

Li Peng Enterprise Corporation  
Limited and Subsidiaries

Consolidated Financial Statements  
for the Years Ended December 31,  
2023 and 2022 and Independent  
Auditors' Report

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## **REPRESENTATION LETTER**

The entities that are required to be included in the combined financial statements of LI PENG ENTERPRISE CORPORATION LIMITED as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, LI PENG ENTERPRISE CORPORATION LIMITED and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

LI PENG ENTERPRISE CORPORATION LIMITED

By

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Kuo, Shao-Yi  
Chairman

March 15, 2024

## **Independent Auditor’s Report**

To Li Peng Enterprise Corporation Limited

### **Opinion**

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

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

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Company for the year 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

**Other Matter**

In the consolidated financial report for 2023, the financial statements of some investee companies for using the equity method were audited by other auditors. Our opinion, on the consolidated financial report the amounts listed in the financial statements of the investee companies that are treated using the equity method are based on the audit reports of other auditors. As of December 31, 2023, the aggregate carrying amount of the equity-method investments in the related party was NT\$943,064 thousand, representing 4.95% of the Group's consolidated total assets. From January 1 to December 31, 2023, the share of the above-mentioned investee company's comprehensive profits and losses of affiliated enterprises recognized using the equity method was NT\$29,404 thousand, accounting for (10.33%) of the comprehensive profits and losses for that year.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the

Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease operations.

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

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

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

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

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 22, 2024

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

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

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

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

Chairman: Kuo, Shao-Yi

Manager: Chen, Ping-Huang

Accounting Supervisor: Su, Pei-Yu

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

| Code |                                                     | 2023               |              | 2022               |              |
|------|-----------------------------------------------------|--------------------|--------------|--------------------|--------------|
|      |                                                     | Amount             | %            | Amount             | %            |
| 4000 | Operating revenue ( Note4,21,29 )                   | \$ 29,669,737      | 100          | \$ 28,501,393      | 100          |
| 5000 | Operating cost ( Note 9, 29 )                       | <u>29,438,180</u>  | <u>99</u>    | <u>27,995,196</u>  | <u>98</u>    |
| 5900 | Operating profit                                    | 231,557            | 1            | 506,197            | 2            |
| 5910 | Unrealized profit on sales to associates            | ( 1,116 )          | -            | ( 317 )            | -            |
| 5920 | Realized profit on sales to associates              | <u>317</u>         | <u>-</u>     | <u>884</u>         | <u>-</u>     |
| 5950 | Realized operating profit                           | <u>230,758</u>     | <u>1</u>     | <u>506,764</u>     | <u>2</u>     |
|      | Operating expense ( Note 29 )                       |                    |              |                    |              |
| 6100 | Sales expense                                       | 485,375            | 2            | 502,304            | 2            |
| 6200 | Management expense                                  | 234,750            | 1            | 247,511            | 1            |
| 6300 | R&D expense                                         | 109,899            | -            | 94,768             | -            |
| 6450 | Expected credit gain on reversal of impairment loss | ( <u>485</u> )     | <u>-</u>     | ( <u>2,593</u> )   | <u>-</u>     |
| 6000 | Total operating expenses                            | <u>829,539</u>     | <u>3</u>     | <u>841,990</u>     | <u>3</u>     |
| 6900 | Operating net loss                                  | ( <u>598,781</u> ) | ( <u>2</u> ) | ( <u>335,226</u> ) | ( <u>1</u> ) |
|      | Non-operating income and expenses                   |                    |              |                    |              |
| 7100 | Interest income ( Note 22, 29 )                     | 106,212            | 1            | 44,389             | -            |
| 7010 | Other income ( Note 22, 29 )                        | 44,237             | -            | 100,619            | -            |
| 7020 | Other profit and loss ( Note 22, 29 )               | 52,561             | -            | 245,129            | 1            |
| 7050 | Finance cost ( Note 22 )                            | ( 109,282 )        | -            | ( 77,414 )         | -            |
| 7060 | Share of profits of associates                      | <u>3,233</u>       | <u>-</u>     | ( <u>12,011</u> )  | <u>-</u>     |
| 7000 | Total non-operating income and loss                 | <u>96,961</u>      | <u>1</u>     | <u>300,712</u>     | <u>1</u>     |

(Continued)

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

(Concluded)

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

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

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

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

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

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

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

Chairman: Kuo, Shao-Yi

Manager : Chen, Ping-Huang

Accounting Supervisor : Su, Pei-Yu

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

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

(Continued)

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

(Concluded)

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

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

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

**LI PENG ENTERPRISE CORPORATION LIMITED AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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1. Company History

Li Peng Enterprise Corporation Limited (the “Li Peng” or “Company”), which was established in August 1975, produced various types of printed papers, decal papers, paper products, and printing boards. In 1985, dyeing plant was built; in 1988, weaving plant was then added to produce synthetic, natural woven fabric, cotton, and printed textile. In 1999, additional nylon plants were built, which were to produce synthetic fibers and nylon filament yarns that would be made into products for trading.

The Company’s factories are located in Yangmei district in Taoyuan city, and another in Fanyuan township in Changhua County.

The Company was listed and traded on the Taiwan Stock Exchange in January 1992.

The Company’s major shareholder is Lealea Enterprise Co. Ltd., with 16.17% and 15.89% of the company’s shares as of December 31, 2023 and 2022.

The Company’s functional currency and the currency stated in the consolidated financial statement are both New Taiwanese Dollar.

2. The Authorization of Financial Statements

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 15, 2024.

3. Application of New and Revised International Financial Reporting Standards

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the revised IFRSs approved and issued by the FSC will not result in a material change in the accounting policies of consolidated company.

b. IFRS endorsed by the Financial Supervisory Commission (FSC) in 2024

| New, Revised or Amended Standards and Interpretations                         | Effective Date Issued by IASB (Note 1) |
|-------------------------------------------------------------------------------|----------------------------------------|
| Amendments to IFRS16 "Leases Liability in a Sale and leaseback"               | January 1, 2024 (Note 2)               |
| Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" | January 1, 2024                        |
| Amendments to IAS1 "Non-current Liabilities with Covenants"                   | January 1, 2024                        |
| Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"                | January 1, 2024 (Note 3)               |

Note 1 : Otherwise stated, the above New, Revised, Amended Standards and Interpretations shall be effective since the start date of annual reporting.

Note 2 : A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3 : The amendments provide some transition relief regarding disclosure requirements.

As of the date of approval of this consolidated financial report, the consolidated company assesses that the amendments to the above-mentioned standards and interpretations will not have a significant impact on its financial position and financial performance.

c. The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

| New, Revised or Amended Standards and Interpretations                                                                   | Effective Date Issued by IASB (Note 1) |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Amendments to IFRS10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined                       |
| IFRS 17 "Insurance Contract"                                                                                            | January 1, 2023                        |
| Amendments to IFRS 17                                                                                                   | January 1, 2023                        |
| Amendments to IFRS 17 "Initial application IFRS 17 and IFRS 9—Compare Information"                                      | January 1, 2023                        |
| Amendments to IAS 21 "Lack of Exchangeability"                                                                          | January 1, 2025 (Note 2)               |

Note 1 : Otherwise stated, the above New, Revised, Amended Standards and Interpretations shall be effective since the start date of annual reporting.

Note 2 : An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings.

When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date of approval of this consolidated financial report, the consolidated company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the consolidated company completes the evaluation.

#### 4. Summary of Significant Accounting Policies

##### **Statement of Compliance**

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### **Basis of Preparation**

The accompanying consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values and for the net defined benefit liabilities recognized at fair value of the planned assets at the present value of the defined benefit liabilities, as explained in the accounting policies below.

The evaluation of fair value based on the observability and importance of relevant input value is classified into gradings from 1<sup>st</sup> to 3<sup>rd</sup> grade:

- a. 1<sup>st</sup> grade input value: the quotation of equivalent value of the assets or liabilities in the active market on evaluation date (unadjusted).
- b. 2<sup>nd</sup> grade input value: the observable input value (besides the quotation of 1<sup>st</sup> grade) on assets and liabilities direct (value) or indirect (derived value).
- c. 3<sup>rd</sup> grade input value : the unobservable input value on assets or liabilities.

##### **Classification of Current and Noncurrent Assets and Liabilities**

Current Assets include :

- a. Assets held for trading purposes
- b. Expected to be converted to cash, sold or consumed within 12 months from the end of the reporting period, and
- c. Cash and cash equivalent (not including the restricted users for exchange or settle liabilities after over 12 months from the balance sheet date.)

Current Liabilities include :

- a. Liabilities held for trading purposes
- b. Liabilities expected to be settled within 12 months from the balance sheet date (including liabilities from long-term refinancing or readjusting payment agreement even if it's after the balance sheet date until the approved release date of financial report), and
- c. The deadline to settle liabilities cannot be deferred unconditionally to later than 12 months after the balance sheet date. The terms of the liability may depend on the counterparty's choice; the issuance of equity instruments to cause its liquidation does not affect the classification.

Items that aren't current assets or liabilities as mentioned above, would be classified as non-current assets or liabilities.

### **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the consolidated company and entities controlled by the consolidated company (its subsidiaries). The income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal. When necessary, adjustments are made to the financial statements of subsidiaries to ensure their accounting policies are aligning with those used by the parent. All intra-group transactions, balances, income, and expenses are eliminated in full on consolidation. Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the consolidated company's ownership interests in subsidiaries that do not result in the consolidated company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the consolidated company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.

The details on items, ratio of shares owned, and operations of the subsidiaries can be referred to Note 12 and Table 7 and 8.

## **Business Combination**

Business combination is through acquisition methods. Expenses related to acquisitions are listed as expenses when expenses incurred from rendering of services as it happened.

Goodwill is the total amount of the fair value of the transfer, the amount of non-controlling interests of the acquiree, and the fair value of the acquiree's previously held equity at the acquisition date, the net measure of identifiable assets acquired, and liabilities assumed beyond the date of acquisition.

The acquiree has the current ownership of equity and is entitled to pro rata non-controlling interests in the acquiree's net assets at the time of liquidation, which is measured by fair value. Other non-controlling interests are measured at fair value.

A business combination concluded in stages is based on the fair value on the acquisition date to re-measure the equity of the acquiree that the merging company has previously held. If any profit or loss arises as a result, it is recognized as a profit or loss. The amount recognized in other comprehensive profits and losses before the acquisition date due to the previously held equity of the acquiree is recognized on the same basis as if the amalgamating consolidated company directly disposes of its previously held equity.

## **Foreign Currencies**

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) is recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date; such exchange differences are recognized in profit or loss in the period in which they arise.

Amount receivable or payable with relation to the consolidated company's foreign operations' currency, the liquidation of the item is currently neither planned nor possible in the foreseeable future (so it constitutes a part of the net investment in the foreign operations), the exchange difference is originally recognized as other comprehensive gains and losses, and when disposing net investment, reclassify from equity to profit and loss.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other

comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in foreign currencies use exchange rates prevailing on trading day, not retranslated.

As preparing the consolidated financial statements, assets and liabilities of the Company's foreign operations are translated into NTD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to the consolidated company's non-controlling interests as appropriate).

### **Inventories**

Inventories include raw materials, materials, finished goods, and processed goods. Inventories are stated at the lower of cost or net realizable value. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost at the end of the reporting period. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventory cost is calculated by the weighted average method.

### **Investment in Associates**

Investment accounted for using equity method are investments in associates, which the consolidated company has significant influence over, they are not subsidiaries.

The consolidated company invested in associates using equity method.

Under the equity method, an investment in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the consolidated company's share of profit or loss and other comprehensive income of the associates as well as the distribution received. The consolidated company also recognizes its share in the changes in the equities of associates.

Any excess of the cost of acquisition over the consolidated company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. The entire carrying amount of the investment (including goodwill) cannot be amortized. Any excess of the consolidated company's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the associated company issues new shares, if the consolidated company fails to subscribe according to the shareholding ratio, which causes the shareholding ratio to change, and consequently increases or decreases the net equity value of the investment, the amount of increase or decrease shall be adjusted to the capital reserve - use the equity method to recognize the changes in the net equity of associates and the investment using the equity method. If the shareholding ratio is not subscribed nor obtained, which results in a decrease in the ownership and interest of the associated company, the amount recognized in the other comprehensive profit and loss related to the associated company shall be reclassified according to the reduced portion, and the basis of accounting treatment is related to the associated company, if the relevant assets or liabilities are directly disposed of, the basis must be the same; if the adjustment in the preceding paragraph should be debited to the capital surplus, and the balance of the capital reserve generated by the investment using the equity method is insufficient, the difference is debited to the retained earnings.

When the consolidated company's share of losses in the associated company equals or exceeds its equity in the associated company (including the carrying amount of the investment in the associated company under the equity method and other long-term interests that are essentially part of the consolidated company's net investment in the associated company), that is, stop recognizing further losses. The consolidated company only recognizes additional losses and liabilities within the scope of incurred statutory obligations, deduced obligations, or payments on behalf of associates.

When assessing impairment, the consolidated company regards the overall book value of the investment (including goodwill) as a single asset, compares the recoverable amount with the carrying amount, and conducts an impairment testing. The recognized impairment loss is not allocated to the component of the investment book value. Any assets, including goodwill, any reversal of the impairment loss shall be recognized within the scope of the subsequent increase in the recoverable amount of the investment.

The consolidated company ceases to use the equity method on the day when its investment ceases to be an associated company, and its retained equity in the original associated company is measured at fair value, recorded in the current profit and loss. In addition, for all amounts recognized in other comprehensive profit and loss related to the associated company, the basis of accounting treatment is the same as the basis that the associated company must abide by when and if it directly disposes the assets or liabilities. If an investment in an associated company becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associated company, the consolidated company will continue to use the equity method without re-evaluating the retained equity.

The profit and loss arising from the upstream, downstream, and side-current transactions between the consolidated company and the associated company are recognized in the consolidated financial report only to the extent that the consolidated company has no relation to the equity of the associated company.

### **Property, Plant and Equipment**

Property, plant and equipment are listed as expenses, measured at cost less accumulated depreciation and accumulated impairment.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other identical categories of property, plant and equipment, commences when the assets are available for their intended use.

Land is not depreciated, other property, plant and equipment's residual values over their useful lives and depreciation are computed using the straight-line method, estimate the depreciated value individually based on every significant part. The consolidated company shall estimate and review their useful lives, residual values, and depreciation method at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

### **Intangible Assets**

Other separately acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method over the estimated useful lives, finite useful lives, residual values, and amortization method should be reviewed at the end of each reporting period by the consolidated company, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with uncertainty useful lives are presented as cost less accumulated impairment losses.

As intangible assets are being removed, the difference between the net disposal value and the asset's book value is recognized in the current profit and loss.

### **Impairment of Property, Plant and Equipment, Right-of-use Assets, and Intangible Assets (besides goodwill)**

The consolidated company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and intangible assets (besides goodwill) to determine whether there is any indication that those assets have suffered an impairment loss on each balance sheet date. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the consolidated company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to individual cash-generating units for which a reasonable and consistent allocation basis can be identified.

For intangible assets that don't have definite useful life and are not yet available for use, impairment testing shall be carried out at least annually and when there are signs of impairment.

The recoverable amount is the higher of the fair value minus cost of sale and its use value. If the recoverable amount of an individual asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is adjusted to the revised recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in the previous year (minus amortization or depreciation). A reversal of an impairment loss is recognized immediately in profit or loss.

### **Financial Instruments**

Financial assets and financial liabilities are recognized on the consolidated balance sheet when the consolidated company becomes a party to the contract terms of the instrument.

In the initial recognition of financial assets and financial liabilities, if financial assets or financial liabilities are not measured at fair value through profit and loss, they are measured at fair value plus trading costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Trading costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit and loss are immediately recognized as profit and loss.

a. Financial Asset

Conventional transactions of financial assets are recognized and delisted by accounting on the trading day.

(1) Types of Measurement

Types of financial assets held by the consolidated company are financial assets measured at fair value through profit and loss, financial assets measured at amortized cost, and equity instrument investment measured at fair value through other comprehensive gains and losses.

A. Financial Assets Measured at Fair Value through Profit and Loss

Financial assets measured at fair value through profit and loss include mandatory fair value through profit and loss and financial assets designated as fair value through profit and loss. Mandatory financial assets measured at fair value through profit or loss include equity instrument investments that the amalgamating company has not specified to be measured at fair value through other comprehensive profit and loss, and debt instrument investments that are not classified as measured at amortized cost or measured at fair value through other comprehensive profit and loss.

Financial assets are designated at the time of initial recognition as measured at fair value through profit and loss if the designation can eliminate or significantly reduce measurement or recognition inconsistencies.

Financial assets measured at fair value through profit and loss are the dividends and interests generated by fair value measurement, that are recognized in other income and interest income respectively, and the benefits or losses generated by the re-measurement are recognized in other income and loss. Please refer to Note 28 for the method of determining fair value.

B. Financial Assets at Amortized Cost

If the financial assets invested by the consolidated company meet the following two conditions at the same time, they are classified as financial assets measured at amortized cost:

- a. Held under a certain business model, the purpose of this model is to hold financial assets to collect contractual cash flows; and
- b. The terms of the contract generate cash flows on a specific date, and these cash flows are all interests on the payment of the principal and the amount of principal in circulation.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, notes receivable and other receivables measured at amortized cost) after initial recognition, are measured by the total book amount determined by the effective interest method minus the amortized cost of any impairment loss, and any foreign currency exchange gains and losses are recognized as in profit and loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

- a. For purchased or created credit-impaired financial assets, interest income is calculated by multiplying the effective interest rate after credit adjustment by the amortized cost of the financial assets.
- b. For financial assets that are not purchased or originated from credit impairment, but subsequently become credit impairment, calculate the interest income by multiplying the effective interest rate by the amortized cost of the financial asset from the next reporting period after the credit impairment.

Credit impaired financial assets refer to the issuer or debtor who has experienced major financial difficulties, breach of contract, the debtor is likely to apply for bankruptcy or other financial reorganization, or the active market for financial assets disappears due to financial difficulties.

Cash equivalents include time deposits that are highly liquidated and can be converted into fixed cash at any time within 3 months from the date of acquisition, and the risk of changes in value is very low, which is used to meet short-term cash commitments.

#### C. Investment in Equity Instruments Measured at Fair Value Through Other Comprehensive Income

During initial recognition, the consolidated company can make an irrevocable choice to invest in equity instruments that are not held for trading and not recognized by the purchaser of a business merger and designated to be measured at fair value through other comprehensive income.

Equity instrument investments measured at fair value through other comprehensive income are measured at fair value, and subsequent changes in fair value are reported in other comprehensive income and accumulated in other equity. At the time of investment disposal, the accumulated profits

and losses are directly transferred to retained earnings and are not reclassified as profits and losses.

Dividends derived from equity instrument investments measured at fair value through other comprehensive income are recognized in the profit and loss when the rights of payment collection of the consolidated company were established unless the dividends clearly represent partial investment cost recovery.

## (2) Impairment Loss of Financial Assets and Contractual Assets

The consolidated company assesses the financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date, debt instrument investments measured at fair value through other comprehensive income, operating lease receivables, and impairment loss of contractual assets.

Accounts receivable, operating lease receivables, and contractual assets are all recognized as loss allowance based on expected credit losses during the duration. For other financial assets, first assess whether there is a significant higher credit risk since the initial recognition. If there is no significant higher risk, the loss allowance is recognized based on the 12-month expected credit loss; if the risk has increased significantly, the loss allowance is recognized based on the duration of the expected credit loss.

Expected credit loss is the weighted average credit loss based on the risk of breach of contract. The 12-month expected credit loss refers to the expected credit loss caused by the possible breach of contract event of the financial instrument within 12 months after the reporting date, and the lifetime expected credit loss represents the expected credit loss caused by all possible breach of contract events during the expected lifetime of the financial instrument.

The consolidated company is for the purpose of internal credit risk management, and without considering the collateral held, when it is determined that there is internal or external information showing that the debtor is unable to pay off the debt, it represents that the financial asset has breached the contract. The impairment loss of all financial assets is reduced by the allowance account to reduce its carrying amount, but the loss allowance of debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce its carrying amount.

### (3) Delisting of Financial Assets

The consolidated company only delists financial assets when the contractual rights from the cash flow of financial assets have lapsed, or the financial assets have been transferred and almost all the risks and rewards of the ownership of the assets have been transferred to other companies.

When a financial asset measured at amortized cost is delisted, the difference between its book value and the consideration received is recognized in profit or loss. When the debt instrument investment measured at fair value through other comprehensive income is delisted, the difference between the carrying amount and the consideration received plus the sum of any accumulated profits or losses that have been recognized in other comprehensive income is recognized in profit and loss. When equity instrument investments measured at fair value through other comprehensive income are delisted, the accumulated profits and losses are directly transferred to retained earnings and are not reclassified as profits and losses.

## b. Financial Liabilities

### (1) Subsequent Measurement

Except for the cases below, all financial liabilities are measured at amortized cost using the effective interest method:

#### Financial Liabilities Measured at Fair Value Through Profit and Loss

Financial liabilities measured at fair value through profit and loss include held for trading and designated as fair value through profit and loss.

Interest derived from financial liabilities held for trading and designated as fair value through profit and loss are recognized as finance cost, other profits or losses arise from remeasurement are recognized in other profits and losses. Please refer to Note 28 for the method of determining the fair value.

### (2) Delisting of Financial Liabilities

When delisting financial liabilities, the difference between its carrying amount and the paid amount (including any transferred non-cash assets or liabilities assumed) is recognized as profit or loss.

## c. Derivative Financial Instruments

Derivatives signed by the consolidated company include forward foreign exchange contracts, interest rate exchanges and currency exchanges, which are used to manage the consolidated company's interest rate and exchange rate risks.

Derivative instruments are initially recognized at fair value when the derivative instrument contract is signed, and subsequently re-measured at fair value on the balance sheet date. The profits or losses resulting from subsequent measurement are directly included in the profit and loss, but they are designated as derivatives of effective hedging instruments. The point at which tools are recognized in profit or loss will depend on the nature of the hedging relationship. When the fair value of the derivative is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

If derivative instruments are embedded in the asset master contract within the scope of IFRS 9 "Financial Instruments", the overall contract determines the classification of financial assets. If a derivative is embedded in an asset master contract that is not within the scope of IFRS 9 (such as embedded in a financial liability master contract), and if the embedded derivative meets the definition of a derivative, its risk and characteristics are not closely related to the risk and characteristics of the master contract, when the combined contract is not measured at fair value through profit or loss, the derivative is regarded as a separate derivative.

### **Current provisions**

The amount recognized as a liability reserve is based on the risk and uncertainty of the obligation and is the best estimation of the expenditure required to settle the obligation on the balance sheet date. The liability provision is measured by the discounted value of the estimated cash flow of the obligated settlement.

### **Income Recognition**

After the consolidated company identifies performance obligations in the customer's contract, it allocates the trading price to each performance obligation, and recognizes revenue when each performance obligation is met.

### **Commodity Sales Revenue**

Commodity sales revenue is generated from customers who have the right to determine prices and use the commodities and are responsible for resale, customers bear the consequences of commodity obsolescence. The consolidated company recognizes revenue and accounts receivable at this point.

When the material is removed for processing, the control of the ownership of the processed commodity has not been transferred, so the income is not recognized when the material is removed.

## **Lease**

The consolidated company assesses whether the contract belongs to (or contains) a lease on the date of signing contract.

