorological Organization indicated that the year 2024 was the hottest year since it has been recorded. Global warming continuing not only makes the rise of sea level, but causes more frequent and extreme climate disasters, forming enormous impact for economic development of all countries, and energy saving and carbon reduction don't have another minute to delay. For promoting decrease carbon plan, Taiwan released drafts of three codes for carbon fee a few days ago, encouraging industries to conduct low carbon transformation through promotion of carbon pricing and market mechanism, Taiwan also formally steps in the era of carbon pricing, therefore, how to effectively cope becomes the important topic for industry existence. We regard low carbon environmental protection and sustainable recycle as cores, continuously promote "Circular Economy of Green Energy", except separating into three phases to achieve green energy installation, we will also put concept of green environmental protection into production process and development and research of products, and utilize recycle technology of independent R&D to decrease utilization of raw materials, optimize production process, and further effectively save energy and decrease carbon, and obtain advantages of competitiveness in the transformation of global green economy.

Confronting the tense situation of global trade brought by trade war among all countries, we already moved partial capacity to Indonesia to avoid higher tariff; increased ration of local procurement to decrease cross-border transportation, and increase procurement efficiency. However, new tariff policy of U.S.A in April, 2025 caused turbulence of international political economy, and we will always pay attention to situation change, make adjustment in advance, and utilize more flexible pricing strategy, and tightly integrate with brand to decrease impact of tariff and keep competitiveness.

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: Tung, Min-hsiung

Accounting Manager: Huang, Yi-ping

II. The 2024 audit committee's audit report:

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

Audit committee's audit report

The company's 2024 financial statements prepared by the board of directors, completed the review and concluded the audit report by CPAs Huang, I-min and Hong, kuo-tyan, of Deloitte Touche Tohmatsu Limited, together with the business report and distribution of surplus, the audit committee has reviewed that there are no discrepancies in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act. Please verify.

Regards,

The company's 2025 regular shareholders' meeting

LI PENG ENTERPRISE CO., LTD.

Audit committee convener : Lin, Yao chuan

Taiwan, March 27, 2025

III. Report on Allocation of 2024 Remuneration to Board of Directors and Employees.

Explanatory Notes: Income before tax of year 2024 shall cover loss first, so employees' and directors' remuneration shall not be allocated.

Matters for Ratification

Item 1

Proposed by the Board of Directors

Proposal: The 2024 business report and financial statements.

Explanatory Notes:

1. The 2024 financial statements audited by Deloitte's accountants Huang, I-min and Hong, kuo-tyan 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.11~30.

Resolution :

Item 2

Proposed by the Board of Directors

Proposal: Please ratify the motion of earnings distribution in 2024.**Explanatory Notes:**

2024 net profit after tax of business final accounts was NT\$ 39,938,519, 2024 earnings distribution statement was made as follows.

LI PENG ENTERPRISE CO., LTD.
Earnings Distribution Statement
R.O.C 2024

Unit: NT\$

Item	Amount		Note
Accumulated deficit at the beginning of the period		-514,312,956	
After tax surplus for the current period	39,938,519		
Actuarial Gain (Loss) on Defined Benefit Plans	10,849,787		
Equity method recognition and disposal of equity instruments measured at fair value through other comprehensive income (loss)	-7,743,692		
Net (loss) profit after tax plus non-net (loss) profit after tax items included in retained earnings		43,044,614	
Loss to be made up at the end of period		-471,268,342	

Chairman: Kuo, Shao yi

Manager: Tung, Min-hsiung

Accounting Manager: Huang, Yi-ping

Resolution :

Matters for Discussion

Item 1

Proposed by Board of Directors

Proposal: Please resolve the motion of partial provisions amendment of the “Articles of Incorporation”

Explanation:

In accordance to legal regulation, partial articles were amended, comparison table of provisions before and after the amendment and the full text before amendment, please refer to attachment 2 (P.31 – 37 of the meeting agenda).

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, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Company for the year 2024. 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 2024 are stated as follows:

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

Li Peng Enterprise Co., Ltd. and its subsidiaries are mainly engaged in the production and sales of nylon chip, nylon yarns, woven fabrics, and the trading of petrochemicals. Our accountant evaluated the changes in the transaction patterns of some specific customers in the trading of petrochemicals. Our accountant believes that the audit of the consolidated financial statements for 2024 is an important audit item. Therefore, we listed the accuracy of the expression of petrochemical sales to some specific customers as a key audit item during the audit of 2024. Please refer to Note 4 for the accounting policies and disclosures related to the recognition of sales revenue.

Our audit procedures related to the evaluation of the above-mentioned key audit matter, include understanding and testing the design and effectiveness of the main internal control of the subsidiary, and sampling to confirm that all transactions belonging to the principal have obtained control over the goods and have been expressed correctly.

Other Matter

In the consolidated financial statements for 2024, the financial statements of some investee companies for using the equity method were audited by other auditors. Our opinion, on the consolidated company only financial statements the amounts listed in the financial statements of the investee companies that are treated using the equity method are based on the audit reports of other auditors. As of December 31, 2024 and 2023, the above-mentioned investee companies' investment amounts using the equity method were NT\$946,246 thousand and NT\$943,064 thousand, respectively, accounting for 5.07% and 4.95% of the total assets, respectively. From January 1 to December 31, 2024 and 2023, the above-mentioned investee companies' share of the comprehensive profit and loss of associated enterprises recognized using the equity method was NT\$12,272 thousand and NT\$29,404 thousand, respectively, accounting for (5.38%) and (10.33%) of the comprehensive profit and loss of the respective years.