### The consolidated company as Lessor

When the lease clause transfers almost all the risks and returns attached to the ownership of the asset to the lessee, it is classified as a financial lease. All other leases are classified as operating leases.

Under operating leases, lease payments after deduction of lease incentives are recognized as income on a straight-line basis during the relevant lease period. The original direct cost incurred in obtaining an operating lease is added to the book value of the underlying asset and recognized as an expense during the lease period on a straight-line basis.

When the lease includes both land and building elements, the consolidated company assesses whether almost all the risks and returns attached to the ownership of each element have been transferred to the lessee to assess whether each element is classified as a financial lease or an operating lease. Lease payments are apportioned to land and buildings based on the relative proportion of the fair value of the land and building lease rights on the date of signing contract. If the lease payment can be reliably allocated to these two elements, each element is treated according to the applicable lease classification. If the lease payment cannot be allocated to these two elements reliably, the overall lease is classified as a finance lease, but if both of these elements clearly meet the operating lease standards, the overall lease is classified as an operating lease.

### The consolidated company as Lessee

Except for lease payments for low-value underlying asset leases and short-term leases that are subject to the applicable recognition exemption, the lease payments are recognized as expenses on a straight-line basis during the lease period, and other leases are recognized as the right-of-use asset and lease liability on the lease start date.

The right-of-use asset is originally measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease start date minus the lease incentives received, the original direct cost and the estimated cost of restoring the underlying asset), and the subsequent cost minus accumulated depreciation and measure the amount after the accumulated impairment loss, as well as adjust the remeasurement amount of the lease liability.

The right-of-use assets are separately expressed on the consolidated balance sheet.

The right-of-use asset is depreciated on a straight-line basis from the lease start date to

the end of the service life or the expiration of the lease period, whichever is earlier.

The lease liability is originally measured by the present value of the lease payment (including fixed payment). If the implicit interest rate of the lease can be easily determined, the lease payment is discounted using that interest rate. If the interest rate is not easily determined, use the lessee's incremental borrowing interest rate.

Subsequently, lease liability is measured on the amortized cost basis using the effective interest method, and the interest expense is amortized during the lease period.

The consolidated company and the lessor conducted rental negotiations directly related to the Covid-19 pandemic, adjusted the rent due before June 30, 2022, resulting in rent reduction. These negotiations did not significantly change other lease terms. The consolidated company chooses to adopt practical expedients to deal with the rental negotiation that meets the aforementioned conditions and does not assess whether the negotiation is a lease modification, but recognizes the reduction in lease payments in the profit and loss when the concession event or situation occurs, and relatively reduces the lease liability.

### **Borrowing Cost**

The borrowing cost directly attributable to the acquisition, construction or production of a qualified asset is a part of the cost of the asset until almost all necessary activities for the asset to reach its intended use or sale status have been accomplished.

Specific borrowings, such as investment income earned by temporary investment before the capital expenditure that meets the requirements, are deducted from the borrowing cost that meets the capitalization conditions.

Except for the above, all other borrowing costs are recognized as profit or loss in the current period.

### **Government Subsidies**

Government subsidies are recognized only when it is reasonably certain that the combined company will comply with the conditions attached to the government subsidies and will receive such subsidies.

The government subsidies related to income are recognized in the profit and loss on a systematic basis during the period when the related costs that they intend to compensate are recognized as expenses in the merging company.

If the government subsidy is used to compensate for the expenses or losses that have occurred or is for the purpose of providing immediate financial support to the

consolidated company and has no future related costs, it shall be recognized in the profit and loss during the period when it can be received.

### **Employee Benefits**

#### **a. Short-term Employee Benefits**

Short-term employee benefit-related liabilities are measured by the expected non-discounted amount of cash paid in exchange for employee services.

#### **b. Retirement Benefits**

The determination of the retirement fund for the retirement plan is to recognize the amount of the retirement fund that should be provided as an expense during the employee's service period.

The definite benefit cost (including service cost, net interest and remeasurement) of the definite benefit retirement plan is calculated using the estimated unit benefit method. Service costs, including current service costs and net interest on net defined benefit liabilities (assets) were recognized as employee benefit expenses when incurred. Re-measurement (including actuarial gains and losses and remuneration of planned assets after interest deduction) is recognized when incurred. It is included in other comprehensive profit and loss and included in retained earnings and is not reclassified to profit or loss in subsequent periods.

The net definite benefit liability (asset) is the shortfall (remaining) of the definite benefit retirement plan. The net determined welfare assets shall not exceed the present value of the refund of the withdrawal from the plan or the reduction of the future withdrawal.

The retirement funds of Libolon (Shanghai Co.), Li Mao Co., Hung Hsing Co., Li Shing Co., Eton Petrochemical Co., and Libolon Energy Co. adopt a fixed allocation and retirement method.

### **Employee share option — Employee share option g to employees**

Employee share option shall be given based on the equity instrument measured at the fair value and the estimated vested optimal number of shares, which is recognized as expense by linear basis during the vested period and simultaneously adjusted capital surplus- treasury bonds transaction. If employees vested the stock right on the vested date, it shall be listed the entire amount as recognized expense on the vested date. The paying date of Li Peng enterprise transferring treasury stock to employees is the date when board resolution for employee purchase stock date.

## **Treasury Stock**

When Li Peng Enterprise buys back the issued shares as treasury stock, it debits the cost of treasury stock as a deduction of shareholders' equity.

The transfer of treasury stocks to employees shall be handled in accordance with International Financial Reporting Standards Bulletin No. 2 "Share Basic Benefits".

When canceling treasury stocks, credit "treasury stocks" and debit "capital reserve-stock premium" and "share capital" in proportion to the equity. If the book value of treasury stocks is higher than the total of face value and stock premium, the difference will be offset against the capital reserve generated by treasury stocks of the same type. If there is insufficient, the remaining surplus will be debited; otherwise, the difference will be credited to treasury stocks of the same type with capital reserve generated by the transaction.

The book value of treasury stocks is calculated using the weighted average method.

## **Income Tax**

Income tax expense is the sum of current income tax and deferred income tax.

### Current Income Tax

The consolidated company determines the current income (loss) in accordance with the laws and regulations established by each income tax reporting jurisdiction and calculates the payable (recoverable) income tax based on it.

The income tax on unappropriated earnings calculated in accordance with the provisions of the Income Tax Law of the Republic of China is subject to additional income tax, which is recognized in the annual shareholders' meeting.

The adjustment of income tax payable in previous years shall be included in current income tax.

### Deferred Income Tax

Deferred income tax is calculated based on the temporary difference between the book value of assets and liabilities and the tax basis for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are likely to have taxable income for deduction of temporary differences, loss deductions or purchase of machinery and equipment and research the income tax deductions for development and other expenditures are recognized.

Taxable temporary differences related to investment in subsidiaries and related companies are recognized as deferred income tax liabilities. However, if the consolidated company can control the timing of the reversion of the temporary differences, and the temporary differences are likely to not be in the foreseeable future. Except those who will return. The deductible temporary differences related to this type of investment will be recognized as deferred income tax only if it is likely to have sufficient taxable income to realize the temporary differences, and within the scope expected to return in the foreseeable future assets.

The carrying amount of deferred income tax assets is reviewed on each balance sheet date, and the carrying amount is reduced for those that no longer have sufficient taxable income to recover all or part of their assets. For those that have not been recognized as deferred income tax assets, they are also reviewed on each balance sheet date, and if they are likely to generate taxable income in the future for recovering all or part of their assets, the book amount will be increased.

Deferred income tax assets and liabilities are measured by the current tax rate for the expected debt settlement or asset realization. The tax rate is based on the tax rate and tax law that had been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences arising from the way the consolidated company expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

#### Current and Deferred Income Tax

Current and deferred income taxes are recognized in profit or loss, but current and deferred income taxes related to items recognized in other comprehensive profit or loss or directly included in equity are recognized in other comprehensive profit or loss or directly included in equity.

### 5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

When the consolidated company adopts accounting policies, management must make relevant judgments, estimates and assumptions based on experience and other relevant factors for the difficulty of obtaining relevant information from other sources. Actual results may differ from estimations.

The management will continue to review the estimations and basic assumptions. If the revision of the estimation only affects the current period, it shall be recognized in the current period of the revision. If the revision of accounting estimations affects both the current period and the future period, it shall be recognized in the current and the future periods of the revision.

## 6. Cash and Cash Equivalents

|                                                               | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|---------------------------------------------------------------|---------------------|---------------------|
| Cash on hand                                                  | \$ 1,619            | \$ 3,286            |
| Bank cheques and current saving                               | 805,454             | 1,307,489           |
| Cash equivalent                                               |                     |                     |
| Short-term bills                                              | 331,614             | 365,444             |
| Bank foreign currency time deposits with maturity in 3 months | <u>964,144</u>      | <u>684,132</u>      |
|                                                               | <u>\$ 2,102,831</u> | <u>\$ 2,360,351</u> |

As of December 31, 2023, and 2022, there were bank foreign currency time deposits of NT\$78,194 and NT\$74,501 thousand, respectively with a maturity period of more than 3 months, which was listed in other financial assets-current. (Please refer to Note 10)

As of December 31, 2023, and 2022, the following time deposits are pledged and according to liquidity list in other financial assets-current. (Please refer to Note 10 and 30)

|              | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> | <u>Purpose</u>                                                                                 |
|--------------|---------------------|---------------------|------------------------------------------------------------------------------------------------|
| Time deposit | <u>\$ 4,231</u>     | <u>\$ 4,198</u>     | Deposit for natural gas and application for a deposit for the development of state-owned land. |

## 7. Financial Instruments Measured at Fair Value through Profit and Loss

|                                                                 | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|-----------------------------------------------------------------|---------------------|---------------------|
| <u>Financial assets mandatorily measured at FVTPL - current</u> |                     |                     |
| Derivative financial instruments                                |                     |                     |
| — Cross-currency swap contracts                                 | \$ -                | \$ 2,813            |
| Non-derivative financial assets                                 |                     |                     |
| — Domestic listed (OTC) stocks                                  | 115,221             | 125,167             |
| — fund beneficiary certificate                                  | 46,157              | 6,058               |
| — financial products                                            | 1,965               | 2,682               |
| Hybrid financial instruments                                    |                     |                     |
| — Structured deposits                                           | <u>56,907</u>       | <u>95,295</u>       |
|                                                                 | <u>\$ 220,250</u>   | <u>\$ 232,015</u>   |
| <u>Financial assets mandatorily measured at FVTPL –current</u>  |                     |                     |
| Derivative financial instruments                                |                     |                     |
| — Cross-currency swap contracts                                 | <u>\$ 43,414</u>    | <u>\$ 529</u>       |

Financial assets mandatorily  
measured at FVTPL – non-current

Non-derivative financial assets

|                                              |                 |                 |
|----------------------------------------------|-----------------|-----------------|
| — Domestic not listed (OTC)<br>common stocks | \$ 5,903        | \$ 5,903        |
| — Not listed abroad (OTC)<br>common stocks   | <u>430</u>      | <u>430</u>      |
|                                              | <u>\$ 6,333</u> | <u>\$ 6,333</u> |

- a. At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Dec 31, 2023

| Currency | Maturity Date         | Contract Amount<br>(Thousands) | Rate          |
|----------|-----------------------|--------------------------------|---------------|
| USD/NTD  | 2024.01.08~2024.02.20 | USD 70,000/<br>NTD 2,186,690   | 31.045~31.355 |

Dec 31, 2022

| Currency | Maturity Date         | Contract Amount<br>(Thousands) | Rate         |
|----------|-----------------------|--------------------------------|--------------|
| USD/NTD  | 2023.01.05~2023.02.06 | USD 65,000/<br>NTD 1,990,715   | 30.556~30.74 |

The purpose of the consolidated company to engage in cross-currency swap contracts transactions is mainly to avoid the risk of foreign currency assets and liabilities exchange rate fluctuations.

- b. In 2023 and 2022, the net profits and losses of financial products from the current financial assets measured by the fair value of the profits and losses were measured at a net loss of NT\$ 43,242 thousand and a net profit of NT\$ 4,335 thousand, respectively.

8. Notes and Accounts Receivable

|                                      | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|--------------------------------------|---------------------|---------------------|
| <u>Notes receivable</u>              |                     |                     |
| Measured by cost after amortization  |                     |                     |
| Total book value                     | \$ 50,950           | \$ 56,851           |
| less : allowance for impairment loss | ( <u>500</u> )      | ( <u>600</u> )      |
|                                      | <u>\$ 50,450</u>    | <u>\$ 56,251</u>    |
| <u>Accounts receivable</u>           |                     |                     |
| Measured by cost after amortization  |                     |                     |
| Total book value                     | \$ 2,378,705        | \$ 2,279,556        |
| Less : allowance for impairment loss | ( <u>5,414</u> )    | ( <u>5,809</u> )    |
|                                      | <u>\$ 2,373,291</u> | <u>\$ 2,273,747</u> |

## Accounts Receivable

In principle, the credit period of the consolidated company to customers is from 30 days to 120 days on the monthly settlement, and the accounts receivable are not interest-bearing. In addition to the actual credit impairment losses of individual customers, the consolidated company refers to past experience, considers the financial status of individual customers and their respective industries, competitive advantages and prospects, and categorizes individual customers into different risk assessment groups and according to the respective group, the loss rate is recognized as an allowance for impairment loss.

To reduce the credit risk, the management of the consolidated company assigns a dedicated team to be responsible for the determination of credit limits, credit approval and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue receivables. In addition, the consolidated company will review the recoverable amounts of receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been properly deducted accordingly. Thus, the management of Li Peng Enterprise believes that the credit risk of the consolidated company has been significantly reduced.

The consolidated company measures the accounts and notes receivable (not including related parties), the allowance for impairment loss is as follows (the consolidated company does the assessment on the basis of accounting date):

### Dec 31, 2023

|                                                               | 0~60days            | 61~90days         | 91~120days       | Over121 days    | Total               |
|---------------------------------------------------------------|---------------------|-------------------|------------------|-----------------|---------------------|
| Expected credit loss rate                                     | 0.5%~1%             | 0.5%~1%           | 0.5%~1%          | 0.5%~1%         |                     |
| Total book value                                              | \$ 2,201,539        | \$ 193,297        | \$ 30,673        | \$ 4,146        | \$ 2,429,655        |
| Allowance for impairment loss (lifetime expected credit loss) | ( 5,212 )           | ( 440 )           | ( 231 )          | ( 31 )          | ( 5,914 )           |
| Cost after amortization                                       | <u>\$ 2,196,327</u> | <u>\$ 192,857</u> | <u>\$ 30,442</u> | <u>\$ 4,115</u> | <u>\$ 2,423,741</u> |

### Dec 31, 2022

|                                                               | 0~60days            | 61~90days        | 91~120days       | Over121 days     | Total               |
|---------------------------------------------------------------|---------------------|------------------|------------------|------------------|---------------------|
| Expected credit loss rate                                     | 0.5%~1%             | 0.5%~1%          | 0.5%~1%          | 0.5%~1%          |                     |
| Total book value                                              | \$ 2,173,338        | \$ 86,379        | \$ 55,117        | \$ 21,573        | \$ 2,336,407        |
| Allowance for impairment loss (lifetime expected credit loss) | ( 5,994 )           | ( 220 )          | ( 140 )          | ( 55 )           | ( 6,409 )           |
| Cost after amortization                                       | <u>\$ 2,167,344</u> | <u>\$ 86,159</u> | <u>\$ 54,977</u> | <u>\$ 21,518</u> | <u>\$ 2,329,998</u> |

Information on the changes of allowance loss of accounts and notes receivable is as follow:

|                                                                  | 2023            | 2022            |
|------------------------------------------------------------------|-----------------|-----------------|
| Opening balance                                                  | \$ 6,409        | \$ 8,997        |
| Add : The current period (reversal) is listed as impairment loss | ( 485 )         | ( 2,593 )       |
| Foreign currency exchange difference                             | ( 10 )          | 5               |
| Closing balance                                                  | <u>\$ 5,914</u> | <u>\$ 6,409</u> |

9. Inventories

|                          | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|--------------------------|---------------------|---------------------|
| Raw materials            | \$ 529,096          | \$ 758,859          |
| Materials                | 69,171              | 73,524              |
| Raw materials in transit | 57,538              | 23,018              |
| Processed goods          | 688,667             | 934,220             |
| Finished goods           | 727,880             | 947,841             |
| Product inventory        | <u>440,412</u>      | <u>511,363</u>      |
|                          | <u>\$ 2,512,764</u> | <u>\$ 3,248,825</u> |

The inventory-related cost of goods sold in 2023 and 2022 were NT\$ 29,438,180 thousand and NT\$ 27,995,196 thousand, respectively.

Operating costs for 2023 and 2022 included impairment profit on inventory NT\$ 58,288 thousand and loss NT\$117,393 thousand, respectively.

The profit from the rebound in the net realizable value of inventories in 2023 was mainly due to the rebound in the prices of raw materials and the removal of inventories that were originally listed as depreciation losses.

10. Other financial assets - current

|                                                                                       | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|---------------------------------------------------------------------------------------|---------------------|---------------------|
| Pledged deposit receipt ( Note 6 and 30 )                                             | \$ 4,231            | \$ 4,198            |
| Other Receivables                                                                     | 280,356             | 120,488             |
| Other Receivables — related parties<br>( Note 29 )                                    | 18,527              | 18,063              |
| Bank foreign currency time deposits<br>with maturity more than 3 months<br>( Note 6 ) | <u>78,194</u>       | <u>74,501</u>       |
|                                                                                       | <u>\$ 381,308</u>   | <u>\$ 217,250</u>   |

11. Financial assets measured at fair value through other comprehensive profits and losses

|                                                                                                                           | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|---------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Equity instrument investment measured<br>at fair value through other<br>comprehensive profits and losses -<br>non-current |                     |                     |
| Domestic listed stocks                                                                                                    | <u>\$ 2,054,730</u> | <u>\$ 1,938,250</u> |

The consolidated company invests in the aforementioned equity instruments for mid/long-term hold, and therefore chooses to designate these investments as measured at fair value through other comprehensive profits and losses.

On December 31, 2023 and 2022, there were investments of NT\$44,660 thousand and NT\$44,013 thousand in equity instruments measured at fair value through other comprehensive profits and losses, which were provided as collateral for the issuance of

short-term notes, but as of December 31, 2023 and 2022, the quota has not been used, please refer to Note 30.

## 12. Subsidiaries

The preparation of this consolidated financial report is as follows :

| Investor                     | Subsidiaries                               | Business Type                                                                                                                                                   | % of Share hold |                |
|------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|
|                              |                                            |                                                                                                                                                                 | 2023<br>Dec 31  | 2022<br>Dec 31 |
| LiPeng Enterprise            | In Talent                                  | Reinvestments                                                                                                                                                   | 100.00%         | 100.00%        |
| "                            | Li Mao Co.                                 | Reinvestments in productions, bonds, and banking                                                                                                                | 53.38%          | 53.38%         |
| "                            | Hung Hsing Co.                             | "                                                                                                                                                               | 53.02%          | 53.02%         |
| "                            | Li Shing Co.                               | "                                                                                                                                                               | 53.00%          | 53.00%         |
| "                            | Libolon Energy Co.                         | Renewable energy self-use power generation equipment and cogeneration industry                                                                                  | 70.00%          | 70.00%         |
| "                            | Eton Petrochemical Co.                     | Chemical raw material wholesale                                                                                                                                 | 75.00%          | 75.00%         |
| "                            | PT. INDONESIA HWALIN                       | Processing and manufacturing of telescopic nylon knitted fabrics, various man-made fiber fabrics, embryonic fabrics and other import and export trade business. | 82.07%          | 82.07%         |
| In Talent                    | Libolon (Shanghai) Co.                     | Wholesale of rayon fabrics, fabrics, and sales of tangible goods                                                                                                | 100.00%         | 100.00%        |
| Eton Petrochemical Co., Ltd. | Eton Petrochemical International Co., Ltd. | Chemical raw material wholesale                                                                                                                                 | 100.00%         | 100.00%        |

PT. INDONESIA HWALIN which insignificant subsidiary, its financial statements in 2023 and 2022 is not audited by the company's Certified Public Accountant, but by another Certified Public Accountant.

## 13. Investments Using Equity Method

### Invested Associates

|                             | Dec 31, 2023                       | Dec 31, 2022        |
|-----------------------------|------------------------------------|---------------------|
| Significant Associate       |                                    |                     |
| Lealea Technology Co., Ltd. | \$ 160,742                         | \$ 142,781          |
| Insignificant Associate     | 2,500,146                          | 2,486,396           |
|                             | <u>\$ 2,660,888</u>                | <u>\$ 2,640,045</u> |
|                             | % of equity and voting rights held |                     |
|                             | Dec 31, 2023                       | Dec 31, 2022        |
| Lealea Technology Co., Ltd. | 18.20%                             | 18.54%              |

For information on the businesses, main location of operation and country of registration of the above-mentioned associates, please refer to the attached Table "Name, Location, and Related Information of Investees" in attached Table 7.

The associates' first-tier fair value information in the public market is as follows :

| Company name               | Dec 31, 2023      | Dec 31, 2022      |
|----------------------------|-------------------|-------------------|
| Rich Development Co., Ltd. | <u>\$ 497,377</u> | <u>\$ 440,125</u> |

The consolidated company adopts equity measurement for all the above-listed associates.

The following summary of financial information is prepared on the basis of the IFRSs financial reports of each associate, and has reflected the adjustments made when the equity method is adopted.

Lealea Technology Co., Ltd.

|                                                     | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|-----------------------------------------------------|---------------------|---------------------|
| Current assets                                      | \$ 1,446,066        | \$ 1,485,690        |
| Non- current assets                                 | 335,722             | 329,461             |
| Current liabilities                                 | ( 897,618)          | ( 1,044,323)        |
| Non- current liabilities                            | ( 945)              | ( 874)              |
| Equity                                              | <u>\$ 883,225</u>   | <u>\$ 769,954</u>   |
| Ratio of the share held by the consolidated company | 18.20%              | 18.54%              |
| The consolidated company's rights                   | \$ 160,747          | \$ 142,780          |
| Downstream and upstream transactions                | ( 5)                | 1                   |
| Invested book value                                 | <u>\$ 160,742</u>   | <u>\$ 142,781</u>   |
|                                                     | <u>2023</u>         | <u>2022</u>         |
| Operating income                                    | <u>\$ 3,216,941</u> | <u>\$ 2,770,544</u> |
| Current net profit                                  | \$ 170,317          | \$ 138,432          |
| Other comprehensive income                          | -                   | -                   |
| Total comprehensive income                          | <u>\$ 170,317</u>   | <u>\$ 138,432</u>   |

Summarized Information on Each Insignificant Associates :

|                                                    | <u>2023</u>      | <u>2022</u>           |
|----------------------------------------------------|------------------|-----------------------|
| Consolidated company's share                       |                  |                       |
| Continuing business unit's net profit for the year | (\$ 28,252)      | (\$ 37,682)           |
| Other comprehensive income                         | <u>41,551</u>    | ( 153,690)            |
| Total comprehensive income                         | <u>\$ 13,299</u> | ( <u>\$ 191,372</u> ) |

The consolidated company's investment using the equity method and its share of profit and loss and other comprehensive profit and loss, the financial statements of Rich Development Co. Ltd., Fu Li Express Co. Ltd. and PT. INDONESIA LIBOLON FIBER SYSTEM are not audited by the consolidated company's Certified Public Accountant, but by another Certified Public Accountant.

#### 14. Property, Plant and Equipment

|                     | Dec 31, 2023        | Dec 31, 2022        |
|---------------------|---------------------|---------------------|
| Owned land          | \$ 1,847,871        | \$ 1,847,871        |
| Land improvement    | 6,560               | 9,203               |
| Building            | 1,462,868           | 1,556,601           |
| Machinery equipment | 1,526,142           | 1,887,401           |
| Transportation      | 10,836              | 16,737              |
| Office equipment    | 3,293               | 5,587               |
| Other equipment     | 211,136             | 250,548             |
| Rental assets       | 3,463               | 1,732               |
|                     | <u>\$ 5,072,169</u> | <u>\$ 5,575,680</u> |

|                             | Owned Land          | Land Improvement | Building            | Machinery Equipment | Transportation    | Office Equipment | Other Equipment     | Lease Assets     | Unfinished Construction | Total               |
|-----------------------------|---------------------|------------------|---------------------|---------------------|-------------------|------------------|---------------------|------------------|-------------------------|---------------------|
| Cost                        |                     |                  |                     |                     |                   |                  |                     |                  |                         |                     |
| Jan 1, 2022 balance         | \$ 1,847,871        | \$ 13,498        | \$ 3,163,044        | \$10,366,031        | \$ 111,117        | \$ 44,333        | \$ 2,412,660        | \$ 14,686        | \$ 176,244              | \$18,149,484        |
| Acquisition of subsidiaries | -                   | -                | -                   | 90,343              | 2,594             | 4,639            | -                   | 4,174            | -                       | 101,750             |
| Additions                   | -                   | 1,315            | 20,374              | 112,012             | 3,988             | 434              | 18,356              | 46               | -                       | 156,525             |
| Disposals                   | -                   | -                | ( 3,753 )           | ( 317,832 )         | ( 2,950 )         | ( 140 )          | ( 18,828 )          | -                | -                       | ( 343,503 )         |
| Account transfer            | -                   | 1,206            | 76,929              | 551,938             | -                 | 1,191            | 12,159              | -                | ( 174,512 )             | 468,910             |
| Net exchange difference     | -                   | -                | 937                 | 1,171               | 74                | 31               | ( 20 )              | 32               | -                       | 2,226               |
| Dec 31, 2022 balance        | <u>\$ 1,847,871</u> | <u>\$ 16,019</u> | <u>\$ 3,257,531</u> | <u>\$10,803,663</u> | <u>\$ 114,823</u> | <u>\$ 50,488</u> | <u>\$ 2,424,327</u> | <u>\$ 18,938</u> | <u>\$ 1,732</u>         | <u>\$18,535,392</u> |
| Jan 1, 2023 balance         | \$ 1,847,871        | \$ 16,019        | \$ 3,257,531        | \$10,803,663        | \$ 114,823        | \$ 50,488        | \$ 2,424,327        | \$ 18,938        | \$ 1,732                | \$18,535,392        |
| Additions                   | -                   | -                | 1,740               | 32,741              | -                 | 158              | 20,272              | 194              | 59,793                  | 114,898             |
| Disposals                   | -                   | -                | ( 7,719 )           | ( 27,990 )          | ( 238 )           | ( 508 )          | ( 15,314 )          | -                | -                       | ( 51,769 )          |
| Account transfer            | -                   | -                | -                   | 44,781              | -                 | -                | 13,281              | -                | ( 58,062 )              | -                   |
| Net exchange difference     | -                   | -                | ( 1,187 )           | 2,891               | ( 31 )            | 81               | 14                  | 72               | -                       | 1,840               |
| Dec 31, 2023 balance        | <u>\$ 1,847,871</u> | <u>\$ 16,019</u> | <u>\$ 3,250,365</u> | <u>\$10,856,086</u> | <u>\$ 114,554</u> | <u>\$ 50,219</u> | <u>\$ 2,442,580</u> | <u>\$ 19,204</u> | <u>\$ 3,463</u>         | <u>\$18,600,361</u> |

|                                         | Owned Land          | Land Improvement    | Building                | Machinery Equipment     | Transportation        | Office Equipment     | Other Equipment         | Lease Assets         | Unfinished Construction | Total                   |
|-----------------------------------------|---------------------|---------------------|-------------------------|-------------------------|-----------------------|----------------------|-------------------------|----------------------|-------------------------|-------------------------|
| Accumulated depreciation and impairment |                     |                     |                         |                         |                       |                      |                         |                      |                         |                         |
| Jan 1, 2022 balance                     | \$ -                | ( \$ 4,370 )        | ( \$ 1,597,567 )        | ( \$ 8,780,636 )        | ( \$ 92,752 )         | ( \$ 39,909 )        | ( \$ 2,125,182 )        | ( \$ 14,686 )        | \$ -                    | ( \$12,655,102 )        |
| Acquisition of subsidiaries             | -                   | -                   | -                       | 23,708                  | ( 750 )               | ( 2,263 )            | -                       | ( 1,228 )            | -                       | ( 27,949 )              |
| Disposals                               | -                   | -                   | 2,930                   | 314,457                 | 2,950                 | 140                  | 16,994                  | -                    | -                       | 337,471                 |
| Account transfer                        | -                   | -                   | ( 6,808 )               | -                       | -                     | -                    | 6,808                   | -                    | -                       | -                       |
| Depreciation                            | -                   | ( 2,446 )           | ( 98,969 )              | ( 426,436 )             | ( 7,487 )             | ( 2,873 )            | ( 75,005 )              | ( 422 )              | -                       | ( 613,638 )             |
| Net exchange difference                 | -                   | -                   | ( 516 )                 | 61                      | ( 47 )                | 4                    | 4                       | -                    | -                       | ( 494 )                 |
| Dec 31, 2022 balance                    | <u>\$ -</u>         | <u>( \$ 6,816 )</u> | <u>( \$ 1,700,530 )</u> | <u>( \$ 8,916,262 )</u> | <u>( \$ 98,086 )</u>  | <u>( \$ 44,901 )</u> | <u>( \$ 2,176,381 )</u> | <u>( \$ 16,336 )</u> | <u>\$ -</u>             | <u>( \$12,959,712 )</u> |
| Jan 1, 2023 balance                     | \$ -                | ( \$ 6,816 )        | ( \$ 1,700,930 )        | ( \$ 8,916,262 )        | ( \$ 98,086 )         | ( \$ 44,901 )        | ( \$ 2,176,381 )        | ( \$ 16,336 )        | \$ -                    | ( \$12,959,712 )        |
| Disposals                               | -                   | -                   | 5,640                   | 23,690                  | 238                   | 508                  | 15,314                  | -                    | -                       | 45,390                  |
| Depreciation                            | -                   | ( 2,643 )           | ( 92,969 )              | ( 436,951 )             | ( 5,927 )             | ( 2,492 )            | ( 72,774 )              | ( 454 )              | -                       | ( 614,210 )             |
| Net exchange difference                 | -                   | -                   | 762                     | ( 421 )                 | 57                    | ( 41 )               | 6                       | ( 23 )               | -                       | 340                     |
| Dec 31, 2023 balance                    | <u>\$ -</u>         | <u>( \$ 9,459 )</u> | <u>( \$ 1,787,497 )</u> | <u>( \$ 9,329,944 )</u> | <u>( \$ 103,718 )</u> | <u>( \$ 46,926 )</u> | <u>( \$ 2,233,835 )</u> | <u>( \$ 16,813 )</u> | <u>\$ -</u>             | <u>( \$13,528,192 )</u> |
| Dec 31, 2022 Carrying amounts           | <u>\$ 1,847,871</u> | <u>\$ 9,203</u>     | <u>\$ 1,556,601</u>     | <u>\$ 1,887,401</u>     | <u>\$ 16,737</u>      | <u>\$ 5,587</u>      | <u>\$ 250,548</u>       | <u>\$ 1,732</u>      | <u>\$ -</u>             | <u>\$ 5,575,680</u>     |
| Dec 31, 2023 Carrying amounts           | <u>\$ 1,847,871</u> | <u>\$ 6,650</u>     | <u>\$ 1,462,868</u>     | <u>\$ 1,526,142</u>     | <u>\$ 10,836</u>      | <u>\$ 3,293</u>      | <u>\$ 211,136</u>       | <u>\$ 3,464</u>      | <u>\$ -</u>             | <u>\$ 5,072,169</u>     |

- a. The property, plant and equipment of the consolidated company are depreciated on a straight-line basis based on the following durability years :

|                                   |                |
|-----------------------------------|----------------|
| Land improvement                  | 5 years        |
| House and building                |                |
| Repair and maintenance works      | 2 to 10 years  |
| New ancillary building            | 10 to 20 years |
| Electrical engineering            | 20 to 30 years |
| Main building engineering         | 30 to 45 years |
| Transportation                    |                |
| Lift repair and maintenance works | 2 to 5 years   |
| Stacker and pallet truck          | 5 to 6 years   |
| Company car                       | 4 to 8 years   |
| Machinery equipment               |                |
| Electrical engineering            | 2 to 8 years   |
| Machinery engineering             | 9 to 15 years  |
| Misc. equipment                   |                |
| Repair and maintenance works      | 2 to 5 years   |
| Other equipment                   | 4 to 10 years  |

- b. The amount of property, plant and equipment that the consolidated company sets pledge as loan guarantee, the details are as follows (please refer to Note 17, 18, and 30):

|                   | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|-------------------|---------------------|---------------------|
| Land and building | <u>\$ 2,824,989</u> | <u>\$ 2,898,486</u> |

15. Lease Agreement

- a. Right of use assets

|                                     | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|-------------------------------------|---------------------|---------------------|
| Right of use assets carrying amount |                     |                     |
| Land                                | \$ 453              | \$ 604              |
| Building                            | <u>24,053</u>       | <u>26,521</u>       |
|                                     | <u>\$ 24,506</u>    | <u>\$ 27,125</u>    |
|                                     | <u>2023</u>         | <u>2022</u>         |
| Additions to right of use assets    | <u>\$ 238</u>       | <u>\$ 29,216</u>    |
| Depreciation of right of use assets |                     |                     |
| Land                                | \$ 389              | \$ 384              |
| Building                            | <u>3,085</u>        | <u>3,030</u>        |
|                                     | <u>\$ 3,474</u>     | <u>\$ 3,414</u>     |

Except for the recognition of depreciation expenses, the right of use asset of the consolidated company did not have significant sublease and impairment in 2023 and 2022.

- b. Lease Liabilities

|                                   | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|-----------------------------------|---------------------|---------------------|
| Lease liabilities carrying amount |                     |                     |
| Current                           | <u>\$ 2,632</u>     | <u>\$ 2,348</u>     |
| Non-current                       | <u>\$ 25,986</u>    | <u>\$ 28,047</u>    |

Lease liabilities' discount rate range as follows :

|          | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|----------|---------------------|---------------------|
| Land     | 1.51461%            | 1.51461%            |
| Building | 10.03%              | 10.03%              |

- c. Other information on lease

|                                    | <u>2023</u>      | <u>2022</u>      |
|------------------------------------|------------------|------------------|
| Short-term lease expenses          | <u>\$ 29,775</u> | <u>\$ 29,530</u> |
| Total of cash outflow from leasing | <u>\$ 35,511</u> | <u>\$ 34,937</u> |

## 16. Other Intangible Assets

|                                                    | Software costs     | Other intangible<br>assets | Total              |
|----------------------------------------------------|--------------------|----------------------------|--------------------|
| <u>Cost</u>                                        |                    |                            |                    |
| Jan 1, 2022 balance                                | \$ 14,420          | \$ 1,589                   | \$ 16,009          |
| Acquisition of subsidiaries                        | -                  | 7,039                      | 7,039              |
| Purchased this period                              | 5,011              | 450                        | 5,461              |
| Reduction this period                              | ( 2,381)           | ( 1,327)                   | ( 3,708)           |
| Net exchange difference                            | ( 41)              | -                          | ( 41)              |
| Dec 31, 2022 balance                               | <u>\$ 17,009</u>   | <u>\$ 7,751</u>            | <u>\$ 24,760</u>   |
| <u>Accumulated amortization<br/>and impairment</u> |                    |                            |                    |
| Jan 1, 2022 balance                                | (\$ 9,101)         | (\$ 1,556)                 | (\$ 10,657)        |
| Amortized this period                              | ( 4,199)           | ( 7,382)                   | ( 11,581)          |
| Reduction this period                              | 2,381              | 1,327                      | 3,708              |
| Net exchange difference                            | 10                 | -                          | 10                 |
| Dec 31, 2022 balance                               | <u>(\$ 10,909)</u> | <u>(\$ 7,611)</u>          | <u>(\$ 18,520)</u> |
| Dec 31, 2022 net                                   | <u>\$ 6,100</u>    | <u>\$ 140</u>              | <u>\$ 6,240</u>    |
| <u>Cost</u>                                        |                    |                            |                    |
| Jan 1, 2023 balance                                | \$ 17,009          | \$ 7,751                   | \$ 24,760          |
| Purchased this period                              | 2,099              | 386                        | 2,485              |
| Reduction this period                              | ( 5,628)           | ( 325)                     | ( 5,953)           |
| Net exchange difference                            | 29                 | -                          | 29                 |
| Dec 31, 2023 balance                               | <u>\$ 13,509</u>   | <u>\$ 7,812</u>            | <u>\$ 21,321</u>   |
| <u>Accumulated amortization<br/>and impairment</u> |                    |                            |                    |
| Jan 1, 2023 balance                                | (\$ 10,909)        | (\$ 7,611)                 | (\$ 18,520)        |
| Amortized this period                              | ( 3,513)           | ( 326)                     | ( 3,839)           |
| Reduction this period                              | 5,628              | 325                        | 5,953              |
| Net exchange difference                            | 3                  | -                          | 3                  |
| Dec 31, 2023 balance                               | <u>(\$ 8,791)</u>  | <u>(\$ 7,612)</u>          | <u>(\$ 16,403)</u> |
| Dec 31, 2023 net                                   | <u>\$ 4,718</u>    | <u>\$ 200</u>              | <u>\$ 4,918</u>    |

Except for the recognition of amortization expenses and acquisition of subsidiaries, the other intangible assets of the consolidated company did not have significant additions, disposals and impairment in 2023 and 2022.

Amortization expenses are accrued on a straight-line basis based on the following durability years :

|                         |              |
|-------------------------|--------------|
| Software costs          | 3 to 4 years |
| Other intangible assets | 3 years      |

## 17. Borrowing

### a. Short-term loan

|                        | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|------------------------|---------------------|---------------------|
| <u>Unsecured loans</u> |                     |                     |
| Credit loan            | \$ 3,108,000        | \$ 3,175,000        |
| <u>Secured loans</u>   |                     |                     |
| Bank loan              | <u>500,000</u>      | <u>500,000</u>      |
|                        | <u>\$ 3,608,000</u> | <u>\$ 3,675,000</u> |

(1) The interest rates of bank revolving loans were 1.63% ~ 1.73% and 1.60% ~ 2.025% as of December 31, 2023 and 2022, respectively.

(2) The secured loan was secured by property, plant, equipment as of December 31, 2023 and 2022 (please refer to Note 14 and 30).

### b. Short-term Note Receivable— Commercial Promissory Receivable

|                                                                       |  | <u>Dec 31, 2023</u>  |                   |
|-----------------------------------------------------------------------|--|----------------------|-------------------|
| <u>Guarantee Agency</u>                                               |  | <u>Interest rate</u> | <u>Amount</u>     |
| <u>Unsecured</u>                                                      |  |                      |                   |
| Taiwan Bills                                                          |  | 1.45%                | <u>\$ 10,000</u>  |
|                                                                       |  | <u>Dec 31, 2022</u>  |                   |
| <u>Guarantee Agency</u>                                               |  | <u>Interest rate</u> | <u>Amount</u>     |
| <u>Unsecured</u>                                                      |  |                      |                   |
| International Bill, Mega Bills,<br>Taiwan Bills and Cooperative Bills |  | 1.60% ~ 1.70%        | <u>\$ 520,000</u> |

## 18. Long-Term Loan

|                                                                                                                                                                                                                                                                                                                                       | <u>Interest rate</u> | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|---------------------|
| Bank of Taiwan                                                                                                                                                                                                                                                                                                                        |                      |                     |                     |
| Land mortgage loan on Chang Hwa nylon plant 03.30.2021 ~ 03.30.2028. Interests to be paid monthly, the total loan amount is NT\$ 1 billion, loan repayment cycle is 6 months starting from 2023.09.30, the principal NT\$55,000 thousand is to be repaid in the first 9 months, the remaining principal is to be settled by maturity. | 2.08770%             | \$ 945,000          | \$ 1,000,000        |
| Chang Hwa Bank                                                                                                                                                                                                                                                                                                                        |                      |                     |                     |
| Interests paid monthly to Bank for Taipei branch's credit loan 04.14.2021 ~ 04.14.2024, total loan amount is NT\$125million, principal is divided into 8 repayments and shall be repaid every 3 months, cycle starts from 07.14.2022 till maturity.                                                                                   | 2.15000%             | 31,250              | 93,750              |
| Chang Hwa Bank                                                                                                                                                                                                                                                                                                                        |                      |                     |                     |
| Interests paid monthly to Bank for Taipei branch's land and building mortgage loan 09.28.2022 ~ 09.28.2025, total loan amount is NT\$375 million with principal repayment by maturity.(Note 1)                                                                                                                                        | 2.06878%             | -                   | 310,625             |

|                                                                                                                                                                                                                                                                                       | <u>Interest rate</u> | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|---------------------|
| Chang Hwa Bank                                                                                                                                                                                                                                                                        |                      |                     |                     |
| Interests paid monthly to Bank for Taipei branch's land and building mortgage loan 12.27.2023~12.27.2026, total loan amount is NT\$375 million with principal repayment by maturity.                                                                                                  | 2.20378%             | \$ 375,000          | \$ -                |
| KGI Bank                                                                                                                                                                                                                                                                              |                      |                     |                     |
| Interests paid monthly to Bank for Taipei branch's long-term credit loan 11.28.2022~06.14.2024, total loan amount is NT\$500 million with principal repayment by maturity.(Note 2)                                                                                                    | 2.04733%             | -                   | 500,000             |
| KGI Bank                                                                                                                                                                                                                                                                              |                      |                     |                     |
| Interests paid monthly to Bank for Taipei branch's long-term credit loan 12.25.2023~11.02.2025, total loan amount is NT\$500 million with principal repayment by maturity.                                                                                                            | 1.98378%             | 500,000             | -                   |
| Export-Import Bank                                                                                                                                                                                                                                                                    |                      |                     |                     |
| Interests paid monthly to Bank for Taipei branch's long-term credit loan 03.25.2023~03.25.2028, total loan amount is NT\$144 million, principal is divided into 8 repayments with NT\$18,000 thousand and shall be repaid every 6 months, cycle starts from 09.25.2024 till maturity. | 2.20400%             | 144,000             | -                   |
|                                                                                                                                                                                                                                                                                       |                      | <u>1,995,250</u>    | <u>1,904,375</u>    |
| Less : Partially transferred to current liabilities due within one year                                                                                                                                                                                                               |                      | ( <u>141,250</u> )  | ( <u>117,500</u> )  |
|                                                                                                                                                                                                                                                                                       |                      | <u>\$ 1,854,000</u> | <u>\$ 1,786,875</u> |

Note1 : The maturity date of the original loan was Sep 28, 2024. The company paid in advance in Jul 2023.

Note2 : The maturity date of the original loan was Jun 14, 2024. The company paid in advance in Jan 2023.

The long-term loans on December 31, 2023 and 2022 were collateral for Property, Plant and Equipment, please refer to Note 14 and 30.

## 19. Retirement Benefit Plans

### a. Defined contribution plans

The pension system of the "Labor Pension Act" applicable to Li Peng Enterprise and its local subsidiaries is a government-managed retirement plan. The retirement pension is allocated to the labor insurance bureau based on 6% of the employee's monthly salary.

Subsidiaries in mainland China, in accordance with China government laws and regulations, provide pension insurance funds based on a certain percentage of the

total salary of employees with payments made to relevant government departments, as well as into the individual's savings account of each employee.

b. Defined benefit plans

Li Peng Enterprise has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement.

The consolidated company contributes an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year,

the consolidated company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the consolidated company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the consolidated company does not have any right to intervene in the investments of the Funds.