We have also audited the parent company only financial statements of the Company for the years ended December 31, 2024 and 2023 on which we have issued an unmodified plus other matters paragraph opinion.

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

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

In preparing consolidated financial statements, management's responsibilities also include evaluating the ability of Li Peng Enterprise Co., Ltd. and its subsidiaries to continue as a going concern, disclosing related matters, and adopting the going concern basis of accounting, unless management intends to liquidate Li Peng Enterprise Co., Ltd. and its subsidiaries or cease operations, or has no other feasible alternative to liquidation or cessation of operations.

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

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

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

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

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

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

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

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

Based on the matters discussed with the governance unit, we have determined the key audit items for the audit of the consolidated financial statements of Li Peng Enterprise Co., Ltd. and its subsidiaries for the year 2024. We describe these matters in our audit report unless public disclosure of a particular matter is not permitted by law or, in extremely rare circumstances, we decide not to communicate a particular matter in our audit report because such communication could reasonably be expected to have a negative impact that outweighs the public interest that would be enhanced.

The engagement partners on the audit resulting in this auditors' report are Huang, I-min and Hong, Kuo-Tyan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2025

LI PENG ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
For The Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 1,765,356	10	\$ 2,102,831	11
1110	Financial assets at fair value through profit or loss - current (Note 4 and 7)	234,515	1	220,250	1
1150	Notes receivable, net (Note 4 and 8)	35,006	-	50,450	-
1160	Notes receivable from related parties, net (Note 4 and 27)	27,468	-	96,940	1
1170	Accounts receivable, net (Note 4 and 8)	2,638,203	14	2,373,291	12
1180	Accounts receivable from related parties, net (Note 4 and 27)	116,249	1	124,890	1
1210	Loan to related parties (Note 27)	1,135,014	6	778,145	4
1220	Income tax assets (Note 4 and 23)	18,040	-	11,919	-
130X	Inventory (Note 4 and 9)	2,500,116	13	2,512,764	13
1410	Prepayments	152,270	1	113,690	1
1476	Other financial assets - current (Note 4,10,27 and 28)	179,077	1	378,804	2
1479	Other current assets	10,551	-	2,446	-
11XX	Total current assets	<u>8,811,865</u>	<u>47</u>	<u>8,766,420</u>	<u>46</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss—non-current (Note 4 and 7)	6,064	-	6,333	-
1517	Financial assets at fair value through other comprehensive income—non-current (Note 4 and 11)	1,762,969	10	2,054,730	11
1550	Investment adjustments for Using Equity Method (Note 4 and 13)	2,658,285	14	2,660,888	14
1600	Property, plant, equipment (Note 4 and 14)	4,675,057	25	5,072,169	27
1755	Right of use asset (Note 4 and 15)	21,434	-	24,506	-
1821	Other intangible assets (Note 4 and 16)	4,242	-	4,918	-
1840	Deferred tax assets (Note 4 and 23)	471,828	3	444,662	2
1915	Prepayment for equipment	232,893	1	927	-
1990	Other non-current assets	12,977	-	6,139	-
15XX	Total non-current assets	<u>9,845,749</u>	<u>53</u>	<u>10,275,272</u>	<u>54</u>
1XXX	Total Assets	<u>\$ 18,657,614</u>	<u>100</u>	<u>\$ 19,041,692</u>	<u>100</u>
	Liability and Equity				
	Current liability				
2100	Short-term loan (Note 4 and 17)	\$ 3,560,000	19	\$ 3,608,000	19
2110	Short-term corporate bonds payable (Note 4 and 17)	100,000	-	10,000	-
2120	Financial liability at fair value through profit or loss (Note 4 and 7)	-	-	43,414	-
2150	Notes payable	18,976	-	31,975	-
2160	Notes payable – related parties (Note 27)	3,094	-	86,318	-
2170	Accounts payable	2,081,843	11	1,941,963	10
2180	Accounts payable—related parties (Note 27)	106,347	1	62,596	-
2219	Other payable (Note 18 and 27)	671,665	4	630,102	3
2220	Loan from related parties (Note 27)	80,000	-	113,000	1
2230	Current tax liabilities (Note 4 and 23)	14,436	-	10,421	-
2250	Current provisions	501	-	1,062	-
2280	Lease liability—current (Note 4 and 15)	2,747	-	2,632	-
2320	Long-term loan due in a year (Note 4 and 17)	-	-	141,250	1
2399	Other current liability	155,253	1	120,420	1
21XX	Total current liabilities	<u>6,794,862</u>	<u>36</u>	<u>6,803,153</u>	<u>35</u>
	Non-current liability				
2540	Long-term loan (Note 4 and 17)	1,690,000	9	1,854,000	10
2570	Deferred income tax liability (Note 4 and 23)	154,144	1	149,089	1
2580	Lease liability—non-current (Note 4 and 15)	23,718	-	25,986	-
2640	Accrued pension liability, net—non-current (Note 4 and 19)	183,310	1	204,796	1
2670	Other non-current liability	769	-	2,074	-
25XX	Total non-current liabilities	<u>2,051,941</u>	<u>11</u>	<u>2,235,945</u>	<u>12</u>
2XXX	Total liability	<u>8,846,803</u>	<u>47</u>	<u>9,039,098</u>	<u>47</u>
	Equity Attributable to Shareholders of the Parent (Note 4 and 20)				
3110	Common stock	9,100,712	49	9,100,712	48
3200	Capital reserve	214,187	1	191,201	1
	Retained earning				
3310	Legal reserve	525,527	3	525,527	3
3320	Special reserve	229,670	1	229,670	1
3350	Accrued loss	(471,268)	(2)	(514,313)	(3)
3300	Total retained earnings	283,929	2	240,884	1
3400	Other equity	(428,828)	(2)	(209,570)	(1)
3500	Treasury stock	(287,142)	(2)	(289,292)	(1)
31XX	Total Equity to Shareholders of the Parent	<u>8,882,858</u>	<u>48</u>	<u>9,033,935</u>	<u>48</u>
36XX	Non-controlling interests (Note 20)	927,953	5	968,659	5
3XXX	Total equity	<u>9,810,811</u>	<u>53</u>	<u>10,002,594</u>	<u>53</u>
	Total of Liability and Equity	<u>\$ 18,657,614</u>	<u>100</u>	<u>\$ 19,041,692</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 21, 2025)

Chairman: Kuo, Shao-Yi

Manager: Tung, Min-Hsiung

Accounting Supervisor: Huang, Yi-ping

LI PENG ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For The Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 4, 21, 27)	\$ 34,825,223	100	\$ 29,669,737	100
5000	Operating cost (Note 9, 27)	<u>34,439,447</u>	<u>99</u>	<u>29,438,180</u>	<u>99</u>
5900	Operating profit	385,776	1	231,557	1
5910	Unrealized profit on sales to associates	(1,211)	-	(1,116)	-
5920	Realized profit on sales to associates	<u>1,116</u>	<u>-</u>	<u>317</u>	<u>-</u>
5950	Realized operating profit	<u>385,681</u>	<u>1</u>	<u>230,758</u>	<u>1</u>
	Operating expense (Note 8, 27)				
6100	Sales expense	424,282	1	485,375	2
6200	Management expense	251,085	1	234,750	1
6300	R&D expense	122,020	-	109,899	-
6450	Expected credit gain on reversal of impairment loss	<u>660</u>	<u>-</u>	<u>(485)</u>	<u>-</u>
6000	Total operating expenses	<u>798,047</u>	<u>2</u>	<u>829,539</u>	<u>3</u>
6900	Operating net loss	(<u>412,366</u>)	(<u>1</u>)	(<u>598,781</u>)	(<u>2</u>)
	Non-operating income and expenses (Note 13, 22, 27)				
7100	Interest income	100,939	-	106,212	1
7010	Other income	42,921	-	44,237	-
7020	Other profit and loss	416,011	1	52,561	-
7050	Finance cost	(104,661)	-	(109,282)	-
7060	Share of profits of associates	<u>31,935</u>	<u>-</u>	<u>3,233</u>	<u>-</u>
7000	Total non-operating income and loss	<u>487,145</u>	<u>1</u>	<u>96,961</u>	<u>1</u>

(Continued)

Code		2024		2023	
		Amount	%	Amount	%
7900	Net loss before tax	\$ 74,779	-	(\$ 501,820)	(1)
7950	Income tax profit (Note 4, 23)	(1,704)	-	68,526	-
8200	Net loss of the year	73,075	-	(433,294)	(1)
	Other comprehensive income (net)				
8310	Uncategorized items profit and loss :				
8311	Measure on defined benefit plans	12,419	-	8,512	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(294,787)	(1)	106,804	-
8320	Share of other comprehensive gain of associates and joint ventures	(40,713)	-	23,897	-
8360	Items that may be reclassified subsequently to profit or loss :				
8361	Exchange differences resulting from translation on foreign operations	21,833	-	9,568	-
8300	Total other comprehensive income of the year	(301,248)	(1)	148,781	-
8500	Total comprehensive income of the year	(\$ 228,173)	(1)	(\$ 284,513)	(1)
	Net (loss) profit attributable to :				
8610	Shareholder of the parent	\$ 39,939	-	(\$ 445,006)	(1)
8620	Non-controlling interests	33,136	-	11,712	-
8600		\$ 73,075	-	(\$ 433,294)	(1)
	Comprehensive income attributable to :				
8710	Shareholders of the parent	(\$ 176,205)	(1)	(\$ 328,261)	(1)
8720	Non-controlling interests	(51,968)	-	43,748	-
8700		(\$ 228,173)	(1)	(\$ 284,513)	(1)
	Loss Per Share (Note 24)				
9710	Basic	\$ 0.04		(\$ 0.51)	

(Concluded)

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

(With Deloitte & Touche auditors' report dated March 21, 2025)