Amounts recognized in respect of these defined benefit plans were as follows :

|                                             | Dec 31, 2023       | Dec 31, 2022       |
|---------------------------------------------|--------------------|--------------------|
| Present value of defined benefit obligation | \$ 343,639         | \$ 372,055         |
| Fair value of plan assets                   | ( <u>138,843</u> ) | ( <u>129,340</u> ) |
| Net defined benefit liability               | <u>\$ 204,796</u>  | <u>\$ 242,715</u>  |

Changes to net defined benefit liability (asset) are as follows :

|                                          | Present value of<br>defined benefit<br>obligation | Fair value of plan<br>assets | Net defined<br>benefit liability<br>(asset) |
|------------------------------------------|---------------------------------------------------|------------------------------|---------------------------------------------|
| Jan 1, 2022 balance                      | <u>\$ 378,470</u>                                 | ( <u>\$ 121,868</u> )        | <u>\$ 256,602</u>                           |
| Acquisition of subsidiaries              | 227                                               | -                            | 227                                         |
| Service cost                             |                                                   |                              |                                             |
| Current service cost                     | 2,793                                             | -                            | 2,793                                       |
| Previous service cost                    | 992                                               | -                            | 992                                         |
| Net interest expense (income)            | <u>2,382</u>                                      | ( <u>797</u> )               | <u>1,585</u>                                |
| Remeasurement on the net defined benefit | <u>6,167</u>                                      | ( <u>797</u> )               | <u>5,370</u>                                |

|                                                                                  | Present value of<br>defined benefit<br>obligation | Fair value of plan<br>assets | Net defined<br>benefit liability<br>(asset) |
|----------------------------------------------------------------------------------|---------------------------------------------------|------------------------------|---------------------------------------------|
| Remeasurement                                                                    |                                                   |                              |                                             |
| Return on plan assets (excluding<br>amounts included in net<br>interest expense) | \$ -                                              | (\$ 9,381)                   | (\$ 9,381)                                  |
| Actuarial loss (gain)<br>— changes in financial<br>assumptions                   | ( 19,862)                                         | -                            | ( 19,862)                                   |
| Actuarial loss (gain)<br>— from experience<br>adjustment                         | <u>26,371</u>                                     | <u>-</u>                     | <u>26,371</u>                               |
| Recognized in other comprehensive<br>income                                      | <u>6,509</u>                                      | <u>( 9,381)</u>              | <u>( 2,872)</u>                             |
| Paid by employer                                                                 | -                                                 | ( 16,569)                    | ( 16,569)                                   |
| Benefit costs                                                                    | ( 19,315)                                         | 19,275                       | ( 40)                                       |
| Net exchange difference                                                          | <u>( 3)</u>                                       | <u>-</u>                     | <u>( 3)</u>                                 |
| Dec 31, 2022                                                                     | <u>\$ 372,055</u>                                 | <u>(\$ 129,340)</u>          | <u>\$ 242,715</u>                           |
| Jan 1, 2023 balance                                                              | <u>\$ 372,055</u>                                 | <u>(\$ 129,340)</u>          | <u>\$ 242,715</u>                           |
| Service cost                                                                     |                                                   |                              |                                             |
| Current service cost                                                             | 2,350                                             | -                            | 2,350                                       |
| Previous service cost                                                            | 618                                               | -                            | 618                                         |
| Net interest expense (income)                                                    | <u>5,141</u>                                      | <u>( 1,860)</u>              | <u>3,281</u>                                |
| Remeasurement on the net defined<br>benefit                                      | <u>8,109</u>                                      | <u>( 1,860)</u>              | <u>6,249</u>                                |
| Remeasurement                                                                    |                                                   |                              |                                             |
| Return on plan assets (excluding<br>amounts included in net<br>interest expense) | -                                                 | ( 948)                       | ( 948)                                      |
| Actuarial loss (gain)<br>— changes in financial<br>assumptions                   | 4,167                                             | -                            | 4,167                                       |
| Actuarial loss (gain)<br>— from experience<br>adjustment                         | <u>( 11,693)</u>                                  | <u>-</u>                     | <u>( 11,693)</u>                            |
| Recognized in other comprehensive<br>income                                      | <u>( 7,526)</u>                                   | <u>( 948)</u>                | <u>( 8,474)</u>                             |
| Paid by employer                                                                 | -                                                 | ( 35,743)                    | ( 35,743)                                   |
| Benefit costs                                                                    | ( 28,979)                                         | 29,048                       | 69                                          |
| Net exchange difference                                                          | <u>( 20)</u>                                      | <u>-</u>                     | <u>( 20)</u>                                |
| Dec 31, 2023                                                                     | <u>\$ 343,639</u>                                 | <u>(\$ 138,843)</u>          | <u>\$ 204,796</u>                           |

Amounts recognized in profit or loss in respect of these defined benefit plans analyzed by function were as follows:

|                          | 2023            | 2022            |
|--------------------------|-----------------|-----------------|
| Categorized by functions |                 |                 |
| Operating cost           | \$ 5,100        | \$ 4,387        |
| Management expense       | 711             | 720             |
| R&D expense              | <u>438</u>      | <u>263</u>      |
|                          | <u>\$ 6,249</u> | <u>\$ 5,370</u> |

Through the defined benefits plans under the R.O.C. Labor Standards Law, the consolidated company is exposed to the following risks :

- (1) Investment risk: The pension funds are invested in domestic (foreign) equity and debt securities, bank deposits, etc. The investment is carried out by the Labor Fund Utilization Bureau of the Ministry of Labor by its own use and entrusted management. However, the distribution amount of the planned assets of Li Peng Enterprise shall not be less than the average interest rate on a two-year time deposit published by the local banks.
- (2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, the debt investment returns of the planned assets will also increase accordingly. This will be partially offset by an increase in the return on the debt investments of the plan assets.
- (3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The plan assets of the consolidated company and the present value of the defined benefit obligation are actuarial calculations performed by qualified actuaries. The key assumptions on the measurement date are as follows :

|                             | Dec 31, 2023  | Dec 31, 2022  |
|-----------------------------|---------------|---------------|
| Discount rate               | 1.250%~6.870% | 1.375%~7.270% |
| Future salary increase rate | 2.50%~5.00%   | 2.50%~5.00%   |

If the major actuarial assumptions are subject to reasonably possible changes, and all other assumptions remain unchanged, the amount that will increase (decrease) the present value of the defined benefit obligation is as follows :

|                               | Dec 31, 2023       | Dec 31, 2022       |
|-------------------------------|--------------------|--------------------|
| Discount rate                 |                    |                    |
| Increase 0.25%                | (\$ <u>8,495</u> ) | (\$ <u>9,275</u> ) |
| Decrease 0.25%                | <u>\$ 8,552</u>    | <u>\$ 9,626</u>    |
| Expected salary increase rate |                    |                    |
| Increase 0.25%                | <u>\$ 8,605</u>    | <u>\$ 9,359</u>    |
| Decrease 0.25%                | (\$ <u>8,544</u> ) | (\$ <u>9,064</u> ) |

Since actuarial assumptions may be related, it is unlikely that only a single assumption will change, so the above sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligation.

|                                             | Dec 31, 2023     | Dec 31, 2022      |
|---------------------------------------------|------------------|-------------------|
| Expected withdrawn within 1 year            | <u>\$ 12,535</u> | <u>\$ 11,796</u>  |
| Defined benefit obligation average maturity | 9.60~18.31 years | 10.10~30.16 years |

## 20. Equity

### a. Shares

#### Common share

|                                         | <u>Dec 31, 2023</u>  | <u>Dec 31, 2022</u>  |
|-----------------------------------------|----------------------|----------------------|
| Authorized shares ( in thousands )      | <u>1,200,000</u>     | <u>1,200,000</u>     |
| Authorized capital                      | <u>\$ 12,000,000</u> | <u>\$ 12,000,000</u> |
| Issued and paid shares ( in thousands ) | <u>910,071</u>       | <u>914,487</u>       |
| Issued capital                          | <u>\$ 9,100,712</u>  | <u>\$ 9,144,872</u>  |

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and receive dividends °

The Company passed the resolution of the board of directors on September 18, 2023, to cancel 4,416 thousand treasury stock, with a par value of NT\$10 per share. After cancellation, the paid-in share capital was NT\$9,100,712 thousand, and the base date was September 28, 2023.

### b. Capital Surplus

|                                                                                                      | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Using equity method to recognize the capital reserve of associates                                   | \$ 64,850           | \$ 63,876           |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed ( Note26 ) | 1,887               | 1,887               |
| Recognition of changes in ownership and equity of subsidiaries                                       | 435                 | 435                 |
| Treasury stock trading                                                                               | <u>124,029</u>      | <u>121,084</u>      |
|                                                                                                      | <u>\$ 191,201</u>   | <u>\$ 187,282</u>   |

The excess from the issuance of stocks in excess of the par value in the capital reserve (including the issuance of ordinary shares in excess of the par value, the share premium of the issuance of shares due to mergers, treasury stock transactions, and the difference in the book value of the acquisition or disposal of the equity price of a subsidiary company, etc.) and receiving gifts with proportional income can be used to make up for losses, and can also be used to pay cash dividends or to capitalize when the consolidated company isn't operating at a loss. However, the capital to be capitalized is limited to a fixed percentage of the paid-in capital each year.

The capital reserve generated by the investment using the equity method and all changes in the equity of the subsidiaries can only be used to make up for losses.

c. Retained earnings and dividend policy

- (1) According to the surplus distribution policy of the consolidated company, if there is a surplus in the financial account at year end, the earnings shall first make up for the accumulated losses, and then to allocate 10% of the earnings according to the law as the statutory surplus reserve, but the statutory surplus reserve has reached the actual income of the total amount of capital, which may be exempted from continuing to be listed; the special surplus reserve may be transferred or converted into a special surplus reserve according to laws or regulations or by the authority. If there is a balance remained, add the accumulated undistributed surplus at the beginning of the period as the distributable surplus by allocating 0% to 100% of the distributable surplus. The board of directors will draft a surplus distribution proposal and submit it to the shareholders meeting for approval. In addition, the cash dividend must not be less than 5% of the total dividend, but if the cash dividend per share is less than NT\$0.1, it may be changed to offer stock dividends. Due to the volatile industrial business environment and the development of diversification, the board of directors may decide to change to offer stock dividends based on the capital budget and funds available. Please refer to Note 22 (7) Employee Compensation and Board of Directors' Compensation for the compensation policy stipulated in the policy articles of the consolidated company.
- (2) The appropriations of the 2022's and 2021's loss compensation cases have been approved by the company's regular meeting of shareholders in its meetings held on June 29, 2023 and June 24, 2022, respectively.
- (3) On March 15, 2024, the board of directors of Company proposed a loss appropriation plan for 2023. The loss appropriation proposal for 2023 is yet to be resolved at the regular shareholders' meeting expected to be held in June 2024.

The information about the company's distribution of surplus to shareholders is available at the Market Observation Post System website.

The legal capital reserve shall be allocated until the balance reaches the total paid-up share capital of the consolidated company. The legal capital reserve can be used to make up for losses. When the consolidated company is not operating under losses, the part of the legal capital reserve exceeding 25% of the total paid-up share capital can be allocated in cash in addition to the capital.

d. Non-controlling interests

|                                                                                                           | 2023              | 2022              |
|-----------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Balance, beginning of the year                                                                            | \$ 935,411        | \$ 953,473        |
| Share attributable to uncontrollable equity                                                               |                   |                   |
| Net profit (loss) in this period                                                                          | 11,712            | 19,092            |
| Exchange differences on translation of foreign financial statements                                       | 941               | 1,027             |
| Unrealized gains and losses of financial assets measured at fair value through other comprehensive income | \$ 31,119         | (\$ 60,938)       |
| Actuarial loss and gain adjustment from subsidiaries                                                      | ( 24 )            | ( 14 )            |
| Cash dividends of the company received by subsidiaries                                                    | ( 10,500 )        | ( 6,750 )         |
| Acquire decreased non-controlling interests from subsidiaries (Note26)                                    | -                 | ( 75,312 )        |
| Obtain increased non-controlling interests from subsidiaries (Note25)                                     | -                 | 104,833           |
| Balance, end of year                                                                                      | <u>\$ 968,659</u> | <u>\$ 935,411</u> |

e. Treasury stock

(1) The changes in shares held by the consolidated company and its subsidiaries in 2023 and 2022 are as follows :

| 2023                                       |                           |          |                  |                     |
|--------------------------------------------|---------------------------|----------|------------------|---------------------|
| Reason for withdrawal                      | Shares, beginning of year | Increase | Decrease         | Shares, end of year |
| Parent company's shares held by subsidiary | 67,029,106                | -        | -                | 67,029,106          |
| Shares transferred to employees            | 4,416,000                 | -        | 4,416,000        | -                   |
|                                            | <u>71,445,106</u>         | <u>-</u> | <u>4,416,000</u> | <u>67,029,106</u>   |
| 2022                                       |                           |          |                  |                     |
| Reason for withdrawal                      | Shares, beginning of year | Increase | Decrease         | Shares, end of year |
| Parent company's shares held by subsidiary | 67,029,106                | -        | -                | 67,029,106          |
| Shares transferred to employees            | 4,416,000                 | -        | -                | 4,416,000           |
|                                            | <u>71,445,106</u>         | <u>-</u> | <u>-</u>         | <u>71,445,106</u>   |

- (2) The purpose of holding Li Peng Enterprise's shares by subsidiaries is to protect shareholders' rights and interests, relevant information is as follows :

| <u>Subsidiary</u>         | <u>Shares held</u> | <u>Amount transferred to treasury stock</u> |
|---------------------------|--------------------|---------------------------------------------|
| <u>Dec 31, 2023</u>       |                    |                                             |
| Li Mao Investment Co.     | 34,177,995         | \$ 148,007                                  |
| Hung Hsing Investment Co. | 24,618,087         | 105,886                                     |
| Li Shing Investment Co.   | 8,233,024          | <u>35,399</u>                               |
|                           |                    | <u>\$ 289,292</u>                           |
| <u>Dec 31, 2022</u>       |                    |                                             |
| Li Mao Investment Co.     | 34,177,995         | \$ 148,007                                  |
| Hung Hsing Investment Co. | 24,618,087         | 105,886                                     |
| Li Shing Investment Co.   | 8,233,024          | <u>35,399</u>                               |
|                           |                    | <u>\$ 289,292</u>                           |

- (3) On December 31, 2023, the Li Peng Enterprise listed the amount of NT\$289,292 thousand transferred to the treasury stocks of the company held by its subsidiaries. The listed amounts have been adjusted according to the Li Peng Enterprise's shareholding ratio in subsidiaries. The market price of the Li Peng Enterprise's shares as of December 31, 2023 was NT\$7.93 per share.
- (4) Li Peng Enterprise holds treasury stocks; thus, it shall not be pledged in accordance with the Securities and Exchange Law, nor shall it enjoy the rights of dividend distribution and voting rights. In addition, subsidiaries holding the Li Peng Enterprise's shares shall be treated as treasury stocks, except for not participating in cash reserve increment. Except for not having voting rights, the other rights remain the same as general shareholders.

## 21. Income

|                         | <u>2023</u>          | <u>2022</u>          |
|-------------------------|----------------------|----------------------|
| Commodity sales revenue | \$ 29,199,733        | \$ 27,908,937        |
| Processing revenue      | 411,111              | 569,428              |
| Other                   | <u>58,893</u>        | <u>23,028</u>        |
|                         | <u>\$ 29,669,737</u> | <u>\$ 28,501,393</u> |

## 22. Continuing operation unit net profit

### a. Interest income

|                                | <u>2023</u>       | <u>2022</u>      |
|--------------------------------|-------------------|------------------|
| Interest income                |                   |                  |
| Bank deposits                  | \$ 92,667         | \$ 37,483        |
| Interests from related parties | <u>13,545</u>     | <u>6,906</u>     |
|                                | <u>\$ 106,212</u> | <u>\$ 44,389</u> |

b. Other income

|                            | 2023             | 2022              |
|----------------------------|------------------|-------------------|
| Lease income               |                  |                   |
| Lease income of operations | \$ 23,661        | \$ 23,732         |
| Dividend income            | 1,188            | 60,602            |
| Other                      | 19,388           | 16,285            |
|                            | <u>\$ 44,237</u> | <u>\$ 100,619</u> |

c. Other gains and losses

|                                                                | 2023             | 2022              |
|----------------------------------------------------------------|------------------|-------------------|
| Gain (Loss) on disposal of<br>property, plant and<br>equipment | (\$ 1,246)       | \$ 2,106          |
| Gain on foreign exchange, net                                  | 106,874          | 271,058           |
| Gain (loss) on financial assets<br>and liability at FVTPL, net | ( 43,242)        | 4,335             |
| Gain on disposal of<br>investments                             | 18,908           | 3,210             |
| Impairment loss of goodwill<br>( Note25 )                      | -                | ( 25,782)         |
| Other losses                                                   | ( 28,733)        | ( 9,798)          |
|                                                                | <u>\$ 52,561</u> | <u>\$ 245,129</u> |

b. Financial cost

|                                          | 2023              | 2022             |
|------------------------------------------|-------------------|------------------|
| Interests of lease liability             | \$ 3,053          | \$ 3,214         |
| Interest of bank loan                    | 104,077           | 71,969           |
| Interest of loan from related<br>parties | 1,860             | 1,074            |
| Financial expenses                       | 292               | 1,157            |
|                                          | <u>\$ 109,282</u> | <u>\$ 77,414</u> |

Information about interest capitalization is as follows :

|                                | 2023                  | 2022                  |
|--------------------------------|-----------------------|-----------------------|
| Interest capitalization amount | \$ 110                | \$ 2,451              |
| Interest capitalization rate   | 1.98482%-<br>2.11226% | 1.14282%-<br>2.00156% |

e. Depreciation and amortization

|                                               | 2023              | 2022              |
|-----------------------------------------------|-------------------|-------------------|
| Property, plant and equipment                 | \$ 614,210        | \$ 613,638        |
| Right of use assets                           | 3,474             | 3,414             |
| Intangible assets                             | 3,839             | 11,581            |
| Down payment                                  | 56,330            | 73,608            |
| Total                                         | <u>\$ 677,853</u> | <u>\$ 702,241</u> |
| Categorized depreciation expenses by function |                   |                   |
| Operating cost                                | \$ 601,169        | \$ 601,784        |
| Operating expenses                            | <u>16,515</u>     | <u>15,268</u>     |
|                                               | <u>\$ 617,684</u> | <u>\$ 617,052</u> |
| Categorized amortization expenses by function |                   |                   |
| Operating cost                                | \$ 54,491         | \$ 74,783         |
| Operating expenses                            | <u>5,678</u>      | <u>10,406</u>     |
|                                               | <u>\$ 60,169</u>  | <u>\$ 85,189</u>  |

f. Expenses for employee benefits

|                                    | 2023              |                    |                   | 2022              |                    |                     |
|------------------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|---------------------|
|                                    | Operating cost    | Operating expenses | Total             | Operating cost    | Operating expenses | Total               |
| Short-term employee benefits       | \$ 685,290        | \$ 169,649         | \$ 854,939        | \$ 708,392        | \$ 176,596         | \$ 884,988          |
| Retirement benefits                |                   |                    |                   |                   |                    |                     |
| Defined contribution plan          | 19,330            | 5,642              | 24,972            | 19,320            | 5,374              | 24,694              |
| Defined benefit plan (Note 19)     | 5,100             | 1,149              | 6,249             | 4,387             | 983                | 5,370               |
|                                    | <u>24,430</u>     | <u>6,791</u>       | <u>31,221</u>     | <u>23,707</u>     | <u>6,357</u>       | <u>30,064</u>       |
| Compensation to directors          | -                 | 6,041              | 6,041             | -                 | 6,274              | 6,274               |
| Other employee benefit             | 70,823            | 10,964             | 81,787            | 70,916            | 11,550             | 82,466              |
| Total expenses of employee benefit | <u>\$ 780,543</u> | <u>\$ 193,445</u>  | <u>\$ 973,988</u> | <u>\$ 803,015</u> | <u>\$ 200,777</u>  | <u>\$ 1,003,792</u> |

g. Employees' and Boards' remunerations

According to the provisions of the Li Peng Enterprise's policy articles, the company uses the pre-tax benefits of the current year to deduct the remuneration of employees and directors at a rate of no less than 2% and no more than 5% for employees' compensation and directors' compensation.

In 2023 and 2022, pre-tax losses occurred, so employees' compensation and directors' compensation are not estimated.

For information on employees' compensation and directors' compensation of the Li Peng Enterprise's 2024 and 2023 board resolutions, please refer to the "Public Information Observatory" of the Taiwan Stock Exchange website.

## 23. Continuing operating business unit's income tax

a. The main components of income tax profit recognized in profit and loss :

|                                                 | 2023                 | 2022                 |
|-------------------------------------------------|----------------------|----------------------|
| Current income tax expense                      |                      |                      |
| Recognized in the current year                  | \$ 17,069            | \$ 12,228            |
| Income tax on unappropriated earnings           | 1,169                | 1,412                |
| Adjustments on prior years                      | <u>1,226</u>         | <u>3,114</u>         |
|                                                 | <u>19,464</u>        | <u>16,754</u>        |
| Deferred income tax                             |                      |                      |
| Recognized in the current year                  | ( 87,989 )           | ( 27,574 )           |
| Adjustment on prior year                        | ( <u>1</u> )         | ( <u>5,778</u> )     |
|                                                 | <u>( 87,990 )</u>    | <u>( 33,352 )</u>    |
| Income tax profit recognized in profit and loss | ( <u>\$ 68,526</u> ) | ( <u>\$ 16,598</u> ) |

The adjustment of accounting income and current income tax profit is as follows :

|                                                                                                                      | 2023                 | 2022                 |
|----------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Income tax profit at the statutory tax rate for net loss before tax                                                  | ( \$ 96,403 )        | ( \$ 3,367 )         |
| Tax effect of adjusting items                                                                                        |                      |                      |
| Investment profit recognized by the equity method                                                                    | ( 7,220 )            | ( 5,948 )            |
| Financial asset evaluation profit                                                                                    | ( 509 )              | ( 578 )              |
| Gain on disposal of investment                                                                                       | ( 3,807 )            | ( 642 )              |
| Tax dividend income                                                                                                  | 12,821               | -                    |
| Tax-exempt dividend income                                                                                           | ( 238 )              | ( 12,120 )           |
| Adjustment on expense distribution of tax-exempt gains derived from the securities transactions and interest expense | 84                   | 84                   |
| Other                                                                                                                | 6,744                | 5,885                |
| Tax-free dividend losses are not deductible                                                                          | 17,123               | -                    |
| Adjustment on income tax expenses in prior year                                                                      | 1,225                | ( 2,664 )            |
| Unrealized loss deductions                                                                                           | 485                  | 1,340                |
| Income tax on unappropriated earnings                                                                                | <u>1,169</u>         | <u>1,412</u>         |
| Income tax profit recognized in profit and loss                                                                      | ( <u>\$ 68,526</u> ) | ( <u>\$ 16,598</u> ) |

b. Current tax assets and liabilities

|                         | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|-------------------------|---------------------|---------------------|
| Current tax assets      |                     |                     |
| Prepaid income tax      |                     |                     |
| ( Account for other     |                     |                     |
| current assets )        | <u>\$ 11,919</u>    | <u>\$ 3,079</u>     |
| Current tax liabilities |                     |                     |
| Income tax payable      | <u>\$ 10,421</u>    | <u>\$ 6,918</u>     |

c. Deferred income tax assets and liabilities

|                                      | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|--------------------------------------|---------------------|---------------------|
| <u>Deferred income tax assets</u>    |                     |                     |
| Temporary difference                 |                     |                     |
| Allowance for impairment             |                     |                     |
| loss on inventory                    | \$ 57,312           | \$ 69,235           |
| Unallocated inventory cost for       |                     |                     |
| manufacturing                        | 20,200              | 19,446              |
| Unrealized foreign exchange          |                     |                     |
| loss                                 | 14,255              | 4,202               |
| Unrealized investment loss           | 5,042               | 5,042               |
| Pension tax difference               | 234                 | 4,759               |
| Defined actuarial profit and         |                     |                     |
| loss of retirement plan              | 16,496              | 17,892              |
| Sales discount                       | 212                 | 189                 |
| Loss deduction                       | 305,522             | 219,728             |
| Bonus for no-leave                   | 5,178               | 4,918               |
| Unrealized gross loss                | 61                  | -                   |
| Unrealized loss of financial         |                     |                     |
| assets measured at FVTPL             | 8,683               | -                   |
| Other                                | <u>11,467</u>       | <u>11,711</u>       |
|                                      | <u>\$ 444,662</u>   | <u>\$ 357,121</u>   |
| <u>Deferred income tax liability</u> |                     |                     |
| Unrealized gross profit              | \$ -                | \$ 99               |
| Unrealized gain of financial         |                     |                     |
| assets measured at FVTPL             | -                   | 457                 |
| Unrealized foreign exchange          |                     |                     |
| gain                                 | 2,096               | 1,958               |
| Land appreciation tax                |                     |                     |
| preparation                          | 146,650             | 146,650             |
| Other                                | <u>343</u>          | <u>374</u>          |
|                                      | <u>\$ 149,089</u>   | <u>\$ 149,538</u>   |

- d. The deducted amount of unlisted losses of deferred income tax assets not recognized in the consolidated balance sheet.

|                | Dec 31, 2023     | Dec 31, 2022     |
|----------------|------------------|------------------|
| Loss deduction |                  |                  |
| Due in 2030    | \$ 3,137         | \$ 3,137         |
| Due in 2031    | 9,780            | 9,780            |
| Due in 2032    | 6,699            | 6,699            |
| Due in 2033    | 2,427            | -                |
|                | <u>\$ 22,043</u> | <u>\$ 19,616</u> |

- e. Unlisted loss deduction information

As of Dec 31, 2023, the loss deduction information is as follows :

| Balance yet<br>deducted | Year due |
|-------------------------|----------|
| \$ 374,923              | 2029     |
| 725,660                 | 2030     |
| 9,780                   | 2031     |
| 6,699                   | 2032     |
| 431,400                 | 2033     |
| <u>\$ 1,548,462</u>     |          |

- f. The tax returns of Li Peng Enterprise, Li Shing Co., Hung Hsing Co., Li Mao Co., Libolon Energy Co., Eton Petrochemical Co., have been assessed by the tax authorities until 2021 and PT. INDONESIA HWALIN was approved until 2020.