Chairman: Kuo, Shao-Yi

Manager: Tung, Min-Hsiung

Accounting Supervisor: Huang, Yi-ping

LI PENG ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
For The Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Code		Equity Attributable to Shareholders of the Parent							Other Equity Items						Non-Controlling interests	Total equity
		Capital Stock-Common Stock		Capital Surplus	Retained Earning			Foreign Organization Exchange difference	Financial assets unrealized profit and loss at fair value through other comprehensive income				Treasury Stock	Total		
		Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings (Unappropriated deficit)		Parent Company	Subsidiary using Equity Method	Associates using Equity Method					
A1	BALANCE JANUARY 1, 2023	914,487	9,144,872	187,282	525,527	229,670	(71,277)	(43,976)	168,188	(283,535)	(165,022)	(330,507)	9,361,222	935,411	10,296,633	
	Adjustments to other capital surplus:															
C7	Adjustments to share of changes in equities of associates	-	-	974	-	-	-	-	-	-	-	-	974	-	974	
L3	Retirement of treasury stock (Note20)	(4,416)	(44,160)	2,945	-	-	-	-	-	-	-	41,215	-	-	-	
O1	Cash dividends of the Company received by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(10,500)	(10,500)	
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	(5,979)	-	-	(65)	6,044	-	-	-	-	
D1	Net loss in 2023	-	-	-	-	-	(445,006)	-	-	-	-	-	(445,006)	11,712	(433,294)	
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	7,949	8,627	40,357	35,328	24,484	-	116,745	32,036	148,781	
D5	Total comprehensive income (loss) in 2023	-	-	-	-	-	(437,057)	8,627	40,357	35,328	24,484	-	(328,261)	43,748	(284,513)	
Z1	BALANCE DECEMBER 31, 2023	910,071	9,100,712	191,201	525,527	229,670	(514,313)	(35,349)	208,545	(248,272)	(134,494)	(289,292)	9,033,935	968,659	10,002,594	
	Adjustments to other capital surplus:															
C7	Adjustments to share of changes in equities of associates	-	-	22,364	-	-	-	-	-	-	(8)	-	22,356	11,353	33,709	
L7	Disposal of parent company shares by a subsidiary is deemed to be a treasury stock transaction	-	-	622	-	-	-	-	-	-	-	2,150	2,772	2,459	5,231	
O1	Cash dividends of the Company received by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(2,550)	(2,550)	
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	(7,744)	-	-	-	7,744	-	-	-	-	
D1	Net loss in 2024	-	-	-	-	-	39,939	-	-	-	-	-	39,939	33,136	73,075	
D3	Other comprehensive income (loss) in 2024,	-	-	-	-	-	10,850	20,915	(112,124)	(96,593)	(39,192)	-	(216,144)	(85,104)	(301,248)	
D5	Total comprehensive income (loss) in 2024	-	-	-	-	-	50,789	20,915	(112,124)	(96,593)	(39,192)	-	(176,205)	(51,968)	(228,173)	
Z1	BALANCE DECEMBER 31, 2024	<u>910,071</u>	<u>\$9,100,712</u>	<u>\$ 214,187</u>	<u>\$ 525,527</u>	<u>\$ 229,670</u>	<u>(\$ 471,268)</u>	<u>(\$ 14,434)</u>	<u>\$ 96,421</u>	<u>(\$ 344,865)</u>	<u>(\$ 165,950)</u>	<u>(\$ 287,142)</u>	<u>\$ 8,882,858</u>	<u>\$ 927,953</u>	<u>\$ 9,810,811</u>	

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

(With Deloitte & Touche auditors' report dated March 21, 2025)

Chairman: Kuo, Shao-Yi

Manager: Tung,Min-Hsiung

Accounting Supervisor: Huang, Yi-ping

LI PENG ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Code		2024	2023
	Cash Flows from Operating Activities		
A10000	Loss before income tax	\$ 74,779	(\$ 501,820)
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	594,545	617,684
A20200	Amortization expense	3,232	3,839
A20300	Expected credit gain for bad debt expense	64,664	(485)
A29900	Amortized prepayment	660	56,330
A20400	Financial assets and liability at fair value through (profit) or loss	(59,055)	43,242
A20900	Finance costs	104,661	109,282
A21200	Interest income	(100,939)	(106,212)
A21300	Dividend income	(2,246)	(1,188)
A22300	Share of income to associates using equity method	(31,935)	(3,233)
A22500	Loss (Gain) on disposal or retirement of property, plant, equipment	(4,471)	1,246
A23100	Gain on disposal of investment, net	(17,592)	(18,908)
A23700	Impairment loss on non-financial assets	248	-
A23800	Impairment loss (gain) on inventory	114,097	(58,288)
A23900	Unrealized profit on sales to associates	1,211	1,116
A24000	Unrealized loss on sales to associates	(1,116)	(317)
A24100	Loss (Gain) on foreign exchange, net	167,545	(78,735)
	Changes in operating assets and liabilities		
A31115	Collect financial assets at fair value through profit or loss	21,014	29,105
A31130	Notes receivable	15,590	5,901
A31140	Notes receivable – related parties	69,472	12,837
A31150	Accounts receivable	(346,478)	(53,667)
A31160	Accounts receivable – related parties	8,641	(33,477)
A31200	Inventory	(101,426)	793,897
A31230	Prepayments	(105,248)	21,204
A31240	Other current assets	(7,243)	27,196
A31990	Other non-current assets	199,546	(162,699)
A31250	Other financial assets	(1,107)	7,662
A32130	Notes payable	(12,999)	(9,152)
A32140	Notes payable-related parties	(83,224)	33,834
A32150	Accounts payable	92,099	95,014
A32160	Accounts payable-related parties	43,751	2,227
A32180	Other payables	(5,873)	84,850
A32200	Current provisions	(561)	117
A32240	Accrued pension liabilities	(\$ 9,067)	(29,407)
A32230	Other current liability	25,365	(17,810)
A33000	Cash inflow generated from operations	710,540	871,185
A33100	Interest income	101,051	104,248

(Continued)