#### 24. Loss per share

The consolidated company's loss per share in 2023 and 2022 is as calculated as follows :

|                                                                      | Amount (numerator)<br>Net loss<br>(Belong to parent<br>company's shareholder) | Share (denominator)<br>(thousand share) | Loss per share<br>(NTD)<br>Net loss<br>(Belong to parent<br>company's shareholder) |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------|
| <u>2023</u>                                                          |                                                                               |                                         |                                                                                    |
| Basic loss per share                                                 |                                                                               |                                         |                                                                                    |
| The net loss attributable to ordinary<br>shareholders for the period | ( \$ <u>445,006</u> )                                                         | <u>874,411</u>                          | ( \$ <u>0.51</u> )                                                                 |
| <u>2022</u>                                                          |                                                                               |                                         |                                                                                    |
| Basic loss per share                                                 |                                                                               |                                         |                                                                                    |
| The net loss attributable to ordinary<br>shareholders for the period | ( \$ <u>37,008</u> )                                                          | <u>874,411</u>                          | ( \$ <u>0.04</u> )                                                                 |

## 25. Business consolidation

### a. Acquisition of subsidiary

|                      | Main operating activity                                                                                                                                         | Acquisition date | With voting rights ownership interest / Acquisition ratio (%) | Transfer consideration |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------|------------------------|
| PT. INDONESIA HWALIN | Processing and manufacturing of telescopic nylon knitted fabrics, various man-made fiber fabrics, embryonic fabrics and other import and export trade business. | 01.03.2022       | 51.09%                                                        | <u>\$ 130,002</u>      |

### b. Assets acquired and liabilities assumed on the acquisition date

|                                                                                                 | PT. INDONESIA HWALIN |
|-------------------------------------------------------------------------------------------------|----------------------|
| Current assets                                                                                  |                      |
| Cash and cash equivalent                                                                        | \$ 133,380           |
| Notes receivable 、Accounts receivable and Other current assets                                  | 17,050               |
| Inventory                                                                                       | 9,552                |
| Non-current assets                                                                              |                      |
| Equipment ( Note14 ) ( Cost NT\$101,750 thousand-accumulated depreciation NT\$27,949 thousand ) | 73,801               |
| Other                                                                                           | 20,605               |
| Current liabilities                                                                             |                      |
| Accounts payable and Other accounts payable                                                     | ( 9,710)             |
| Non-current liability                                                                           |                      |
| Long-term loan                                                                                  | ( 31,441)            |
| Other                                                                                           | ( 4,184)             |
|                                                                                                 | <u>\$ 209,053</u>    |

### c. Goodwill generates from acquisition

|                                                                 | PT. INDONESIA HWALIN |
|-----------------------------------------------------------------|----------------------|
| Transfer consideration                                          | \$ 130,002           |
| Add : NCI ( PT. INDONESIA HWALIN 48.91% of equity rights held ) | 104,833              |
| Less : Fair value of net identifiable assets acquired           | ( 209,053)           |
| Goodwill generates from acquisition                             | <u>\$ 25,782</u>     |

Goodwill generated from the acquisition of PT. INDONESIA HWALIN is mainly from the control premium. Cash payment consideration contains expected consolidate synergies.

d. Obtaining the net cash inflow from the subsidiary

|                                                 | PT. INDONESIA<br>HWALIN |
|-------------------------------------------------|-------------------------|
| Cash payment consideration                      | ( \$ 130,002 )          |
| Add : acquired cash and cash equivalent balance | <u>133,380</u>          |
|                                                 | <u>\$ 3,378</u>         |

e. The impact of business consolidation on business results

Since the acquisition date, the operating results from the acquired company are as follows :

|                        | 2022             |
|------------------------|------------------|
| Operating income       |                  |
| PT. INDONESIA HWALIN   | <u>\$ 83,759</u> |
| Net profit of the year |                  |
| PT. INDONESIA HWALIN   | <u>\$ 7,495</u>  |

26. Equity transactions with non-controlling interests

In March 2022, the consolidated company increase acquisition about 30.98% equity of PT. INDONESIA HWALIN from non-related party, the shareholding ratio increased from 51.09% to 82.07%.

Since the above transaction did not change the controlling of the subsidiary by the consolidated company, which was treated as an equity transaction.

|                                                                                                                                                              | PT. INDONESIA<br>HWALIN |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Payment consideration                                                                                                                                        | ( \$ 73,425 )           |
| The amount transferred out to NCI which is based on the carrying amount of the subsidiary's net assets is calculated based on the change in relative equity. | <u>75,312</u>           |
| Equity transaction difference                                                                                                                                | <u>\$ 1,887</u>         |

|                                                                                                           | PT. INDONESIA<br>HWALIN |
|-----------------------------------------------------------------------------------------------------------|-------------------------|
| <u>Account of equity transaction difference</u>                                                           |                         |
| Capital reserve-Difference between consideration and carrying amount of subsidiaries acquired or disposed | <u>\$ 1,887</u>         |

## 27. Capital risk management

The consolidated company conducts capital management to ensure that it can be withdrawn before continuing to operate, and maximizes shareholder compensation by optimizing the balance of debt and equity. The overall strategy of the consolidated company has not changed.

The consolidated company has no other restrictions on external capital regulations.

## 28. Financial instruments

- a. The management of the consolidated company believes that the book value of financial assets and financial liabilities that are not measured at fair value reaches their fair value or their fair value cannot be reliably measured.
- b. Fair value information — Financial instruments measured at fair value on a repeatability basis

### Dec 31, 2023

|                                                                            | Level 1             | Level 2          | Level 3         | Total               |
|----------------------------------------------------------------------------|---------------------|------------------|-----------------|---------------------|
| Financial assets at fair value through profit or loss                      |                     |                  |                 |                     |
| Domestic listed (OTC) stocks                                               | \$ 115,221          | \$ -             | \$ -            | \$ 115,221          |
| Fund beneficiary certificate                                               | 46,157              | -                | -               | 46,157              |
| Domestic not listed (OTC) common stocks                                    | -                   | -                | 5,903           | 5,903               |
| Not listed abroad (OTC) common stocks                                      | -                   | -                | 430             | 430                 |
| Structured deposits                                                        | -                   | 56,907           | -               | 56,907              |
| Financial products                                                         | -                   | 1,965            | -               | 1,965               |
| Total                                                                      | <u>\$ 161,378</u>   | <u>\$ 58,872</u> | <u>\$ 6,333</u> | <u>\$ 226,583</u>   |
| Financial assets measured at fair value through other comprehensive income |                     |                  |                 |                     |
| Domestic listed stocks                                                     | <u>\$ 2,054,730</u> | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 2,054,730</u> |
| Financial liability at fair value through profit or loss                   |                     |                  |                 |                     |
| Derivative financial instruments — Cross-currency swap contracts           | <u>\$ -</u>         | <u>\$ 43,414</u> | <u>\$ -</u>     | <u>\$ 43,414</u>    |

### Dec 31, 2022

|                                                                  | Level 1 | Level 2  | Level 3 | Total    |
|------------------------------------------------------------------|---------|----------|---------|----------|
| Financial assets at fair value through profit or loss            |         |          |         |          |
| Derivative financial instruments — Cross-currency swap contracts | \$ -    | \$ 2,813 | \$ -    | \$ 2,813 |
| Domestic listed (OTC) stocks                                     | 125,167 | -        | -       | 125,167  |
| Fund beneficiary certificate                                     | 6,058   | -        | -       | 6,058    |
| Domestic not listed (OTC) common stocks                          | -       | -        | 5,903   | 5,903    |
| Not listed abroad (OTC) common stocks                            | -       | -        | 430     | 430      |

|                                                                            | Level 1             | Level 2           | Level 3         | Total               |
|----------------------------------------------------------------------------|---------------------|-------------------|-----------------|---------------------|
| Structured deposits                                                        | \$ -                | \$ 95,295         | \$ -            | \$ 95,295           |
| Financial products                                                         | -                   | 2,682             | -               | 2,682               |
| Total                                                                      | <u>\$ 131,225</u>   | <u>\$ 100,790</u> | <u>\$ 6,333</u> | <u>\$ 238,348</u>   |
| Financial assets measured at fair value through other comprehensive income |                     |                   |                 |                     |
| Domestic listed stocks                                                     | <u>\$ 1,938,250</u> | <u>\$ -</u>       | <u>\$ -</u>     | <u>\$ 1,938,250</u> |
| Financial liability at fair value through profit or loss                   |                     |                   |                 |                     |
| Derivative financial instruments                                           |                     |                   |                 |                     |
| — Cross-currency swap contracts                                            | <u>\$ -</u>         | <u>\$ 529</u>     | <u>\$ -</u>     | <u>\$ 529</u>       |

No transfer of the fair value measurement between level 1 and level 2 in year 2023 and 2022.

c. Valuation techniques and assumptions used in level 2 fair value measurement :

| Type of financial instruments                                       | Evaluation technology and input value                                                                                                                                                                                                                        |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Derivative financial instruments —<br>Cross-currency swap contracts | Discounted cash flow method: Estimate the future cash flow based on the exchange rate calculated in the observable exchange contract at the end of the period, and discount it separately at a rate that can reflect the credit risk of each counterparties. |

d. Valuation techniques and assumptions used in level 3 fair value measurement :

Non-publicly traded (OTC) equity investment adopts the asset method to reflect the overall value of the investment target based on the total value of individual assets and liabilities.

e. Types of financial instruments

|                                                              | Dec 31, 2023 | Dec 31, 2022 |
|--------------------------------------------------------------|--------------|--------------|
| <u>Financial assets</u>                                      |              |              |
| Measured at FVTPL                                            |              |              |
| Mandatorily measured at FVTPL                                | \$ 226,583   | \$ 238,348   |
| Financial assets measured by amortized cost (Note 1)         | 5,919,654    | 5,448,540    |
| Financial assets measured through other comprehensive income |              |              |
| Equity instrument investment                                 | 2,054,730    | 1,938,250    |

|                                                           | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|-----------------------------------------------------------|---------------------|---------------------|
| <u>Financial liabilities</u>                              |                     |                     |
| Measured at FVTPL                                         |                     |                     |
| Mandatorily measured at FVTPL                             | \$ 43,414           | \$ 529              |
| Financial liabilities measured by amortized cost (Note 2) | 8,302,800           | 8,629,956           |

Note 1 : The balance includes cash and cash equivalents, notes and accounts receivable, other accounts receivable, Loan to related parties, refundable deposits and financial assets measured by amortized cost.

Note 2 : The balance includes short-term loans, short-term bills payable, bills payable, accounts payable, other payables, loan from related parties, long-term loan, guarantee deposit received and financial liabilities measured by amortized cost.

f. Derivative financial products

The realized net profit from the operation of derivative financial products in 2023 was NT\$ 41,662 thousand which unrealized loss of NT\$43,414 thousand and realized gain of NT\$85,076 thousand, respectively and list in other profit and loss.

The realized net profit from the operation of derivative financial products in 2022 was NT\$ 12,097 thousand which unrealized gain of NT\$2,285 thousand and realized gain of NT\$9,812 thousand, respectively and list in other profit and loss.

g. Financial risk management objectives and policies

The main financial instruments of the consolidated company include equity and debt investments, borrowings, lease liabilities, accounts receivable and accounts payable, etc. The financial management department of the consolidated company provides services for various business units, coordinates access to domestic and international financial markets, and supervises and manages the financial risks related to the operations of the consolidated company by analyzing internal risk reports based on the degree and breadth of risk. These risks include market risk (exchange rate risk), credit risk and liquidity risk.

The consolidated company uses derivative financial instruments to avoid the impact of exchange rate risk. The use of derivative financial instruments is regulated by the policies adopted by the board of directors of the consolidated company, which are written principles for exchange rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of remaining liquid funds. Internal auditors continue to review compliance with

policies and the risk limit. The consolidated company did not trade financial instruments (including derivative financial instruments) for speculative purposes.

(1) Market risk

The main financial risk of the consolidated company's operating activities that the company bears is the risk of foreign currency exchange rates.

(a) Exchange rate risk

Occur in future commercial transactions, recognized assets and liabilities, and foreign exchange trading transactions to avoid exchange rate changes.

The consolidated company's risk exposure related to financial instrument market risks and its management and measurement methods have not changed.

Sensitivity analysis

The consolidated company is mainly influenced by the USD exchange rate fluctuation.

The following table details the sensitivity analysis of the consolidated company when the exchange rate of the New Taiwan Dollar (functional currency) to the U.S. dollar increases and decreases by 0.5%. 0.5% is the assessment of the reasonably possible range of changes in the foreign currency exchange rate of the consolidated company. Sensitivity analysis includes only monetary items in foreign currencies in circulation, and their conversion at the end of the period is adjusted with a 0.5% change in exchange rate. The positive numbers in the following table represent the amount of increase in net profit before tax when the New Taiwan Dollar depreciates 0.5% relative to the relevant currencies; when the New Taiwan Dollar appreciates 0.5% relative to the relevant currencies, its impact on the net profit before tax will be the same negative number of the amount.

|                                                                   | <u>Dec 31, 2023</u> | <u>Dec 31, 2022</u> |
|-------------------------------------------------------------------|---------------------|---------------------|
| 0.5% difference in the<br>exchange rate of USD<br>profit and loss | \$ 13,605           | \$ 11,432           |

(b) Interest rate risk

The Company is exposed to interest rate risk because entities in the Company borrows funds at both fixed and floating interest rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to changes in interest rates at the end of the reporting period were as follows:

|                               | Dec 31, 2023 | Dec 31, 2022 |
|-------------------------------|--------------|--------------|
| Fair value interest rate risk |              |              |
| — Financial assets            | \$ 2,183,637 | \$ 2,435,764 |
| — Financial liabilities       | 3,526,618    | 4,225,395    |
| Cash flow interest rate risk  |              |              |
| — Financial liabilities       | 2,115,250    | 1,904,375    |

The sensitivity analysis on interest rate risk assumes that interest rates had been 1% higher/lower. The Company's cash outflows/inflows in 2023 and 2022 will be NT\$21,153 thousand and NT\$19,044 thousand respectively.

(2) Credit risk

Credit risk refers to the risk of the consolidated company's financial losses caused by the counterparty's default of contract obligations. In order to reduce credit risk, the consolidated company has the right to request for collateral or other guarantees from major transaction partners. Accordingly, the management of the consolidated company believes that the credit risk has been significantly reduced.

(3) Liquidity risk

The consolidated company manages and maintains sufficient cash and cash equivalents to support the consolidated company's operations and reduce the impact of cash flow fluctuations. The management of the consolidated company supervises the use of bank financing lines and ensures compliance with the terms of the loan contract.

Bank loans are an important source of liquidity for the consolidated company. As of December 31, 2023 and 2022, the unutilized short-term bank financing lines of the Company were NT\$11,339,148 thousand and NT\$10,255,998 thousand, respectively.

(a) Liquidity and interest rate risk table of non-derivative financial liabilities

The remaining contract maturity analysis of non-derivative financial liabilities is based on the earliest possible repayment date of the consolidated company and is compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank loans that the consolidated company can be required to repay immediately are within the earliest period in the table below, regardless of the probability of

the bank immediately executing the right; the maturity analysis of other non-derivative financial liabilities is compiled in accordance with the agreed repayment date. Analysis as below :

Dec 31, 2023

| Non-derived financial liabilities                                   | In 1 year           | 1 to 2 years      | Over 2 years        |
|---------------------------------------------------------------------|---------------------|-------------------|---------------------|
| Short-term loan                                                     | \$ 3,608,000        | \$ -              | \$ -                |
| Short-term bills payable                                            | 10,000              | -                 | -                   |
| Notes payable (including related parties)                           | 118,293             | -                 | -                   |
| Accounts payable (including related parties)                        | 2,004,559           | -                 | -                   |
| Other payable                                                       | 451,624             | -                 | -                   |
| Loan from related parties                                           | 113,000             | -                 | -                   |
| Lease liabilities (current and non-current)                         | 5,373               | 5,182             | 31,089              |
| Current provisions                                                  | 1,062               | -                 | -                   |
| Long-term loan (including 1 year or due within the operating cycle) | 141,250             | 610,000           | 1,244,000           |
| Guarantee deposits received                                         | 2,074               | -                 | -                   |
|                                                                     | <u>\$ 6,455,235</u> | <u>\$ 615,182</u> | <u>\$ 1,275,089</u> |

Dec 31, 2022

| Non-derived financial liabilities                                   | In 1 year           | 1 to 2 years      | Over 2 years        |
|---------------------------------------------------------------------|---------------------|-------------------|---------------------|
| Short-term loan                                                     | \$ 3,675,000        | \$ -              | \$ -                |
| Short-term bills payable                                            | 520,000             | -                 | -                   |
| Notes payable (including related parties)                           | 93,611              | -                 | -                   |
| Accounts payable (including related parties)                        | 1,934,291           | -                 | -                   |
| Other payable                                                       | 395,521             | -                 | -                   |
| Loan from related parties                                           | 105,000             | -                 | -                   |
| Lease liabilities (current and non-current)                         | 5,265               | 5,265             | 35,550              |
| Current provisions                                                  | 945                 | -                 | -                   |
| Long-term loan (including 1 year or due within the operating cycle) | 117,500             | 141,250           | 1,645,625           |
| Guarantee deposits received                                         | 2,158               | -                 | -                   |
|                                                                     | <u>\$ 6,849,291</u> | <u>\$ 146,515</u> | <u>\$ 1,681,175</u> |

(b) Liquidity for derivative financial liabilities

The following table detailed the Company's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Dec 31, 2023

| Derived financial liabilities | In 1 year | 1 to 2 years | 2 to 5 years | Over 5 years |
|-------------------------------|-----------|--------------|--------------|--------------|
| <u>Net settled</u>            |           |              |              |              |
| Cross-currency swap contracts | \$ 43,414 | \$ -         | \$ -         | \$ -         |

Dec 31, 2022

| Derived financial liabilities | In 1 year | 1 to 2 years | 2 to 5 years | Over 5 years |
|-------------------------------|-----------|--------------|--------------|--------------|
| <u>Net settled</u>            |           |              |              |              |
| Cross-currency swap contracts | \$ 529    | \$ -         | \$ -         | \$ -         |

29. Trading with Related Parties

Trading between Li Peng Enterprise and its subsidiaries (related parties), and account balance, income and expenses are all eliminated at the time of consolidation, so they are not disclosed in this note. The transactions between the consolidated company and other related parties are as follows :

## a. Related parties and association

| Related parties                    | Relationship with the Company        |
|------------------------------------|--------------------------------------|
| LEALEA ENTERPRISE CO. LTD.         | Investors with significant influence |
| FU LI TRANSPORTAION CO.            | Associated company                   |
| LEA JIE ENERGY CO. LTD.            | Associated company                   |
| LIBOLON ENTERPRISE CO. LTD.        | Associated company                   |
| LI LING FILM CO. LTD.              | Associated company                   |
| LEALEA TECHNOLOGY CO. LTD.         | Associated company                   |
| LI ZAN INVESTMENT CO. LTD.         | Associated company                   |
| LI HAO INVESTMENT CO. LTD.         | Associated company                   |
| LIBOLON ENERGY CO. LTD.            | Associated company                   |
| PT. INDONESIA LIBOLON FIBER SYSTEM | Associated company                   |
| APEX FONG YI TECHNOLOGY CO. LTD.   | Other                                |
| LIBOLON INTERNATIONAL CORP.        | Other                                |
| LEALEA HOTELS & RESORTS CO., LTD.  | Other                                |

## b. Operating Income

| Accounting item | Related Party Category/Name         | 2023              | 2022                |
|-----------------|-------------------------------------|-------------------|---------------------|
| Sales revenue   | Investor with significant influence | \$ 366,823        | \$ 564,464          |
|                 | Associated company                  | 570,441           | 695,092             |
|                 | Other                               | -                 | 3,300               |
|                 |                                     | <u>\$ 937,264</u> | <u>\$ 1,262,856</u> |

There is no significant difference between the consolidated company's sales to associated companies and general transactions with other related parties.

c. Purchases

| Related Party Category              | 2023              | 2022              |
|-------------------------------------|-------------------|-------------------|
| Investor with significant influence | \$ 802,783        | \$ 777,920        |
| Associated company                  | <u>46,084</u>     | <u>91,018</u>     |
|                                     | <u>\$ 848,867</u> | <u>\$ 868,938</u> |

d. Amounts receivable from related parties (excluding loans to related parties)

| Accounting item     | Related Party Category/Name          | Dec 31, 2023      | Dec 31, 2022      |
|---------------------|--------------------------------------|-------------------|-------------------|
| Note receivable     | Investor with significant influence  |                   |                   |
|                     | Lealea enterprise                    | \$ 24,104         | \$ 24,831         |
|                     | Associated company                   |                   |                   |
|                     | Li Ling                              | 72,836            | 84,937            |
|                     | Other                                | <u>-</u>          | <u>9</u>          |
|                     |                                      | <u>96,940</u>     | <u>109,777</u>    |
| Accounts receivable | Investors with significant influence | 42,316            | 28,408            |
|                     | Associated company                   | <u>82,574</u>     | <u>63,005</u>     |
|                     |                                      | <u>124,890</u>    | <u>91,413</u>     |
| Other receivables   | Investors with significant influence |                   |                   |
|                     | Lealea enterprise                    | 14,118            | 15,126            |
|                     | Associated company                   | 2,779             | 2,355             |
|                     | Other                                | <u>4</u>          | <u>2</u>          |
|                     |                                      | <u>16,901</u>     | <u>17,483</u>     |
|                     |                                      | <u>\$ 238,731</u> | <u>\$ 218,673</u> |

No guarantee is received for the accounts receivable from related parties. No allowance for losses is provided for accounts receivable from related parties in 2023 and 2022. The collection and payment deadlines for the consolidated company and related parties are not materially differentiated from those for general customers and manufacturers.

e. Accounts payable to related parties (excluding borrowings from related parties)

| Accounting item  | Related Party Category/Name          | Dec 31, 2023      | Dec 31, 2022      |
|------------------|--------------------------------------|-------------------|-------------------|
| Notes payable    | Investors with significant influence |                   |                   |
|                  | Lealea enterprise                    | \$ 83,915         | \$ 50,990         |
|                  | Associated company                   | <u>2,403</u>      | <u>1,494</u>      |
|                  |                                      | <u>86,318</u>     | <u>52,484</u>     |
| Accounts payable | Investors with significant influence |                   |                   |
|                  | Lealea enterprise                    | 56,527            | 53,685            |
|                  | Associated company                   | <u>6,069</u>      | <u>6,684</u>      |
|                  |                                      | <u>62,596</u>     | <u>60,369</u>     |
|                  |                                      | <u>\$ 148,914</u> | <u>\$ 112,853</u> |

The balance of the outstanding accounts payable to related parties is not guaranteed.