Code		2023	2022
A33200	Dividend income	\$ 2,246	\$ 1,188
A33200	Dividend income from associates	28,945	15,320
A33300	Interest payable	(103,851)	(109,529)
A33500	Income tax payable	(27,120)	(24,801)
AAAA	Cash inflow from operating activities	<u>711,811</u>	<u>857,611</u>
Cash Flows from Investing Activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(2,164)	(47,135)
B00020	Disposal of financial assets at fair value through other comprehensive income	-	37,459
B02700	Acquisition of property, plant, equipment	(423,851)	(139,181)
B02800	Disposal of property, plant, equipment	5,035	5,133
B03800	Decrease in refundable deposits	1,383	6,272
B04500	Acquisition of intangible asset	(2,542)	(2,485)
B05900	Increase in loan to related parties receivables	(382,623)	(448,577)
BBBB	Cash outflow from investment activity	<u>(804,762)</u>	<u>(588,514)</u>
Cash Flows from Financing Activities			
C00100	Decrease in short-term loan	(48,000)	(67,000)
C00500	Increase (Decrease) in short-term bills payable	90,000	(510,000)
C01600	Lend long-term loan	3,475,000	2,894,000
C01700	Repay long-term loan	(3,780,250)	(2,803,125)
C04020	Lease principal repayment	(2,680)	(2,683)
C03000	Decrease in refundable deposits	(1,305)	(84)
C03700	Increase (decrease) in loan to related parties payables	(33,000)	8,000
C05200	Issuance of preference shares by subsidiaries	5,231	(10,500)
C05800	Changes to non-controlling interests	(2,550)	-
CCCC	Cash outflows from financing activities	<u>(297,554)</u>	<u>(491,392)</u>
DDDD	Effect of exchange rate on cash or cash equivalents	<u>53,030</u>	<u>(35,225)</u>
EEEE	Net Decrease in Cash and Cash Equivalents	(337,475)	(257,520)
E00100	Balance of cash and cash equivalents, beginning of the year	<u>2,102,831</u>	<u>2,360,351</u>
E00200	Balance of cash and cash equivalents, end of the year	<u>\$ 1,765,356</u>	<u>\$ 2,102,831</u>

(Concluded)

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

(With Deloitte & Touche auditors' report dated March 21, 2025)

Chairman: Kuo, Shao-Yi

Manager: Tung, Min-Hsiung

Accounting Supervisor: Huang, Yi-ping

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, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the Company for the year 2024. 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 2024 are stated as follows:

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

Li Peng Enterprise Corporation Limited and its subsidiaries comprises of nylon department, weaving department, and trading department. In the nylon product revenue, the revenue growth rate of some specific customers is greater than the overall expected growth rate and is significantly different from the actual industry expected performance. Therefore, our audit

evaluates whether the sales revenue of this specific customer actually occurred and whether the impact on the individual financial report is significant. Therefore, in the audit of 2024, the authenticity of the sales revenue of some specific customers was included in the key audit items. 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.

Correctness of the expression of sales revenue from specific customers of subsidiaries using the equity method

Among the subsidiaries using the equity method, after evaluating the changes in the transaction patterns of specific customers in the petrochemical trading segment, our audit evaluated whether the sales revenue of the specific customers was correctly expressed, which had a significant impact on the individual financial statements. Therefore, during the audit of 2024, the accuracy of the sales revenue of specific customers in the petrochemical trading segment was included in the key audit items. For the accounting policy on revenue recognition, please refer to Note 4 to the individual financial statements.

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

Other Matter

In the parent company only financial statements for 2024, the financial statements of some investee companies for using the equity method were audited by other auditors. Our opinion, on the parent company only financial statements the amounts listed in the financial statements of the investee companies that are treated using the equity method are based on the audit reports of other auditors. As of December 31, 2024 and 2023, the above-mentioned investee companies' investment amounts using the equity method were NT\$946,246 thousand and NT\$943,064 thousand, respectively, accounting for 5.44% and 5.25% of the total assets, respectively. From January 1 to December 31, 2024 and 2023, the above-mentioned investee companies' share of the comprehensive profit and loss of associated enterprises recognized using the equity method was NT\$12,272 thousand and NT\$29,404 thousand, respectively, accounting for (6.96%) and (8.96%) of the comprehensive profit and loss of the respective years.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent company only Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the parent company only financial statements for the year ended December 31, 2024 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 Huang, I-min and Hong, Kuo-Tyan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2025