f. Disposal of property, plant and equipment

| Related Party<br>Category/Name       | Disposal price |      | Disposal profit ( loss ) |      |
|--------------------------------------|----------------|------|--------------------------|------|
|                                      | 2023           | 2022 | 2023                     | 2022 |
| Investors with significant influence | \$ 4,300       | \$ - | \$ 4,300                 | \$ - |

g. Acquisition of property, plant and equipment

| Related Party Category/Name          | Acquisition price |                  |
|--------------------------------------|-------------------|------------------|
|                                      | 2023              | 2022             |
| Investors with significant influence | \$ -              | \$ 100           |
| Associated company                   | -                 | 10,401           |
|                                      | <u>\$ -</u>       | <u>\$ 10,501</u> |

h. Acquisition of other assets

| Related Party<br>Category | Accounting item                             | Acquisition price |                 |
|---------------------------|---------------------------------------------|-------------------|-----------------|
|                           |                                             | 2023              | 2022            |
| Associated company        | Other intangible assets — computer software | <u>\$ 2,000</u>   | <u>\$ 2,942</u> |

i. Loan to related parties

|                                      | Dec 31, 2023    |                      |                    |                  |                     |
|--------------------------------------|-----------------|----------------------|--------------------|------------------|---------------------|
|                                      | Highest balance | Balance, end of year | Interest range (%) | Interest income  | Interest receivable |
| Investors with significant influence |                 |                      |                    |                  |                     |
| Lealea enterprise                    | \$ 161,000      | \$ 161,000           | 1.77582~1.67857    | \$ 2,402         | \$ 207              |
| Associated company                   |                 |                      |                    |                  |                     |
| PT. INDONESIA LIBOLON FIBER SYSTEM   | 378,951         | 372,145              | 2.62000~3.10000    | 6,219            | 973                 |
| Li Ling                              | 355,000         | 245,000              | 2.26822~2.36682    | 4,924            | 446                 |
|                                      |                 | <u>\$ 778,145</u>    |                    | <u>\$ 13,545</u> | <u>\$ 1,626</u>     |
|                                      | Dec 31, 2022    |                      |                    |                  |                     |
|                                      | Highest balance | Balance, end of year | Interest range (%) | Interest income  | Interest receivable |
| Investors with significant influence |                 |                      |                    |                  |                     |
| Lealea enterprise                    | \$ 233,000      | \$ 144,000           | 0.81037~1.82470    | \$ 1,928         | \$ 171              |
| Associated company                   |                 |                      |                    |                  |                     |
| PT. INDONESIA LIBOLON FIBER SYSTEM   | 453,591         | 30,710               | 1.40332~2.62000    | 2,855            | 17                  |
| Li Ling                              | 200,000         | 147,000              | 1.48725~2.38698    | 2,123            | 392                 |
|                                      |                 | <u>\$ 321,710</u>    |                    | <u>\$ 6,906</u>  | <u>\$ 580</u>       |

The consolidated company provides short-term loans to investors with significant influence, and the interest rate range is similar to the market interest rate.

j. Loan from related parties

|                    |                 | Dec 31, 2023         |                    |                  |                  |
|--------------------|-----------------|----------------------|--------------------|------------------|------------------|
|                    | Highest balance | Balance, end of year | Interest range (%) | Interest expense | Interest payable |
| Associated company |                 |                      |                    |                  |                  |
| Li Hao Co.         | \$ 71,000       | \$ 71,000            | 1.65532~1.72051    | \$ 1,184         | \$ 103           |
| Li Zan Co.         | 42,000          | <u>42,000</u>        | 1.65532~1.72051    | <u>676</u>       | <u>61</u>        |
|                    |                 | <u>\$ 113,000</u>    |                    | <u>\$ 1,860</u>  | <u>\$ 164</u>    |

  

|                    |                 | Dec 31, 2022         |                    |                  |                  |
|--------------------|-----------------|----------------------|--------------------|------------------|------------------|
|                    | Highest balance | Balance, end of year | Interest range (%) | Interest expense | Interest payable |
| Associated company |                 |                      |                    |                  |                  |
| Li Hao Co.         | \$ 71,000       | \$ 71,000            | 0.80354~1.66230    | \$ 716           | \$ 100           |
| Li Zan Co.         | 42,000          | <u>34,000</u>        | 0.80354~1.66230    | <u>358</u>       | <u>48</u>        |
|                    |                 | <u>\$ 105,000</u>    |                    | <u>\$ 1,074</u>  | <u>\$ 148</u>    |

The borrowing interest rate of the consolidated company's loan from related parties is equivalent to the market interest rate. Loans from associates and other related parties are all credit loans.

k. Other

|                     |                  |                  |
|---------------------|------------------|------------------|
| Purchases — freight | 2023             | 2022             |
| Associated company  | <u>\$ 19,743</u> | <u>\$ 20,037</u> |

  

|                    |                  |                  |
|--------------------|------------------|------------------|
| Export expense     | 2023             | 2022             |
| Associated company | <u>\$ 12,870</u> | <u>\$ 12,385</u> |

  

|                                      |               |                 |
|--------------------------------------|---------------|-----------------|
| Sale — freight                       | 2023          | 2022            |
| Investors with significant influence | <u>\$ 223</u> | <u>\$ 1,948</u> |

  

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Rental income                        | 2023             | 2022             |
| Investors with significant influence |                  |                  |
| Lealea enterprise                    | \$ 7,644         | \$ 7,746         |
| Associated company                   |                  |                  |
| Lealea Technology                    | 5,986            | 5,468            |
| Other                                | 2,512            | 2,574            |
| Other                                | <u>18</u>        | <u>20</u>        |
|                                      | <u>\$ 16,160</u> | <u>\$ 15,808</u> |

The rental income collected by the consolidated company from related parties is based on the local general market rate, and the payment period is one-month promissory note.

| Other income                         | 2023             | 2022             |
|--------------------------------------|------------------|------------------|
| Investors with significant influence |                  |                  |
| Lealea enterprise                    | \$ 15,834        | \$ 25,827        |
| Associated company                   |                  |                  |
| Li Ling                              | 3,582            | 3,662            |
| Other                                | <u>540</u>       | <u>668</u>       |
|                                      | <u>\$ 19,956</u> | <u>\$ 30,157</u> |

| Lease expense                        | 2023             | 2022             |
|--------------------------------------|------------------|------------------|
| Investors with significant influence |                  |                  |
| Lealea enterprise                    | <u>\$ 28,562</u> | <u>\$ 28,482</u> |

The rent paid by the consolidated company to related parties is based on the local general market rate, and the payment period is one-month promissory note.

| Tech service fees  | 2023             | 2022             |
|--------------------|------------------|------------------|
| Associated company |                  |                  |
| Lealea Technology  | <u>\$ 25,464</u> | <u>\$ 24,552</u> |

| Ohter expense — steam                | 2023             | 2022             |
|--------------------------------------|------------------|------------------|
| Investors with significant influence |                  |                  |
| Lealea enterprise                    | <u>\$ 10,822</u> | <u>\$ 62,808</u> |

| Environmental maintenance expense    | 2023        | 2022         |
|--------------------------------------|-------------|--------------|
| Investors with significant influence |             |              |
|                                      | <u>\$ -</u> | <u>\$ 22</u> |

| Services expense — coal disposal | 2023            | 2022          |
|----------------------------------|-----------------|---------------|
| Associated company               |                 |               |
| Lea Jie Energy                   | <u>\$ 1,143</u> | <u>\$ 914</u> |

| Fuel expense — coal | 2023              | 2022              |
|---------------------|-------------------|-------------------|
| Associated company  |                   |                   |
| Lea Jie Energy      | <u>\$ 274,953</u> | <u>\$ 281,633</u> |

l. Salary of senior management

The total remuneration for directors and other senior management is as follows :

|                              | 2023             | 2022             |
|------------------------------|------------------|------------------|
| Short-term employee benefits | \$ 24,789        | \$ 25,039        |
| Retirement benefits          | <u>375</u>       | <u>550</u>       |
|                              | <u>\$ 25,164</u> | <u>\$ 25,589</u> |

The remuneration of directors and senior management is determined by the remuneration committee in accordance with individual performance and market trends.

m. Other related parties' transactions

| Related Party<br>Category | Item                     | Price of contracted<br>but unfinished<br>(untaxed)<br>Dec 31, 2023 | Prepaid equipment<br>balance<br>Dec 31, 2023 |
|---------------------------|--------------------------|--------------------------------------------------------------------|----------------------------------------------|
| Associated company        |                          |                                                                    |                                              |
| Lealea Technology         | Software and<br>Hardware | \$ <u>848</u>                                                      | \$ <u>-</u>                                  |

| Related Party<br>Category | Item                     | Price of contracted<br>but unfinished<br>(untaxed)<br>Dec 31, 2022 | Prepaid equipment<br>balance<br>Dec 31, 2022 |
|---------------------------|--------------------------|--------------------------------------------------------------------|----------------------------------------------|
| Associated company        |                          |                                                                    |                                              |
| Lealea Technology         | Software and<br>Hardware | \$ <u>1,950</u>                                                    | \$ <u>-</u>                                  |

30. Pledged assets

The following assets of the consolidated company have been provided as collateral for financial institutions.

|                                                        | Dec 31, 2023        | Dec 31, 2022        |
|--------------------------------------------------------|---------------------|---------------------|
| Pledged deposit receipt ( Note 6<br>and 10 )           | \$ 4,231            | \$ 4,198            |
| Financial assets at FVTOCI—<br>non-current ( Note 11 ) | 44,660              | 44,013              |
| Property, plant and equipment<br>( Note 14 )           | <u>2,824,989</u>    | <u>2,898,486</u>    |
|                                                        | <u>\$ 2,873,880</u> | <u>\$ 2,946,697</u> |

31. Significant contingent liabilities and unrecognized commitments

Except as mentioned in other notes, the consolidated company has the following major commitments and contingencies on the balance sheet date :

On December 31, 2023 and 2022, the consolidated company still has issued and unused letters of credit. The details are as follows :

| Unit : Foreign currency in thousands |              |              |
|--------------------------------------|--------------|--------------|
|                                      | Dec 31, 2023 | Dec 31, 2022 |
| USD                                  | \$ 73,350    | \$ 91,957    |
| JPY                                  | -            | 34,500       |
| NTD                                  | 114,401      | -            |
| EUR                                  | -            | 194          |
| CHF                                  | -            | 190          |
| RMB                                  | 270,846      | -            |

32. Significantly influencing foreign currency financial assets and liabilities information

The following information is summarized and expressed in foreign currencies other than the functional currencies of the consolidated company. The disclosed exchange rates refer to the exchange rates of these foreign currencies into functional currencies. Foreign currency assets and liabilities with significant impact are as follows :

| Unit : Foreign currency/NTD in thousand |                                    |                  |                       |                 |
|-----------------------------------------|------------------------------------|------------------|-----------------------|-----------------|
| Company                                 | Financial assets<br>Currency items | Dec 31, 2023     |                       |                 |
|                                         |                                    | Foreign currency | Exchange rate         | Carrying amount |
| Li Peng Enterprise                      | USD                                | \$ 145,509,842   | 30.705<br>(USD : NTD) | \$ 4,467,880    |
| "                                       | RMB                                | 400,573          | 4.327<br>(RMB : NTD)  | 1,733           |
| Libolon (Shanghai) Co.                  | USD                                | 6,666,660        | 7.0961<br>(USD : RMB) | 204,699         |
| Eton Petrochemical Co.                  | USD                                | 59,288,509       | 30.705<br>(USD : NTD) | 1,820,454       |
|                                         | RMB                                | 27,459,503       | 4.327<br>(RMB : NTD)  | 118,817         |
| In talent                               | USD                                | 1,251            | 30.705<br>(USD : NTD) | 38              |
| PT. INDONESIA HWALIN                    | USD                                | 4,272,473        | 15,416<br>(USD : IDR) | 131,186         |
| Li Shing Investment Co., Ltd.           | USD                                | 1,676,822        | 30.705<br>(USD : NTD) | 51,487          |

|                        |                                                     | Dec 31, 2023                    |                          |                        |
|------------------------|-----------------------------------------------------|---------------------------------|--------------------------|------------------------|
|                        |                                                     | <u>Foreign currency</u>         | <u>Exchange rate</u>     | <u>Carrying amount</u> |
|                        | <u>Non currency items</u>                           |                                 |                          |                        |
| Li Peng Enterprise     | Financial assets measured at FVMTPL-non-current USD | \$ 96,149                       | 30.705<br>(USD : NTD)    | \$ 2,952               |
| "                      | Investment using equity method IDR                  | 304,677,644,247                 | 0.0019918<br>(IDR : NTD) | 606,857                |
| In talent              | Investment using equity method RMB                  | 61,003,231                      | 4.327<br>(RMB : NTD)     | 263,961                |
| Eton Petrochemical Co. | Investment using equity method USD                  | 182,285                         | 30.705<br>(USD : NTD)    | 5,597                  |
| <u>Company</u>         | <u>Financial liabilities</u>                        |                                 |                          |                        |
|                        | <u>Currency items</u>                               |                                 |                          |                        |
| Li Peng Enterprise     | USD                                                 | 56,843,603                      | 30.705<br>(USD : NTD)    | 1,745,383              |
| "                      | RMB                                                 | 50,206                          | 4.327<br>(RMB : NTD)     | 217                    |
| Libolon (Shanghai) Co. | USD                                                 | 3,447,881                       | 7.0961<br>(USD : RMB)    | 105,867                |
| Eton Petrochemical Co. | USD                                                 | 68,351,003                      | 30.705<br>(USD : NTD)    | 2,098,718              |
|                        | RMB                                                 | 17,331,105                      | 4.327<br>(RMB : NTD)     | 74,992                 |
| PT. INDONESIA HWALIN   | USD                                                 | 154,646                         | 15,416<br>(USD : IDR)    | 4,748                  |
|                        | <u>Non currency items</u>                           |                                 |                          |                        |
| Li Peng Enterprise     | Derivative financial instruments USD                | 70,000,000<br>(contract amount) | 30.705<br>(USD : NTD)    | 43,414                 |

| Company                | Financial assets                                | Dec 31, 2022                    |                          |                 |
|------------------------|-------------------------------------------------|---------------------------------|--------------------------|-----------------|
|                        |                                                 | Foreign currency                | Exchange rate            | Carrying amount |
|                        | <u>Currency items</u>                           |                                 |                          |                 |
| Li Peng Enterprise     | USD                                             | \$ 116,164,050                  | 30.71<br>(USD : NTD)     | \$ 3,567,398    |
| "                      | RMB                                             | 10,396,064                      | 4.408<br>(RMB : NTD)     | 45,826          |
| Libolon (Shanghai) Co. | USD                                             | 4,835,945                       | 6.9669<br>(USD : RMB)    | 148,512         |
| Eton Petrochemical Co. | USD                                             | 56,944,118                      | 30.71<br>(USD : NTD)     | 1,748,754       |
| In talent              | USD                                             | 1,235                           | 30.71<br>(USD : NTD)     | 38              |
| PT. INDONESIA HWALIN   | USD                                             | 4,047,436                       | 15,731<br>(USD : IDR)    | 124,297         |
|                        | <u>Non currency items</u>                       |                                 |                          |                 |
| Li Peng Enterprise     | Derivative financial instruments                |                                 |                          |                 |
|                        | USD                                             | 50,000,000<br>(contract amount) | 30.71<br>(USD : NTD)     | 2,813           |
| "                      | Financial assets measured at FVMTPL-non-current |                                 |                          |                 |
|                        | USD                                             | 96,149                          | 30.71<br>(USD : NTD)     | 2,953           |
| "                      | Investment using equity method                  |                                 |                          |                 |
|                        | IDR                                             | 317,581,997,560                 | 0.0019522<br>(IDR : NTD) | 619,983         |
| In talent              | Investment using equity method                  |                                 |                          |                 |
|                        | RMB                                             | 73,161,478                      | 4.408<br>(RMB : NTD)     | 322,496         |
| Eton Petrochemical Co. | Investment using equity method                  |                                 |                          |                 |
|                        | USD                                             | 194,753                         | 30.71<br>(USD : NTD)     | 5,981           |
|                        | <u>Financial liabilities</u>                    |                                 |                          |                 |
|                        | <u>Currency items</u>                           |                                 |                          |                 |
| Li Peng Enterprise     | USD                                             | 42,374,857                      | 30.71<br>(USD : NTD)     | 1,031,332       |
| "                      | RMB                                             | 52,855                          | 4.408<br>(RMB : NTD)     | 233             |
| Libolon (Shanghai) Co. | USD                                             | 1,265,051                       | 6.9669<br>(USD : RMB)    | 38,850          |

|                        |                                  | Dec 31, 2022                    |                       |                        |
|------------------------|----------------------------------|---------------------------------|-----------------------|------------------------|
|                        |                                  | <u>Foreign currency</u>         | <u>Exchange rate</u>  | <u>Carrying amount</u> |
| Eton Petrochemical Co. | USD                              | \$ 63,856,192                   | 30.71<br>(USD : NTD)  | \$ 1,961,024           |
| PT. INDONESIA HWALIN   | USD                              | 47,886                          | 15,731<br>(USD : IDR) | 1,471                  |
|                        | <u>Non currency items</u>        |                                 |                       |                        |
| Li Peng Enterprise     | Derivative financial instruments |                                 |                       |                        |
|                        | USD                              | 15,000,000<br>(contract amount) | 30.71<br>(USD : NTD)  | 529                    |

The consolidated company's unrealized foreign currency exchange loss in 2023 and 2022 were NT\$60,074 thousand and NT\$4,737 thousand, respectively. Due to the wide variety of currencies in foreign currency transactions, it is impossible to disclose the exchange gain and loss according to the foreign currencies that have major impacts.

### 33. Disclosed items in notes

#### a. Major transaction items and b. reinvestment business related information :

- (1) Loan to others. (Attached table 1)
- (2) Provision of endorsements and guarantees to others. (Attached table 2)
- (3) Holding marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint venture equity). (Attached table 3)
- (4) The cumulative amount of buying or selling the same securities reaches NT\$300 million or more than 20% of the paid-in capital. (None)
- (5) Acquired real estate with an amount of NT\$300 million or more than 20% of the paid-in capital. (None)
- (6) Disposal of real estate with an amount of NT\$300 million or more than 20% of the paid-in capital. (None)
- (7) The amount of purchase and sale of goods with related parties reaches NT\$100 million or more than 20% of the paid-in capital. (Attached table 4)
- (8) Accounts receivables from related parties amount to NT\$100 million or more than 20% of the paid-in capital. (Attached table 5)
- (9) Engage in derivatives trading. (Note 7 and Note 28)
- (10) Other: business relationships and important transactions and amounts between parent and subsidiary companies and between subsidiaries. (Attached table 6)
- (11) Invested company's information. (Attached table 7)

c. Information on investments in China :

- (1) The name of the mainland investee company, main business items, paid-in capital, investment methods, capital remittances and exits, shareholding ratio, investment gains and losses, investment book amount at the end of the period, repatriated investment gains and losses, and limits for investments to mainland China. (Attached table 8)
- (2) The following major transactions, prices, payment terms, and unrealized gains and losses occurred directly or indirectly with the investee company in mainland China via the third region: (Attached table 9)
  - (a) The amount and percentage of purchases and the ending balance and percentage of related accounts payable.
  - (b) The amount and percentage of sales and the ending balance and percentage of related accounts receivable.
  - (c) The amount of property transactions and the profits and losses generated.
  - (d) The ending balance of the bill endorsement guaranteed or collateral provided and its purpose.
  - (e) The maximum balance, ending balance, interest rate range and total interest of the current period of the financial intermediation.
  - (f) Other transactions that have a significant impact on the current profit and loss or financial status, such as the provision or receipt of labor services.

d. Information on major shareholders: the name, amount and proportion of shareholders with a shareholding ratio of 5% and more. (Attached table 10)

34. Segment information

The information provided to chief operating decision-makers for allocating resources and evaluating departmental performance, focusing on the types of products or services delivered or provided. The reporting departments of the consolidated company are as follows:

Nylon department-mainly for the manufacture and sale of nylon CHIP and nylon yarn.

Weaving department-mainly for the manufacture and sale of plain woven fabrics and knitted fabrics

Trade department-mainly a sales base for various textile products and bulk raw materials

Yarn dyeing and other departments-mainly for the manufacturing and sales of dyed yarn

a. Departmental income and operational results

|                                                | 2023                |                    |                   |                                   |                     |                          |                     |
|------------------------------------------------|---------------------|--------------------|-------------------|-----------------------------------|---------------------|--------------------------|---------------------|
|                                                | Nylon department    | Weaving department | Trade department  | Yarn dyeing and other departments | Total               | Adjustment and write-off | Total               |
| Operating income (including allocation income) | \$ 6,081,451        | \$ 3,559,053       | \$ 20,916,894     | \$ 432,202                        | \$ 30,989,600       | (\$ 1,319,863)           | \$ 29,669,737       |
| Operating cost (including transfer cost)       | ( 6,706,825)        | ( 3,173,022)       | ( 20,522,483)     | ( 362,861)                        | ( 30,765,191)       | 1,326,212                | ( 29,438,979)       |
| Operating margin (loss)                        | ( 625,374)          | 386,031            | 394,411           | 69,341                            | 224,409             | 6,349                    | 230,758             |
| Operating expense                              | ( 194,600)          | ( 328,991)         | ( 291,109)        | ( 19,340)                         | ( 834,040)          | 4,501                    | ( 829,539)          |
| Operating profit (loss)                        | <u>(\$ 819,974)</u> | <u>\$ 57,040</u>   | <u>\$ 103,302</u> | <u>\$ 50,001</u>                  | <u>(\$ 609,631)</u> | <u>\$ 10,850</u>         | <u>( 598,781)</u>   |
| Non-operating income and expenses              |                     |                    |                   |                                   |                     |                          | 96,961              |
| Net loss before tax                            |                     |                    |                   |                                   |                     |                          | <u>(\$ 501,820)</u> |

  

|                                                | 2022                |                    |                  |                                   |                     |                          |                    |
|------------------------------------------------|---------------------|--------------------|------------------|-----------------------------------|---------------------|--------------------------|--------------------|
|                                                | Nylon department    | Weaving department | Trade department | Yarn dyeing and other departments | Total               | Adjustment and write-off | Total              |
| Operating income (including allocation income) | \$ 7,839,474        | \$ 4,087,388       | \$ 18,342,450    | \$ 256,025                        | \$ 30,525,337       | (\$ 2,023,944)           | \$ 28,501,393      |
| Operating cost (including transfer cost)       | ( 8,154,531)        | ( 3,532,103)       | ( 18,097,965)    | ( 228,754)                        | ( 30,013,353)       | 2,018,724                | ( 27,994,629)      |
| Operating margin (loss)                        | ( 315,057)          | 555,285            | 244,485          | 27,271                            | 511,984             | ( 5,220)                 | 506,764            |
| Operating expense                              | ( 302,088)          | ( 335,180)         | ( 178,775)       | ( 27,914)                         | ( 843,957)          | 1,967                    | ( 841,990)         |
| Operating profit (loss)                        | <u>(\$ 617,145)</u> | <u>\$ 220,105</u>  | <u>\$ 65,710</u> | <u>(\$ 643)</u>                   | <u>(\$ 331,973)</u> | <u>(\$ 3,253)</u>        | <u>( 335,226)</u>  |
| Non-operating income and expenses              |                     |                    |                  |                                   |                     |                          | 300,712            |
| Net loss before tax                            |                     |                    |                  |                                   |                     |                          | <u>(\$ 34,514)</u> |

Departmental profit refer to the profits earned by each segment, excluding the share of profits and losses of associated companies that adopt the equity method, disposition of associated companies, rental income, interest income, disposition of property, plant and equipment gains and losses, disposition of investment gains and losses, foreign currency exchange net gains (losses), financial instrument evaluation gains and losses, financial costs and income tax expenses. This measurement amount is provided to the chief operating decision maker to allocate resources to the segment and measure its performance.