LI PENG ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
For The Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 1,324,660	8	\$ 1,796,077	10
1110	Financial assets at fair value through profit or loss - current (Note 4 and 7)	67,926	1	54,720	-
1150	Notes receivable, net (Note 4 and 8)	35,006	-	50,450	-
1160	Notes receivable from related parties, net (Note 4 and 26)	27,468	-	96,940	1
1170	Accounts receivable, net (Note 4 and 8)	878,977	5	631,160	4
1180	Accounts receivable from related parties, net (Note 4 and 26)	93,016	1	183,307	1
1210	Loan to related parties (Note 26)	1,249,952	7	948,731	5
1220	Income tax assets (Note 4 and 22)	16,632	-	11,177	-
130X	Inventory (Note 4 and 9)	2,468,398	14	2,193,348	12
1410	Prepayments	132,237	1	62,117	-
1476	Other financial assets - current (Note 4、10 and 28)	1,095,871	6	1,537,305	9
1479	Other current assets	10,261	-	621	-
11XX	Total current assets	<u>7,400,404</u>	<u>43</u>	<u>7,565,953</u>	<u>42</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss—non-current (Note 4 and 7)	6,064	-	6,333	-
1517	Financial assets at fair value through other comprehensive income—non-current (Note 4 and 11)	670,506	4	778,547	4
1550	Investment adjustments for Using Equity Method (Note 4 and 12)	4,205,197	24	4,203,525	23
1600	Property, plant, equipment (Note 4 and 13)	4,594,185	26	4,984,932	28
1755	Right of use asset (Note 4 and 14)	-	-	189	-
1780	Other intangible assets (Note 4 and 15)	3,852	-	4,168	-
1840	Deferred tax assets (Note 4 and 22)	450,317	3	434,159	3
1915	Prepayment for equipment	60,024	-	927	-
1990	Other non-current assets	270	-	269	-
15XX	Total non-current assets	<u>9,990,415</u>	<u>57</u>	<u>10,413,049</u>	<u>58</u>
1XXX	Total Assets	<u>\$ 17,390,819</u>	<u>100</u>	<u>\$ 17,979,002</u>	<u>100</u>
	Liability and Equity				
	Current liability				
2100	Short-term loan (Note 4 and 16)	\$ 3,560,000	20	\$ 3,608,000	20
2110	Short-term corporate bonds payable (Note 4 and 16)	100,000	-	10,000	-
2120	Financial liability at fair value through profit or loss (Note 4 and 7)	-	-	43,414	-
2150	Notes payable	18,976	-	31,041	-
2160	Notes payable—related parties (Note 26)	3,094	-	86,318	1
2170	Accounts payable	739,831	4	424,414	2
2180	Accounts payable—related parties (Note 26)	104,294	1	65,118	-
2219	Other payable (Note 17 and 26)	1,509,463	9	1,936,664	11
2220	Loan from related parties (Note 26)	298,000	2	279,000	2
2250	Current provisions	501	-	1,062	-
2280	Lease liability—current (Note 4 and 14)	-	-	192	-
2320	Long-term loan due in a year (Note 4 and 16)	-	-	141,250	1
2399	Other current liability	148,608	1	112,923	1
21XX	Total current liabilities	<u>6,482,767</u>	<u>37</u>	<u>6,739,396</u>	<u>38</u>
	Non-current liability				
2540	Long-term loan (Note 4 and 16)	1,690,000	10	1,854,000	10
2570	Deferred income tax liability (Note 4 and 22)	153,028	1	146,650	1
2640	Accrued pension liability, net—non-current (Note 4 and 18)	181,446	1	203,335	1
2670	Other non-current liability	720	-	1,686	-
25XX	Total non-current liabilities	<u>2,025,194</u>	<u>12</u>	<u>2,205,671</u>	<u>12</u>
2XXX	Total liability	<u>8,507,961</u>	<u>49</u>	<u>8,945,067</u>	<u>50</u>
	Equity (Note 19)				
3110	Common stock	9,100,712	52	9,100,712	51
3200	Capital reserve	214,187	1	191,201	1
	Retained earnings				
3310	Legal reserve	525,527	3	525,527	3
3320	Special reserve	229,670	2	229,670	1
3350	Accrued loss	(471,268)	(3)	(514,313)	(3)
3300	Total retained earnings	283,929	2	240,884	1
3400	Other equity	(428,828)	(2)	(209,570)	(1)
3500	Treasury stock	(287,142)	(2)	(289,292)	(2)
3XXX	Total equity	<u>8,882,858</u>	<u>51</u>	<u>9,033,935</u>	<u>50</u>
	Total of Liability and Equity	<u>\$ 17,390,819</u>	<u>100</u>	<u>\$ 17,979,002</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 21, 2025)

Chairman: Kuo, Shao-Yi

Manager: Tung, Min-Hsiung

Accounting Supervisor: Huang, Yi-ping

LI PENG ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For The Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 4,20,26)	\$ 10,669,091	100	\$ 8,996,009	100
5000	Operating cost (Note 9, 26)	<u>10,553,122</u>	<u>99</u>	<u>9,160,697</u>	<u>102</u>
5900	Operating profit (loss)	115,969	1	(164,688)	(2)
5910	Unrealized loss (profit) on sales to associates	2,376	-	(1,116)	-
5920	Realized profit on sales to associates	<u>1,116</u>	<u>-</u>	<u>317</u>	<u>-</u>
5950	Realized operating profit (loss)	<u>119,461</u>	<u>1</u>	<u>(165,487)</u>	<u>(2)</u>
	Operating expense (Note 8,26)				
6100	Sales expense	321,279	3	247,997	3
6200	Management expense	198,278	2	178,869	2
6300	R&D expense	122,049	1	109,899	1
6450	Expected credit gain on reversal of impairment loss	<u>1,131</u>	<u>-</u>	<u>(949)</u>	<u>-</u>
6000	Total operating expenses	<u>642,737</u>	<u>6</u>	<u>535,816</u>	<u>6</u>
6900	Operating net loss	<u>(523,276)</u>	<u>(5)</u>	<u>(701,303)</u>	<u>(8)</u>
	Non-operating income and expenses (Note 21, 26)				
7100	Interest income	99,567	1	100,689	1
7010	Other income	44,117	-	43,910	-
7020	Other profit and loss	387,724	4	85,562	1
7050	Finance cost	(101,529)	(1)	(108,641)	(1)
7070	Share of profits of subsidiaries and associates	<u>125,817</u>	<u>1</u>	<u>47,571</u>	<u>1</u>
7000	Total non-operating income and loss	<u>555,696</u>	<u>5</u>	<u>169,091</u>	<u>2</u>

(Continued)

Code		2024		2023	
		Amount	%	Amount	%
7900	Net income (loss) before tax	32,420	-	(532,212)	(6)
7950	Income tax profit (Note 4, 22)	<u>7,519</u>	<u>-</u>	<u>87,206</u>	<u>1</u>
8200	Net loss of the year	<u>39,939</u>	<u>-</u>	<u>(445,006)</u>	<u>(5)</u>
	Other comprehensive income (net)				
8310	Uncategorized items profit and loss :				
8311	Measure on defined benefit plans	12,151	-	8,647	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(112,124)	(1)	40,357	-
8330	Share of other comprehensive gain of associates and joint ventures	(137,086)	(1)	59,114	1
8360	Items that may be reclassified subsequently to profit or loss :				
8361	Exchange differences resulting from translation on foreign operations	<u>20,915</u>	<u>-</u>	<u>8,627</u>	<u>-</u>
8300	Total other comprehensive income of the year	<u>(216,144)</u>	<u>(2)</u>	<u>116,745</u>	<u>1</u>
8500	Total comprehensive income of the year	<u>(\$ 176,205)</u>	<u>(2)</u>	<u>(\$ 328,261)</u>	<u>(4)</u>
	Loss Per Share (Note 23)				
9710	Basic	<u>\$ 0.04</u>		<u>(\$ 0.51)</u>	
9810	Diluted	<u>\$ 0.04</u>		<u>(\$ 0.51)</u>	

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

(With Deloitte & Touche auditors' report dated March 21, 2025)

Chairman: Kuo, Shao-Yi

Manager: Tung, Min-Hsiung

Accounting Supervisor: Huang, Yi-ping

LI PENG ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGE IN EQUITY
For The Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Code		Capital Stock-Common Stock		Capital Surplus	Legal Reserve	Retained Earning		Unappropriated Earnings (Unappropriated deficit)	Foreign Organization Financial report Exchange difference	Other Equity Items				Total
		(In Thousands)	Amount			Special Reserve	Financial assets unrealized profit and loss at fair value through other comprehensive income							
							Parent Company			Subsidiary using Equity Method	Associates using Equity Method	Treasury Stock		
A1	BALANCE JANUARY 1, 2023	914,487	\$ 9,144,872	\$ 187,282	\$ 525,527	\$ 229,670	(\$ 71,277)	(\$ 43,976)	\$ 168,188	(\$ 283,535)	(\$ 165,022)	(\$ 330,507)	\$ 9,361,222	
	Adjustments to other capital surplus:													
C7	Adjustments to share of changes in equities of associates	-	-	974	-	-	-	-	-	-	-	-	974	
L3	Cancellation of Treasury Shares	(4,416)	(44,160)	2,945	-	-	-	-	-	-	-	41,215	-	
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	(5,979)	-	-	(65)	6,044	-	-	
D1	Net loss in 2023	-	-	-	-	-	(445,006)	-	-	-	-	-	(445,006)	
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	7,949	8,627	40,357	35,328	24,484	-	116,745	
D5	Total comprehensive income (loss) in 2023	-	-	-	-	-	(437,057)	8,627	40,357	35,328	24,484	-	(328,261)	
Z1	BALANCE DECEMBER 31, 2023	910,071	9,100,712	191,201	525,527	229,670	(514,313)	(35,349)	208,545	(248,272)	(134,494)	(289,292)	9,033,935	
	Adjustments to other capital surplus:													
C7	Adjustments to share of changes in equities of associates	-	-	22,364	-	-	-	-	-	-	(8)	-	22,356	
L7	Disposal of parent company shares by a subsidiary is deemed to be a treasury stock transaction	-	-	622	-	-	-	-	-	-	-	2,150	2,772	
Q1	Associates' disposal of equity tool through other comprehensive income	-	-	-	-	-	(7,744)	-	-	-	7,744	-	-	
D1	Net income in 2024	-	-	-	-	-	39,939	-	-	-	-	-	39,939	
D3	Other comprehensive income (loss) in 2024	-	-	-	-	-	10,850	20,915	(112,124)	(96,593)	(39,192)	-	(216,144)	
D5	Total comprehensive income (loss) in 2024	-	-	-	-	-	50,789	20,915	(112,124)	(96,593)	(39,192)	-	(176,205)	
Z1	BALANCE DECEMBER 31, 2024	<u>910,071</u>	<u>\$ 9,100,712</u>	<u>\$ 214,187</u>	<u>\$ 525,527</u>	<u>\$ 229,670</u>	<u>(\$ 471,268)</u>	<u>(\$ 14,434)</u>	<u>\$ 96,421</u>	<u>(\$ 344,865)</u>	<u>(\$ 165,950)</u>	<u>(\$ 287,142)</u>	<u>\$ 8,882,858</u>	

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

(With Deloitte & Touche auditors' report dated March 21, 2025)