b. Segment assets

|                                     | Dec 31, 2023        |                     |                     |                                   |                      |                          |                      |
|-------------------------------------|---------------------|---------------------|---------------------|-----------------------------------|----------------------|--------------------------|----------------------|
|                                     | Nylon department    | Weaving department  | Trade department    | Yarn dyeing and other departments | Total                | Adjustment and write-off | Total                |
| Cash and cash equivalent            | \$ 100              | \$ 125,001          | \$ 123,285          | \$ 1,854,445                      | \$ 2,102,831         | \$ -                     | \$ 2,102,831         |
| Financial assets measured at FVTPL  | -                   | -                   | 58,873              | 161,377                           | 220,250              | -                        | 220,250              |
| Notes and accounts receivable       | 650,074             | 313,461             | 1,782,124           | 7,167                             | 2,752,826            | ( 107,255)               | 2,645,571            |
| Loan to related parties receivable  | -                   | -                   | -                   | 1,475,731                         | 1,475,731            | ( 697,586)               | 778,145              |
| Inventory                           | 1,134,791           | 1,023,028           | 305,537             | 52,527                            | 2,515,883            | ( 3,119)                 | 2,512,764            |
| Other current assets                | 40,389              | 26,751              | 1,794,019           | 98,862                            | 1,960,021            | ( 1,453,162)             | 506,859              |
| Total current assets                | <u>1,825,354</u>    | <u>1,488,241</u>    | <u>4,063,838</u>    | <u>3,650,109</u>                  | <u>11,027,542</u>    | <u>( 2,261,122)</u>      | <u>8,766,420</u>     |
| Financial assets measured at FVTPL  | -                   | -                   | -                   | 6,333                             | 6,333                | -                        | 6,333                |
| Financial assets measured at FVTOCI | -                   | -                   | -                   | 2,586,271                         | 2,586,271            | ( 531,541)               | 2,054,730            |
| Investments using equity method     | -                   | -                   | -                   | 4,209,122                         | 4,209,122            | ( 1,548,234)             | 2,660,888            |
| Property, plant and equipment       | 2,860,746           | 1,816,945           | -                   | 433,713                           | 5,111,404            | ( 39,235)                | 5,072,169            |
| Right-of-use asset                  | 188                 | 24,053              | -                   | 265                               | 24,506               | -                        | 24,506               |
| Other intangible asset              | 1,030               | 2,311               | -                   | 1,577                             | 4,918                | -                        | 4,918                |
| Other non-current asset             | 967                 | 2,823               | 1,693               | 444,385                           | 449,868              | 1,860                    | 451,728              |
| Total assets                        | <u>\$ 4,688,285</u> | <u>\$ 3,334,373</u> | <u>\$ 4,065,531</u> | <u>\$ 11,322,715</u>              | <u>\$ 23,419,964</u> | <u>(\$ 4,378,272)</u>    | <u>\$ 19,041,692</u> |

|                                     | Dec 31, 2022        |                     |                     |                                   |                      |                          |                      |
|-------------------------------------|---------------------|---------------------|---------------------|-----------------------------------|----------------------|--------------------------|----------------------|
|                                     | Nylon department    | Weaving department  | Trade department    | Yarn dyeing and other departments | Total                | Adjustment and write-off | Total                |
| Cash and cash equivalent            | \$ 100              | \$ 108,878          | \$ 258,318          | \$ 1,993,055                      | \$ 2,360,351         | \$ -                     | \$ 2,360,351         |
| Financial assets measured at FVTPL  | -                   | -                   | 97,977              | 134,038                           | 232,015              | -                        | 232,015              |
| Notes and accounts receivable       | 578,511             | 415,935             | 1,558,002           | 7,758                             | 2,560,206            | ( 29,018 )               | 2,531,188            |
| Loan to related parties receivable  | -                   | -                   | -                   | 821,875                           | 821,875              | ( 500,165 )              | 321,710              |
| Inventory                           | 1,712,407           | 1,236,217           | 287,055             | 19,047                            | 3,254,726            | ( 5,901 )                | 3,248,825            |
| Other current assets                | <u>168,472</u>      | <u>21,100</u>       | <u>1,560,758</u>    | <u>59,557</u>                     | <u>1,809,887</u>     | <u>( 1,375,536 )</u>     | <u>434,351</u>       |
| Total current assets                | <u>2,459,490</u>    | <u>1,782,130</u>    | <u>3,762,110</u>    | <u>3,035,330</u>                  | <u>11,039,060</u>    | <u>( 1,910,620 )</u>     | <u>9,128,440</u>     |
| Financial assets measured at FVTPL  | -                   | -                   | -                   | 6,333                             | 6,333                | -                        | 6,333                |
| Financial assets measured at FVTOCI | -                   | -                   | -                   | 2,452,363                         | 2,452,363            | ( 514,113 )              | 1,938,250            |
| Investments using equity method     | -                   | -                   | -                   | 4,215,958                         | 4,215,958            | ( 1,575,913 )            | 2,640,045            |
| Property, plant and equipment       | 3,234,626           | 1,952,444           | -                   | 431,412                           | 5,618,482            | ( 42,802 )               | 5,575,680            |
| Right-of-use asset                  | 366                 | 26,521              | -                   | 238                               | 27,125               | -                        | 27,125               |
| Other intangible asset              | 1,452               | 2,415               | -                   | 2,373                             | 6,240                | -                        | 6,240                |
| Other non-current asset             | <u>438</u>          | <u>3,522</u>        | <u>7,803</u>        | <u>359,529</u>                    | <u>371,292</u>       | <u>6,713</u>             | <u>378,005</u>       |
| Total assets                        | <u>\$ 5,696,372</u> | <u>\$ 3,767,032</u> | <u>\$ 3,769,913</u> | <u>\$ 10,503,536</u>              | <u>\$ 23,736,853</u> | <u>( \$ 4,036,735 )</u>  | <u>\$ 19,700,118</u> |

c. Segment liabilities

Since the measurement of the liabilities of the consolidated company's department is not provided to the operating decision makers, there is no need to disclose the measurement of the liabilities.

d. Main products and service income

The main product and service income analysis of the continuing business unit of the consolidated company is as follows :

|                        | 2023                 | 2022                 |
|------------------------|----------------------|----------------------|
| Nylon chips            | \$ 3,867,216         | \$ 4,425,341         |
| Petrochemicals         | 20,439,583           | 17,719,678           |
| Nylon yarn             | 1,065,212            | 1,712,388            |
| Woven (Knitted) fabric | 3,060,618            | 3,465,030            |
| Others                 | <u>1,237,108</u>     | <u>1,178,956</u>     |
|                        | <u>\$ 29,669,737</u> | <u>\$ 28,501,393</u> |

e. Region-specific information

The consolidated company's main operation is based in Asia.

The information of the consolidated company's continuing business income from external customers based on operating location and non-current assets based on asset location is listed below :

|         | Income from external customers |                      | Non-current assets  |                     |
|---------|--------------------------------|----------------------|---------------------|---------------------|
|         | 2023                           | 2022                 | Dec 31, 2023        | Dec 31, 2022        |
| ASIA    | \$ 22,560,857                  | \$ 24,652,437        | \$ 5,102,659        | \$ 5,609,814        |
| AMERICA | 5,825,992                      | 2,838,986            | -                   | -                   |
| OTHER   | <u>1,282,888</u>               | <u>1,009,970</u>     | -                   | -                   |
|         | <u>\$ 29,669,737</u>           | <u>\$ 28,501,393</u> | <u>\$ 5,102,659</u> | <u>\$ 5,609,814</u> |

Non-current assets exclude assets classified as financial instruments and deferred income tax assets.

f. Information of main customers

The details of the customers who accounted for more than 10% of the operating income of the consolidated company's income statement of 2022 are as follows :

|                              | 2023                 |
|------------------------------|----------------------|
| TOTAL                        | <u>\$ 8,416,222</u>  |
| China American Petrochemical | <u>3,194,217</u>     |
|                              | <u>\$ 11,610,439</u> |
|                              |                      |
|                              | 2022                 |
| TOTAL                        | <u>\$ 5,917,490</u>  |
| Oriental Petrochemical       | <u>3,036,031</u>     |
|                              | <u>\$ 8,953,521</u>  |

Li Peng Enterprise Co. Ltd and Subsidiaries  
Financings Provided  
Jan 1 to Dec 31, 2023

Attached Table 1

Unit : In Thousands of New Taiwan Dollars, Unless Specified Otherwise

| No.<br>(Note 1) | Financing Company               | Loan and loanee                            | Financial<br>Statement<br>Account<br>(Note 2) | Related<br>party | Maximum<br>balance for the<br>period<br>(Note 3) | Ending balance<br>(Note 8) | Amount<br>actually drawn | Interest rate<br>% | Nature for<br>financing<br>(Note 4) | Transaction<br>amounts<br>(Note 5) | Reason for<br>short-term<br>financing<br>(Note 6) | Allowance for<br>bad debt | Collateral |       | Financing<br>Limits<br>for Each<br>Borrowing<br>Company<br>(Note 7) | Financing<br>Company's<br>Total<br>Financing<br>Amount<br>Limits<br>(Note 7) |
|-----------------|---------------------------------|--------------------------------------------|-----------------------------------------------|------------------|--------------------------------------------------|----------------------------|--------------------------|--------------------|-------------------------------------|------------------------------------|---------------------------------------------------|---------------------------|------------|-------|---------------------------------------------------------------------|------------------------------------------------------------------------------|
|                 |                                 |                                            |                                               |                  |                                                  |                            |                          |                    |                                     |                                    |                                                   |                           | Item       | Value |                                                                     |                                                                              |
| 0               | Li Peng Enterprise Co., Ltd.    | Eton Petrochemical Co., Ltd.               | Loan to related parties                       | Yes              | \$ 900,000                                       | \$ 900,000                 | \$ 531,586               | 1.48725~3.10000    | 2                                   | \$ -                               | Operating capital                                 | \$ -                      | -          | \$ -  | \$ 903,394                                                          | \$ 3,613,574                                                                 |
|                 |                                 | Eton Petrochemical International Co., Ltd. | //                                            | Yes              | 750,000                                          | 450,000                    | -                        | 1.48725~3.10000    | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 903,394                                                             | 3,613,574                                                                    |
|                 |                                 | PT INDONESIA LIBOLON FIBER SYSTEM          | //                                            | Yes              | 900,000                                          | 400,000                    | 372,145                  | 1.42779~3.10000    | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 903,394                                                             | 3,613,574                                                                    |
|                 |                                 | Li Ling Film Co., Ltd.                     | //                                            | Yes              | 300,000                                          | 300,000                    | 45,000                   | 2.26822~2.36682    | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 903,394                                                             | 3,613,574                                                                    |
| 1               | Li Mao Investment Co., Ltd.     | Li Peng Enterprise Co., Ltd.               | //                                            | Yes              | 80,000                                           | 80,000                     | 60,000                   | 1.064231~1.824705  | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 94,263                                                              | 377,050                                                                      |
|                 |                                 | Lealea Enterprise Co., Ltd.                | //                                            | Yes              | 80,000                                           | 80,000                     | 26,000                   | 1.673686~1.824705  | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 94,263                                                              | 377,050                                                                      |
|                 |                                 | Li Ling Film Co., Ltd.                     | //                                            | Yes              | 80,000                                           | 80,000                     | 80,000                   | 1.750940~2.386980  | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 94,263                                                              | 377,050                                                                      |
| 2               | Li Shing Investment Co., Ltd.   | Li Peng Enterprise Co., Ltd.               | //                                            | Yes              | 75,000                                           | 75,000                     | 75,000                   | 1.064231~1.824705  | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 85,020                                                              | 340,078                                                                      |
|                 |                                 | Lealea Enterprise Co., Ltd.                | //                                            | Yes              | 75,000                                           | 75,000                     | 75,000                   | 1.673686~1.824705  | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 85,020                                                              | 340,078                                                                      |
|                 |                                 | Li Ling Film Co., Ltd.                     | //                                            | Yes              | 75,000                                           | 60,000                     | 60,000                   | 1.771980~2.386980  | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 85,020                                                              | 340,078                                                                      |
| 3               | Hung Hsing Investment Co., Ltd. | Li Peng Enterprise Co., Ltd.               | //                                            | Yes              | 60,000                                           | 60,000                     | 31,000                   | 1.064231~1.824705  | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 71,015                                                              | 284,062                                                                      |
|                 |                                 | Lealea Enterprise Co., Ltd.                | //                                            | Yes              | 60,000                                           | 60,000                     | 60,000                   | 1.673686~1.824705  | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 71,015                                                              | 284,062                                                                      |
|                 |                                 | Li Ling Film Co., Ltd.                     | //                                            | Yes              | 60,000                                           | 60,000                     | 60,000                   | 1.745740~2.386980  | 2                                   | -                                  | Operating capital                                 | -                         | -          | -     | 71,015                                                              | 284,062                                                                      |

Note 1: The description of number column is as follows: (1) The issuer is coded "0". (2) The investee company is numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The accounts receivable from associates, accounts receivable from related parties, shareholder transactions, prepayments, temporary payments, etc. that are classified as nature for financing must be filled in this field.

Note 3: "Maximum balance for the period" refers to the highest balance of lending amount to others in the current year.

Note 4: "Nature for financing" should be listed as (1) companies or firms having business relationship with the Company, or (2) ones requiring short-term financing.

Note 5: As the nature of financing is companies or firms having business relationship with the Company, the business transaction amount should be filled in. The transaction amount refers to the previous year's transaction amount between the lending company and the lender.

Note 6: As the nature of financing is companies or firms requiring short-term financing, the reasons of financing and the usage of funds, such as repayment of loans, purchase of equipment, working capital turnover, etc., should be specified.

Note 7 : Loan and limit for individual objects: 10% of the shareholders' equity of Li Peng Company, Li Mao Company, Li Shing Company and Hung Hsing Company; loan and total amount: Li Peng Company, Li Mao Company, Li Shing Company and 40% of the shareholders' equity of Hung Hsing Company. Li Peng Company, Li Mao Company, Li Shing Company and Hung Hsing Company did not exceed the limit when the original funds were used for the loan.

Note 8: Should a public company comply with the Article 14-1 of "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" to submit financing reports to the Board of Directors for approval one by one, even though the financing funds have not yet been allocated, the financing amount approved by the Board of Directors should still be included in the balance announcement for exposing risks. When the funds are subsequently repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. In accordance with the Article 14-2 of the Regulations, a public company may authorize the chairman of the Board of Directors to approve financing funds in a certain amount and allocated it in installments or revolving within a one-year period, but the financing funds approved by the Board of Directors should still be used as the declared balance. Although the funds will be repaid thereafter, in consideration that the loan may be allocated again, the financing funds approved by the Board of Directors should be used as the announced balance.

Li Peng Enterprise Co. Ltd. and Subsidiaries  
Provision of endorsements and guarantees to others  
Jan 1 to Dec 31, 2023

Attached Table 2

Unit : In Thousands of New Taiwan Dollars, Unless Specified Otherwise

| No.<br>(Note 1) | Endorser/ guarantor          | Party being endorsed/guaranteed            |                                                    | Limit on endorsements/ guarantees provided for a single party (Note 3) | Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4) | Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5) | Actual amount drawn down (Note 6) | Amount of endorsements/ guarantees secured with collateral | Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%) | Ceiling on total amount of endorsements/ guarantees provided (Note 3) | Provision of endorsements/ guarantees by parent company to subsidiary (Note 7) | Provision of endorsements / guarantees by subsidiary to parent company (Note 7) | Provision of endorsements/ guarantees to the party in Mainland China (Note 7) | Note |
|-----------------|------------------------------|--------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------|
|                 |                              | Company Name                               | Relationship with the endorser/ guarantor (Note 2) |                                                                        |                                                                                    |                                                                         |                                   |                                                            |                                                                                                              |                                                                       |                                                                                |                                                                                 |                                                                               |      |
| 0               | Li Peng Enterprise Co., Ltd. | Eton Petrochemical Co., Ltd.               | 2                                                  | \$1,806,787                                                            | \$1,656,515                                                                        | \$1,627,365                                                             | \$ 738,229                        | \$ -                                                       | 18.01                                                                                                        | \$3,613,574                                                           | Y                                                                              | N                                                                               | N                                                                             |      |
|                 | Li Peng Enterprise Co., Ltd. | Eton Petrochemical International Co., Ltd. | 2                                                  | 1,806,787                                                              | 951,855                                                                            | 951,855                                                                 | -                                 | -                                                          | 10.54                                                                                                        | 3,613,574                                                             | Y                                                                              | N                                                                               | N                                                                             |      |

Note 1: The numbers filled in for the endorsements/guarantees provided by the group or subsidiaries are as follows:

1. The Company is "0".
2. The subsidiaries are numbered in order starting from "1".

Note 2: The following code represents the relationship with the company:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Limit on endorsements/ guarantees provided for a single party is 20% of the Li Peng company's shareholders' equity; Ceiling on total amount of endorsements/ guarantees provided is 40% of the Li Peng company's shareholders' equity.

Note 4: Maximum outstanding endorsement/ guarantee amount in the current year.

Note 5: The amount agreed in the board resolution shall be listed. But based on the subparagraph 8, article 12 of Guideline for Capital Loan and Endorsement of the Public Companies, the board of members will authorize the chairman of the board for execution, the amount refers to the amount carried out by the Chairman of the Board.

Note 6: The actual used amount within the endorsed guaranteed balance range used by the endorsed company shall be listed.

Note 7: The listed parent company endorsement of the subsidiary company, the subsidiary company endorsement of the listed parent company or the endorsement from the Mainland China area shall list as Y category.

Note 8: The company provided a joint guarantee for Eton Petrochemical Co., Ltd. and Eton Petrochemical International Co., Ltd. to obtain a bank loan line of USD\$43 million. The separate presentation in the above table resulted in double calculation of the closing balance. In essence, it was a joint guarantee for obtaining a single credit line endorsement guaranteed.

Li Peng Enterprise Co. Ltd. and Subsidiaries  
Holding securities at the end of the period  
For the Year Ended Dec 31, 2023

Attached Table 3

Unit : NTD thousand

| Held Company Name           | Marketable securities type and name ( Note 1 ) | Relationship with the company ( Note 2 )                                                                  | Financial statement account                                  | End of the period |                           |                |            | Note ( Note 4 ) |
|-----------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------|---------------------------|----------------|------------|-----------------|
|                             |                                                |                                                                                                           |                                                              | Shares ( Units )  | Carrying value ( Note 3 ) | % of ownership | Fair value |                 |
| Li Peng Enterprise Co. Ltd. | Share                                          |                                                                                                           |                                                              |                   |                           |                |            |                 |
|                             | Trade-Van Information Services Co., Ltd.       | None                                                                                                      | Financial assets mandatorily measured at FVTPL – current     | 427,675           | \$ 28,612                 | 0.29           | \$ 28,612  |                 |
|                             | Far EasTone Telecommunications Co., Ltd.       | "                                                                                                         | "                                                            | 306,219           | 24,436                    | 0.01           | 24,436     |                 |
|                             | Information Technology Total Services Co. Ltd. | "                                                                                                         | "                                                            | 33,750            | 1,672                     | 0.12           | 1,672      |                 |
|                             | Lealea Enterprise Co., Ltd.                    | The chairman is same as the company, and the company holds 16.17% of the shares and is the legal director | Financial assets measured at FVTOCI – non-current            | 75,221,924        | 778,547                   | 7.56           | 778,547    |                 |
|                             | Taiwan Filament Weaving Development Co., Ltd.  | None                                                                                                      | Financial assets mandatorily measured at FVTPL – non-current | 3,302,964         | 5,686                     | 5.76           | -          |                 |
|                             | Huazhi Venture Capital Co., Ltd.               | "                                                                                                         | "                                                            | 21,739            | 217                       | 4.35           | -          |                 |
|                             | TECHGAINS PAN-PACIFIC Corp.                    | "                                                                                                         | "                                                            | 150,000           | 430                       | 0.26           | -          |                 |
|                             | Book4u Co., Ltd.                               | "                                                                                                         | "                                                            | 6,250             | -                         | 0.12           | -          |                 |
| Li Mao Investment Co., Ltd. | Share                                          |                                                                                                           |                                                              |                   |                           |                |            |                 |
|                             | Lealea Enterprise Co., Ltd.                    | Shareholders who hold 46.62% of the equity                                                                | Financial assets measured at FVTOCI – non-current            | 47,519,618        | 491,828                   | 4.77           | 491,828    |                 |
|                             | Li Peng Enterprise Co. Ltd.                    | Company's parent company                                                                                  | "                                                            | 34,177,995        | 271,032                   | 3.76           | 271,032    |                 |

( continued in next page )

( continued from last page )

| Held Company Name                                 | Marketable securities type and name ( Note 1 ) | Relationship with the company ( Note 2 )                                                     | Financial statement account                            | End of the period |                           |                |            | Note ( Note 4 )                                                           |
|---------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------|---------------------------|----------------|------------|---------------------------------------------------------------------------|
|                                                   |                                                |                                                                                              |                                                        | Shares ( Units )  | Carrying value ( Note 3 ) | % of ownership | Fair value |                                                                           |
| Hung Hsing Investment Co., Ltd.                   | Share                                          |                                                                                              |                                                        |                   |                           |                |            |                                                                           |
|                                                   | Lealea Enterprise Co., Ltd.                    | Shareholders who hold 46.98% of the equity                                                   | Financial assets measured at FVTOCI—non-current        | 35,049,016        | \$ 362,757                | 3.52           | \$ 362,757 | Pledge 4,315,000shares as collateral for the issuance of short-term notes |
| Li Shing Investment Co., Ltd.                     | Share                                          |                                                                                              |                                                        |                   |                           |                |            |                                                                           |
|                                                   | Li Peng Enterprise Co. Ltd.                    | Company's parent company                                                                     | "                                                      | 24,618,087        | 195,221                   | 2.71           | 195,221    |                                                                           |
|                                                   | Lealea Enterprise Co., Ltd.                    | Shareholders who hold 47% of the equity                                                      | Financial assets measured at FVTOCI—non-current        | 40,734,087        | 421,598                   | 4.09           | 421,598    |                                                                           |
|                                                   | Li Peng Enterprise Co. Ltd.                    | Company's parent company                                                                     | "                                                      | 8,233,024         | 65,288                    | 0.90           | 65,288     |                                                                           |
|                                                   | RICH DEVELOPMENT CO., Ltd.                     | Li Shing's parent company, Li Peng, is an invested company evaluated using the equity method | Financial assets mandatorily measured at FVTPL—current | 6,218,000         | 60,501                    | 0.84           | 60,501     |                                                                           |
| Libolon Energy Co., Ltd.                          | Funds                                          |                                                                                              |                                                        |                   |                           |                |            |                                                                           |
|                                                   | Taishin 1699 Money Market Fund                 | None                                                                                         | "                                                      | 2,985,127.57      | 41,620                    | -              | 41,620     |                                                                           |
| Libolon (Shanghai) International Trading Co., Ltd | Funds                                          |                                                                                              |                                                        |                   |                           |                |            |                                                                           |
|                                                   | Taishin 1699 Money Market Fund                 | None                                                                                         | Financial assets mandatorily measured at FVTPL—current | 325,414.91        | 4,537                     | -              | 4,537      |                                                                           |
|                                                   | Financial products                             |                                                                                              |                                                        |                   |                           |                |            |                                                                           |
|                                                   | Tiantianli Puhui Plan                          | None                                                                                         | Financial assets mandatorily measured at FVTPL—current | -                 | 1,965                     | -              | 1,965      |                                                                           |
|                                                   | Structured deposits                            |                                                                                              |                                                        |                   |                           |                |            |                                                                           |
|                                                   | Yue hui ying                                   | "                                                                                            | "                                                      | -                 | 56,907                    | -              | 56,907     |                                                                           |

Note 1: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates, and securities derived from such items, that are within the scope of IFRS 9 "Financial Instruments".