Chairman: Kuo, Shao-Yi

Manager: Tung, Min-Hsiung

Accounting Supervisor: Huang, Yi-ping

LI PENG ENTERPRISE CORPORATION LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Code		2024	2023
	Cash Flows from Operating Activities		
A10000	Income (loss) before income tax	\$ 32,420	(\$ 532,212)
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	580,732	602,708
A20200	Amortization expense	2,858	3,462
A29900	Amortized prepayment	62,896	54,245
A20300	Expected credit gain for bad debt expense	1,131	(949)
A20400	Financial assets and liability at fair value through (profit) or loss	(56,351)	52,352
A20900	Finance costs	101,529	108,641
A21200	Interest income	(99,567)	(100,688)
A21300	Dividend income	(2,246)	(1,188)
A22400	Share of income to associates using equity method	(125,817)	(47,571)
A22500	Loss (Gain) on disposal or retirement of property, plant, equipment	(4,471)	1,246
A23100	Gain on disposal of investment, net	(187)	(17,353)
A23800	Impairment loss (gain) on inventory	113,184	(59,095)
A23900	Unrealized Sales (Losses) Gains Among Affiliates	(2,376)	1,116
A24000	Realized loss (profit) on sales to subsidiaries and associates	(1,116)	(317)
A24100	Loss on foreign exchange, net	(97,509)	50,263
A30000	Changes in operating assets and liabilities		
A31115	Collect financial assets at fair value through profit or loss	187	18,801
A31130	Notes receivable	15,590	5,901
A31140	Notes receivable – related parties	69,472	12,837
A31150	Accounts receivable	(214,726)	95,638
A31160	Accounts receivable – related parties	90,291	(92,690)
A31200	Inventory	(388,234)	820,315
A31230	Prepayments	(132,973)	71,200
A31240	Other current assets	(7,133)	13,719
A31250	Other financial assets	487,740	(419,994)
A32130	Notes payable	(12,065)	(10,086)
A32140	Notes payable-related parties	(83,224)	33,834
A32150	Accounts payable	305,532	159,845
A32160	Accounts payable-related parties	39,176	5,053
A32180	Other payable	(473,393)	315,940
A32200	Current provisions	(561)	117
A32240	Accrued pension liabilities	(9,738)	(30,327)
A32230	Other current liability	26,917	(23,539)

(Continued)

Code		2024	2023
A33000	Cash inflow generated from operations	\$ 217,968	\$ 1,091,224
A33100	Interest income	98,877	96,994
A33200	Dividend income	2,246	1,188
A33200	Dividend income from associates	36,595	110,925
A33300	Interest payable	(100,677)	(108,875)
A33500	Income tax payable	(7,716)	(9,750)
AAAA	Cash inflow from operating activities	247,293	1,181,706
	Cash Flows from Investing Activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(2,164)	(6,409)
B02700	Acquisition of property, plant, equipment	(249,283)	(138,935)
B02800	Disposal of property, plant, equipment	5,035	5,133
B03800	Decrease (increase) in refundable deposits	(1)	6
B04500	Acquisition of intangible asset	(2,542)	(2,485)
B04300	Decrease (Increase) in loan to related parties receivables	(269,791)	(580,234)
BBBB	Cash outflow from investment activity	(518,746)	(722,924)
	Cash Flows from Financing Activities		
C00100	Decrease in short-term loan	(48,000)	(67,000)
C00500	Decrease (Increase) in short-term bills payable	90,000	(510,000)
C01600	Lend long-term loan	3,475,000	2,894,000
C01700	Repay long-term loan	(3,780,250)	(2,803,125)
C04020	Lease principal repayment	(198)	(188)
C03000	Increase (Decrease) in refundable deposits	(966)	3
C03700	Increase in payables to related parties	19,000	27,000
CCCC	Cash outflows from financing activities	(245,414)	(459,310)
DDDD	Effect of exchange rate on cash or cash equivalents	45,450	(24,422)
EEEE	Net decrease in Cash and Cash Equivalents	(471,417)	(24,950)
E00100	Balance of cash and cash equivalents, beginning of the year	1,796,077	1,821,027
E00200	Balance of cash and cash equivalents, end of the year	\$ 1,324,660	\$ 1,796,077

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

(With Deloitte & Touche auditors' report dated March 21, 2025)

Chairman: Kuo, Shao-Yi

Manager : Tung, Min-Hsiung

Accounting Supervisor : Huang, Yi-ping

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 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.</p>	<p>Article 28: If there is a profit in the year, at least <u>1%</u> should be allocated for employee compensation, and no more than 5% for directors' compensation, <u>in addition, 1% shall be adjusted salary and allocated compensation for Grassroots employees.</u> However, when there are accumulated losses, the compensation amount shall be reserved. The remuneration of employees <u>and Grassroots employees</u> shall be paid by stock or cash, and the payment objects may include employees of affiliated companies who meet the conditions set by the board of directors.</p>	<p>Follow the regulation amendment</p>
<p>Article 31: This charter was established on August 11, 1975 The first amendment was made on March 28, 1976 . . . The thirty-fourth amendment was made on June 24, 2022</p>	<p>Article 31: This Article was established on August 11, 1975 The first amendment was made on March 28, 1976 . . . The thirty-fourth amendment was made on June 24, 2022 <u>The thirty-fifth amendment was made on June 13, 2025</u></p>	<p>Add amendment date and number of amendment times</p>

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: 2025, April 15

Position	Name	Shareholding by the closing date	Explanation
Chairman	Kuo, Shao-yi	10,222,819	1. As of the closing date the Company's total number of issued shares is 910,071,242 shares. 2. Pursuant to Article 26, the Securities and Exchange Act, and "The regulation of publicly revealing equity percentage of the company's directors, supervisors and implementation inspection, the total number of directors' shareholding must be at least 29,122,280 shares. 3. All directors of the company actually hold 224,940,051 shares, which has reached the regulated threshold.
Director	Lealea Enterprise Co., Ltd Representative: Tung, Min-hsiung	168,119,853	
Director	Li Mou Investment Co., Ltd Representative: Kuo, Shu-chen	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-Shan	0	
Independent Director	Lee, Su-chin	0	
Total		224,940,051	