Note 2: The securities issuer who is not classified as related party does not need to fill in the column.

Note 3: If measured by fair value, please fill in the "carrying value" column with the carrying balance that has adjusted the value in accordance with fair value evaluation and deducted allowance losses; if it is not measured by fair value, please fill in the "carrying value" column with the original acquisition cost or the carrying balance of the amortized cost after deducting the accumulated impairment.

Note 4: If the listed securities are restricted due to the provision of guarantees, pledged loans, or other agreed-upon, the note column should indicate the number of guarantees or pledged shares, the amount of guarantees or pledges, and restrictions on use.

Note 5: For information about the equity investments in subsidiaries, associates, and joint ventures, please refer to attached "Table 7~9".

Li Peng Enterprise Co. Ltd. and Subsidiaries

Total purchases from or sales to Related Parties of at least NT\$100 million or 20% of the paid-in capital

Jan 1 to Dec 31, 2023

Attached Table 4

Unit : NTD thousand

| Buyer (Seller)               | Related Party                                      | Relationship                                       | Transactions    |             |                             |                                         | Trading conditions and general trading circumstances and reasons (Note 1) |               | Notes and accounts receivable (payable) |                                                   | Note (Note 2) |
|------------------------------|----------------------------------------------------|----------------------------------------------------|-----------------|-------------|-----------------------------|-----------------------------------------|---------------------------------------------------------------------------|---------------|-----------------------------------------|---------------------------------------------------|---------------|
|                              |                                                    |                                                    | Purchase /Sales | Amount      | % of total Purchase (Sales) | Credit period                           | Unit Price                                                                | Credit period | Balance                                 | %of total notes and accounts receivable (payable) |               |
| Li Peng Enterprise Co., Ltd. | Lealea Enterprise Co., Ltd.                        | Chairman is same as the company                    | Purchase        | \$ 790,617  | 14                          | Notes receivable 30 days after shipment | NA                                                                        | NA            | Notes and accounts payable (\$ 139,872) | ( 23 )                                            | None          |
| "                            | "                                                  | "                                                  | Sales           | ( 366,823 ) | ( 4 )                       | "                                       | "                                                                         | "             | Notes and accounts receivable 66,420    | 7                                                 | "             |
| "                            | Li Ling Film Co., Ltd.                             | "                                                  | Sales           | ( 419,496 ) | ( 5 )                       | Notes receivable 60 days after shipment | "                                                                         | "             | Notes and accounts receivable 109,353   | 11                                                | "             |
| "                            | Libolon (Shanghai) International Trading Co., Ltd. | 100% of the company's indirect shares are investee | Sales           | ( 223,899 ) | ( 2 )                       | T/T 120 days after                      | "                                                                         | "             | Notes and accounts receivable 103,620   | 11                                                | "             |

Note 1: If the related party's trade terms are different from the general trade terms, the differences and reasons of abnormal transaction should be described in the "unit price" and "payment terms" columns.

Note 2: If there are unearned receipts, prepayment, the reason, contractual terms, amount, and differences with general transaction should be stated in the note column.

Note 3: The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's shares have no denomination or the denomination per share is not NT\$10, the transaction amount requirement of 20% of the paid-in capital shall be calculated based on the 10% equity attributable to the owner of the parent company on the balance sheet.

Li Peng Enterprise Co. Ltd. and Subsidiaries

Receivables from related parties amount to NT\$100 million or more than 20% of the paid-in capital

For the Year Ended Dec 31, 2023

Attached Table 5

Unit : NTD thousand

| Account receivable company  | Related Party                                     | Relationship                                                          | Ending balance of receivables from related parties (Note 1) | Turnover   | Overdue |                | Recovered amount of the receivables from related parties after the period | Provision for allowance of bad debt |
|-----------------------------|---------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------|------------|---------|----------------|---------------------------------------------------------------------------|-------------------------------------|
|                             |                                                   |                                                                       |                                                             |            | Amount  | Way Processing |                                                                           |                                     |
| Li Peng Enterprise Co., Ltd | Eton Petrochemical Co., Ltd.                      | A related party in which the company directly holds 75% of its shares | Other receivables<br>\$ 1,450,813                           | NA         | \$ -    | -              | \$ 1,433,901                                                              | \$ -                                |
| "                           | Libolon (Shanghai) International Trading Co.,Ltd. | 100% of the company's indirect shares are investee                    | Accounts receivable<br>103,620                              | 3.45 times | -       | -              | 82,383                                                                    | -                                   |
| "                           | Li Ling Film Co., Ltd.                            | Chairman is same as the company                                       | Notes and accounts receivable<br>109,353                    | 3.69 times | -       | -              | 32,989                                                                    | -                                   |

Note 1: Please fill in the blank according to account receivables from related parties, receivable notes, other receivables, etc.

Note 2: Paid-in capital refers to the paid-in capital of the parent company. Where the issuer's shares have no par value or the par value per share is not NT \$10, the transaction amount of 20% of the paid in capital shall be calculated by 10% of the equity attributable to the owner of the parent company in the balance sheet.

Li Peng Enterprise Co. Ltd. and Subsidiaries  
Intercompany relationships and significant intercompany transactions  
Jan 1 to Dec 31, 2023

Attached Table 6

Unit : NTD thousand

| No.<br>( Note 1 ) | Company name                 | Counter party                                            | Relationship<br>( Note 2 ) | Intercompany transactions |            |                                                                                |                                                                     |
|-------------------|------------------------------|----------------------------------------------------------|----------------------------|---------------------------|------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------|
|                   |                              |                                                          |                            | Financial statements item | Amount     | Terms                                                                          | %of<br>Consolidated Net<br>Revenue<br>or Total Assets<br>( Note 3 ) |
| 0                 | Li Peng Enterprise Co., Ltd. | Libolon (Shanghai)<br>International Trading Co.,<br>Ltd. | (4)                        | Accounts receivable       | \$ 103,620 | no major differences<br>between trading<br>conditions and general<br>customers | 1                                                                   |
| 0                 | "                            | "                                                        | "                          | Sales revenue             | 223,899    | "                                                                              | 1                                                                   |
| 0                 | "                            | "                                                        | "                          | Other receivables         | 34         | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Accounts payables         | 3,092      | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Purchase                  | 65,808     | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Other income              | 4,342      | "                                                                              | -                                                                   |
| 0                 | "                            | Li Shing Investment Co., Ltd.                            | (1)                        | Loan from related parties | 75,000     | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Interest expense          | 1,155      | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Interest payable          | 108        | "                                                                              | -                                                                   |
| 0                 | "                            | Hung Hsing Investment Co.,<br>Ltd.                       | (1)                        | Loan from related parties | 31,000     | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Interest expense          | 469        | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Interest payable          | 45         | "                                                                              | -                                                                   |
| 0                 | "                            | Li Mao Investment Co., Ltd.                              | (1)                        | Loan from related parties | 60,000     | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Interest expense          | 860        | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Interest payable          | 87         | "                                                                              | -                                                                   |
| 0                 | "                            | Eton Petrochemical Co., Ltd.                             | (1)                        | Service income            | 7,605      | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Rental income             | 8          | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Accounts receivable       | 849        | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Other receivables         | 1,450,813  | "                                                                              | 7                                                                   |
| 0                 | "                            | "                                                        | "                          | Loan to related parties   | 531,586    | "                                                                              | 3                                                                   |
| 0                 | "                            | "                                                        | "                          | Interest receivable       | 1,860      | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Interest income           | 12,184     | "                                                                              | -                                                                   |
| 0                 | "                            | PT. LNDONESIA HWALIN                                     | (1)                        | Other receivables         | 114        | "                                                                              | -                                                                   |
| 0                 | "                            | Eton Petrochemical<br>International Co., Ltd.            | (4)                        | Interest income           | 4,368      | "                                                                              | -                                                                   |
| 0                 | "                            | "                                                        | "                          | Interest receivable       | 103        | "                                                                              | -                                                                   |

( continued in next page )

( continued from last page )

| No.<br>( Note 1 ) | Company name                                          | Counter party                                 | Relationship<br>( Note 2 ) | Intercompany transactions |          |                                                                                     |                                                                     |
|-------------------|-------------------------------------------------------|-----------------------------------------------|----------------------------|---------------------------|----------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------|
|                   |                                                       |                                               |                            | Financial statements item | Amount   | Terms                                                                               | %of<br>Consolidated Net<br>Revenue<br>or Total Assets<br>( Note 3 ) |
| 1                 | Eton Petrochemical Co., Ltd.                          | Eton Petrochemical<br>International Co., Ltd. | (3)                        | Service cost              | \$ 3,419 | no major differences<br>between trading<br>conditions and general<br>customers<br>" | -                                                                   |
| 2                 | Libolon (Shanghai)<br>International Trading Co., Ltd. | PT. LNDONESIA<br>HWALIN                       | (3)                        | Sales revenue             | 1,298    |                                                                                     | -                                                                   |

Note 1: The business operations information between parent company and subsidiaries shall be indicated in column number, number filled in as follows:

(1) The Parent company is coded "0".

(2) The subsidiaries are numbered sequentially starting from Arabic numeral "1" according to company type.

Note 2: The relationships are categorized into the following three types. Please specify the type. The same transaction between parent and subsidiary or between subsidiaries shall not be disclosed repetitively. For example, for transactions between the Parent company and its subsidiaries, if the parent company discloses the information, the subsidiaries are exempted from doing so. The same applies to transactions between subsidiaries where only one subsidiary needs to disclose the same transaction.

(1) The parent company to subsidiary.

(2) Subsidiary to the parent company.

(3) Subsidiaries to subsidiaries.

(4) Parent to sub-subsidiary.

Note 3: Regarding the percentage of transaction amount to consolidated net revenue or total assets, if it is an asset-liability item, it is computed based on the ending balance to consolidated total assets; if it is a profit and loss item, it is computed based on interim accumulated amount to consolidated total revenue.

Note 4: Whether to describe the important transactions in this table is determined by the company based on the principle of materiality.

Li Peng Enterprise Co. Ltd. and Subsidiaries

Names, Locations, and related Information of investees over which the company exercises significant influence

Jan 1 to Dec 31, 2023

Attached Table 7

Unit : NTD thousand

| Investor Company                | Related party<br>( Note 1 、 2 )                    | Location                                                                                 | Main business and products                                                                                                                                      | Original investment amount |                  | Balance at the end of period |                            |                    | Net Income<br>(Losses) of the<br>Investee<br>( Note 4(2) ) | Share of<br>Profits/Losses<br>of Investee<br>( Note 4(3) ) | Note |
|---------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------|------------------------------|----------------------------|--------------------|------------------------------------------------------------|------------------------------------------------------------|------|
|                                 |                                                    |                                                                                          |                                                                                                                                                                 | End of period              | End of last year | Shares                       | Percentage of<br>Ownership | Carrying<br>amount |                                                            |                                                            |      |
| Li Peng Enterprise Co., Ltd.    | In Talent Investments Limited                      | Samoa                                                                                    | Reinvestment related business                                                                                                                                   | \$ 65,893                  | \$ 65,893        | 2,000,000                    | 100.00                     | \$ 260,881         | \$ 10,107                                                  | \$ 12,889                                                  |      |
|                                 | Li Mao Investment Co., Ltd.                        | 11th Floor, No.162 Songjiang Road, Taipei City                                           | Reinvestment in various production businesses, securities investment, banks                                                                                     | 415,715                    | 415,715          | 40,356,000                   | 53.38                      | 358,502            | 1,160                                                      | 619                                                        |      |
|                                 | Hung Hsing Investment Co., Ltd.                    | "                                                                                        | "                                                                                                                                                               | 401,449                    | 401,449          | 26,296,000                   | 53.02                      | 273,008            | ( 2,111 )                                                  | ( 1,119 )                                                  |      |
|                                 | Li Shing Investment Co., Ltd.                      | "                                                                                        | "                                                                                                                                                               | 415,280                    | 415,280          | 42,400,000                   | 53.00                      | 416,005            | 8,717                                                      | 4,620                                                      |      |
|                                 | Li Hao Investment Co., Ltd.                        | "                                                                                        | "                                                                                                                                                               | 363,629                    | 363,629          | 35,244,000                   | 46.62                      | 363,207            | ( 5,296 )                                                  | ( 2,469 )                                                  |      |
|                                 | Li Zan Investment Co., Ltd.                        | "                                                                                        | "                                                                                                                                                               | 329,212                    | 329,212          | 21,540,000                   | 46.83                      | 211,267            | ( 7,454 )                                                  | ( 3,491 )                                                  |      |
|                                 | Lealea Technology Co., Ltd.                        | "                                                                                        | Technology software services                                                                                                                                    | 40,408                     | 40,408           | 9,797,555                    | 18.20                      | 160,742            | 170,317                                                    | 31,484                                                     |      |
|                                 | Li Ling Film Co., Ltd.                             | "                                                                                        | Nylon film production                                                                                                                                           | 20,000                     | 20,000           | 2,000,000                    | 3.33                       | -                  | ( 211,572 )                                                | ( 6,995 )                                                  |      |
|                                 | Rich Development Co., Ltd.                         | 8th Floor, No. 99, Jilin Road, Taipei City                                               | Entrusted builders to build commercial buildings and lease and sell residential buildings                                                                       | 492,829                    | 492,829          | 51,117,852                   | 6.87                       | 943,064            | 240,599                                                    | 16,531                                                     |      |
|                                 | Fu Li Transport Co., Ltd.                          | No. 122, Zili Second Street, Wuqi District, Taichung City                                | Automobile container freight industry, warehousing industry, automobile and parts manufacturing industry                                                        | 28,000                     | 28,000           | 2,800,000                    | 20.00                      | 36,036             | 128                                                        | 25                                                         |      |
|                                 | Lea Jie Energy Co., Ltd.                           | 4th Floor, No.162 Songjiang Road, Taipei City                                            | Coal retail and wholesale                                                                                                                                       | 90,000                     | 90,000           | 9,000,000                    | 30.00                      | 98,730             | 7,504                                                      | 2,239                                                      |      |
|                                 | Libolon Energy Co., Ltd.                           | No. 38, Gongye Road, Houliiao Village, Fangyuan Township, Changhua County                | Renewable energy, self- powered generation equipment and cogeneration industry                                                                                  | 21,000                     | 21,000           | 2,100,000                    | 70.00                      | 5,615              | ( 2,399 )                                                  | ( 1,679 )                                                  |      |
|                                 | PT. INDONESIA LIBOLON FIBER SYSTEM                 | Lantai 1 Jl. Cideng Barat No. 15, RT.011/RW.001 Kel. Duri Pulo, Kec, Gambir. DKZ Jakarta | Knitted fabric, fabric improvement                                                                                                                              | 937,995                    | 937,995          | 6,930,000                    | 30.00                      | 847,842            | ( 63,917 )                                                 | ( 23,222 )                                                 |      |
|                                 | PT. INDONESIA HWALIN KNITTING                      | Jl. Raya Ubrug RT 003 RW 001 Kembang Kuning Jatiluhur Kab. Purwakarta Jawa Barat         | Processing and manufacturing of telescopic nylon knitted fabrics, various man-made fiber fabrics, embryonic fabrics and other import and export trade business. | 203,427                    | 203,427          | 7,550,000                    | 82.07                      | 183,377            | ( 6,688 )                                                  | ( 10,320 )                                                 |      |
|                                 | Eton Petrochemical Co.,Ltd.                        | 4th Floor, No.162 Songjiang Road, Taipei City                                            | Chemical raw material wholesale                                                                                                                                 | 9,000                      | 9,000            | 900,000                      | 75.00                      | 45,249             | 37,945                                                     | 28,459                                                     |      |
| In Talent Investments Limited   | Libolon (Shanghai) International Trading Co., Ltd. | Room 532, 5th Floor, No. 88 Taigu Road, Waigaoqiao Free Trade Zone, Shanghai             | Weaving, dyeing, finishing, processing, manufacturing, and trading of man-made fibers                                                                           | 65,893                     | 65,893           | 2,000,000                    | 100.00                     | 263,961            | 10,106                                                     | -                                                          |      |
| Li Mao Investment Co., Ltd.     | Li Ling Film Co., Ltd.                             | 11th Floor, No.162 Songjiang Road, Taipei City                                           | Nylon film production                                                                                                                                           | 990                        | 990              | 33,000                       | 0.06                       | -                  | ( 211,572 )                                                | -                                                          |      |
| Li Shing Investment Co., Ltd.   | "                                                  | "                                                                                        | "                                                                                                                                                               | 60,000                     | 60,000           | 2,000,000                    | 3.33                       | -                  | ( 211,572 )                                                | -                                                          |      |
| Hung Hsing Investment Co., Ltd. | "                                                  | "                                                                                        | "                                                                                                                                                               | 35,115                     | 35,115           | 1,170,500                    | 1.95                       | -                  | ( 211,572 )                                                | -                                                          |      |
| Eton Petrochemical Co.,Ltd.     | Eton Petrochemical International Co., Ltd.         | Samoa                                                                                    | Chemical raw material wholesale                                                                                                                                 | 29                         | 29               | 1,000                        | 100.00                     | 5,597              | ( 389 )                                                    | -                                                          |      |

Note 1: If a public offering company has a foreign holding company and uses consolidated statements as the main financial statements in accordance with local laws and regulations, the disclosure of information about the foreign invested company may only disclose relevant information to the holding company.

Note 2: If it is not in the situation described in Note 1, fill as in accordance to the following regulations:

- (1) The columns of "name of investee company", "location", "main business item", "original investment amount" and "end-of-term shareholding" shall be based on the reinvestment status of the company (public offering) and each direct investment or fill in the reinvestment status of the invested company indirectly controlled in order, and indicate the relationship between each invested company and the (public offering) company (if it is a subsidiary or a granddaughter company) in the remarks column.
- (2) In column B of "Invested Company's Current Profit and Loss", the amount of current profit and loss of each invested company should be filled in.
- (3) Column B of "Investment Profits and Losses Recognized in the Current Period" only needs to fill in the amount of profit and loss of each subsidiary recognized by the (public offering) company for direct reinvestment and each invested company evaluated by the equity method, and the rest is exempt fill. When filling in the "recognition of the current profit and loss amount of each subsidiary for direct reinvestment", it should be confirmed that the current profit and loss amount of each subsidiary has included the investment profit and loss of its reinvestment that should be recognized in accordance with the regulations.

Note 3: Please refer to Attached Tables 8 and 9 for relevant information of China investee companies.

Li Peng Enterprise Co. Ltd. and Subsidiaries  
Information on investment in mainland China  
Jan 1 to Dec 31, 2023

Attached Table 8

Unit : NTD thousand, original currency in Yuan

| Related party in China                             | Main business                                                                         | Paid-in capital              | Investment method | Beginning of the period Cumulative investment amount remitted from Taiwan | Investment amount remitted or recovered in the current period |        | End of the period Remit from Taiwan accumulated investment amount | Invested company's current profit and loss | The company's direct or indirect investment % of shares held | Recognized in this period Investment profits and losses (Note 3(2)B) | Investment carrying amount at end of period | Investment income remitted back to Taiwan as of the current period |
|----------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------|-------------------|---------------------------------------------------------------------------|---------------------------------------------------------------|--------|-------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------|
|                                                    |                                                                                       |                              |                   |                                                                           | Outward                                                       | Inward |                                                                   |                                            |                                                              |                                                                      |                                             |                                                                    |
| Libolon (Shanghai) International Trading Co., Ltd. | Weaving, dyeing, finishing, processing, manufacturing, and trading of man-made fibers | \$ 65,893<br>(USD 2,000,000) | Note 2(2)         | \$ 65,893<br>( USD2,000,000 )                                             | \$ -                                                          | \$ -   | \$ 65,893<br>( USD2,000,000 )                                     | \$ 10,106                                  | 100                                                          | \$ 10,106                                                            | \$ 263,961                                  | \$ 64,103                                                          |

| Accumulated Outward Remittance for Investment<br>in Mainland China as of Dec 31, 2023 | Investment Amounts Authorized<br>by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated<br>by Investment Commission, MOEA |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------|
| USD 2,000,000<br>NTD 65,893                                                           | USD 2,000,000<br>NTD 65,893                                     | \$ 5,420,361                                                                         |

Note 1: 2023 annual average exchange rate RMB to NTD=1 : 4.3956

Note 2: The investment methods are divided into the following three types, just indicate the types:

- (1) Go directly to the mainland for investment.
- (2) Reinvest in mainland China through a third-region company (please specify the investment company in the third region).
- (3) Other methods.

Note 3: In the current period recognized investment profit and loss column:

- (1) If it is under preparation and there is no investment gain or loss, it should be indicated.
- (2) The investment profit and loss recognition basis are divided into the following three types, which should be specified.
  - A. The financial statements that have been verified by international accounting firms in partnership with the Republic of China Accounting Firm.
  - B. The financial statements of the visa are checked by the Taiwanese parent company's visa accountant.
  - C. Others.

Note 4: The relevant figures in this table should be presented in New Taiwan Dollars.

Li Peng Enterprise Co. Ltd. and Subsidiaries

The following major transactions with mainland investee companies directly or indirectly via a third region, their prices, payment terms, unrealized profits and losses, and other relevant information

Jan 1 to Dec 31, 2023

Attached Table 9

Unit : In Thousands of New Taiwan Dollars, Unless Specified Otherwise

| Related Party in mainland China                    | Transaction | Purchase, sales ( Note ) |       | Price                                                                                         | Terms                                                                                         |                         | Notes, accounts receivable (payable) |       | Unrealized profit (loss) | Note |
|----------------------------------------------------|-------------|--------------------------|-------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------|--------------------------------------|-------|--------------------------|------|
|                                                    |             | Amount                   | %     |                                                                                               | Payment terms                                                                                 | Compare to normal trade | Amount                               | %     |                          |      |
| Libolon (Shanghai) International Trading Co., Ltd. | Sales       | ( \$ 223,899 )           | ( 2 ) | Set according to local market conditions, trading conditions are similar to general customers | 120 days after shipment, the collection period will be extended depending on local conditions | Similar                 | Accounts Receivable<br>\$ 103,620    | 11    | \$ -                     | -    |
| "                                                  | Purchase    | 65,808                   | 1     | "                                                                                             | T/T before shipment                                                                           | "                       | Accounts Payable<br>( 3,092 )        | ( 1 ) | 3,058                    | -    |

Note: In the case of property transactions or other types of transactions, the terms should be modified according to the circumstances.

Li Peng Enterprise Co. Ltd.  
Information of main shareholder  
Dec 31, 2023

Attached Table 10

| Name of Major Shareholder   | Shares           |                             |
|-----------------------------|------------------|-----------------------------|
|                             | Number of Shares | Percentage of Ownership (%) |
| Lealea Enterprise Co., Ltd. | 147,192,853      | 16.17%                      |
| Li Hao Investment Co., Ltd. | 49,467,968       | 5.43%                       |

Note 1: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for stockholders holding greater than 5% of the Company's ordinary and special stocks, including treasury stocks, completed the process of registration and book-entry delivery in dematerialized form on the last business date of current quarter. There may be a discrepancy in the number of shares recorded on the Company's consolidated financial statements and its dematerialized securities arising from the difference in basis of preparation.

Note 2: As table above, the shareholder who delivers the shares to the trust is disclosed by the individual trustee, who opened the trust account, in accordance with the Securities Exchange Act, the shareholders have to disclose the insider equity more than 10% of the shares, include their own shares and their delivery to the trust and have the right to make decisions on the trust property. Information on insider equity declaration is available on the Market Observation Post System website.