

Pou Chen Corporation and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Pou Chen Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Pou Chen Corporation (the “Company”) and its subsidiaries (collectively, the “Group”) as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews and the reports of other auditors (refer to the other matter paragraph), nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

The Group's investments in Ruen Chen Investment Holding Co., Ltd., Nan Shan Life Insurance Co., Ltd. and Elitegroup Computer Systems Co., Ltd. were accounted for by using the equity method based on its financial statements which were reviewed by other auditors. Our conclusion, insofar as it relates to the Group's investments in Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd., is based solely on the review reports of other auditors. As of March 31, 2023 and 2022, the carrying amounts of the investments in Ruen Chen Investment Holding Co., Ltd. were \$41,171,531 thousand and \$43,332,576 thousand, respectively, representing 12.64% and 12.30%, respectively, of the Group's the consolidated total assets. For the three months ended March 31, 2023 and 2022, the amounts of profit of the associates were \$25,410 thousand and \$2,627,554 thousand, respectively, representing 0.89% and 38.86%, respectively, of the income which the Group recognized before income tax. As of March 31, 2023, the carrying amount of the investments in Elitegroup Computer Systems Co., Ltd. was \$1,678,209 thousand, representing 0.52%, of the Group's consolidated total assets. For the three months ended March 31, 2023, the amount of profit of the associates was \$771 thousand, representing 0.03%, of the income which the Group recognized before income tax.

The engagement partners on the reviews resulting in this independent auditors' review report are Kenny Hong and Wen-Yea Shyu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 15, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Retrospectively Adjusted) (Audited)		March 31, 2022 (Retrospectively Adjusted) (Reviewed)		January 1, 2022 (Retrospectively Adjusted) (Audited)	
ASSETS	Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS								
Cash and cash equivalents (Note 6)	\$ 37,017,172	11	\$ 39,317,629	12	\$ 27,903,594	8	\$ 28,450,346	8
Financial assets at fair value through profit or loss - current (Note 7)	564,360	-	2,783,815	1	6,034,458	2	3,341,742	1
Financial assets at fair value through other comprehensive income - current (Note 8)	19,019,621	6	17,501,573	5	24,112,396	7	20,035,436	5
Financial assets at amortized cost - current (Note 9)	3,682,346	1	1,901,597	1	6,004,208	2	8,630,004	2
Notes receivable (Note 10)	245	-	39	-	337	-	54	-
Accounts receivable (Notes 10 and 34)	27,127,656	8	28,711,291	9	30,559,147	8	26,539,565	7
Other receivables (Note 10)	6,558,103	2	4,462,211	1	5,582,344	1	3,771,410	1
Inventories - manufacturing and retailing (Note 11)	47,647,328	15	50,014,348	15	58,894,332	17	57,084,097	16
Inventories - construction (Note 11)	3,698,991	1	3,703,765	1	3,690,112	1	3,718,519	1
Non-current assets held for sale (Note 12)	2,103,182	1	-	-	-	-	-	-
Other current assets (Note 13)	<u>11,322,712</u>	<u>4</u>	<u>11,000,965</u>	<u>4</u>	<u>14,011,323</u>	<u>4</u>	<u>11,323,500</u>	<u>3</u>
Total current assets	<u>158,741,716</u>	<u>49</u>	<u>159,397,233</u>	<u>49</u>	<u>176,792,251</u>	<u>50</u>	<u>162,894,673</u>	<u>44</u>
NON-CURRENT ASSETS								
Financial assets at fair value through profit or loss - non-current (Note 7)	742,122	-	761,033	-	704,919	-	747,994	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	863,437	-	840,456	-	868,783	-	958,593	-
Financial assets at amortized cost - non-current (Notes 9 and 35)	2,858,511	1	3,099,525	1	3,543,734	1	3,158,906	1
Investments accounted for using the equity method (Note 15)	61,553,882	19	56,873,101	17	63,344,914	18	96,210,213	26
Property, plant and equipment (Note 16)	60,029,448	18	64,012,887	20	63,664,448	18	62,786,453	17
Right-of-use assets (Note 17)	17,366,268	5	18,087,170	5	17,134,815	5	20,066,402	5
Investment properties (Note 18)	5,710,700	2	5,806,082	2	5,523,652	2	2,918,076	1
Goodwill (Note 19)	8,397,187	3	8,452,023	3	8,053,681	2	7,774,185	2
Other intangible assets (Note 20)	1,836,902	1	1,816,164	1	1,635,898	1	1,607,270	1
Deferred tax assets (Notes 3, 4 and 28)	6,221,823	2	6,188,604	2	6,569,280	2	6,533,317	2
Other non-current assets (Note 13)	<u>1,383,345</u>	<u>-</u>	<u>1,555,526</u>	<u>-</u>	<u>4,339,819</u>	<u>1</u>	<u>4,207,465</u>	<u>1</u>
Total non-current assets	<u>166,963,625</u>	<u>51</u>	<u>167,492,571</u>	<u>51</u>	<u>175,383,943</u>	<u>50</u>	<u>206,968,874</u>	<u>56</u>
TOTAL	<u>\$ 325,705,341</u>	<u>100</u>	<u>\$ 326,889,804</u>	<u>100</u>	<u>\$ 352,176,194</u>	<u>100</u>	<u>\$ 369,863,547</u>	<u>100</u>
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Short-term borrowings (Note 21)	\$ 25,340,441	8	\$ 20,611,809	6	\$ 33,394,340	10	\$ 25,552,433	7
Short-term bills payable (Note 21)	1,937,859	1	1,580,101	-	1,487,212	-	2,563,093	1
Financial liabilities at fair value through profit or loss - current (Note 7)	38,937	-	155,274	-	19,403	-	78,720	-
Notes payable (Notes 22 and 34)	5,805	-	3,994	-	6,172	-	5,785	-
Accounts payable (Notes 22 and 34)	14,220,499	4	12,536,177	4	17,713,976	5	17,406,222	5
Other payables (Note 23)	20,182,589	6	21,540,287	7	19,434,920	6	20,547,217	5
Current tax liabilities (Notes 4 and 28)	4,093,534	1	3,581,025	1	2,313,400	1	1,776,193	-
Lease liabilities - current (Note 17)	3,175,500	1	3,486,555	1	4,040,206	1	4,323,157	1
Current portion of long-term borrowings (Note 21)	5,410,626	2	11,923,464	4	12,046,213	3	9,791,986	3
Other current liabilities	<u>6,372,298</u>	<u>2</u>	<u>6,010,519</u>	<u>2</u>	<u>7,032,599</u>	<u>2</u>	<u>6,764,167</u>	<u>2</u>
Total current liabilities	<u>80,778,088</u>	<u>25</u>	<u>81,429,205</u>	<u>25</u>	<u>97,488,441</u>	<u>28</u>	<u>88,808,973</u>	<u>24</u>
NON-CURRENT LIABILITIES								
Financial liabilities at fair value through profit or loss - non-current (Note 7)	-	-	-	-	74,760	-	232,011	-
Long-term borrowings (Note 21)	44,673,414	13	50,002,184	15	52,432,519	15	56,387,335	15
Deferred tax liabilities (Notes 3, 4 and 28)	3,153,878	1	3,317,797	1	3,789,855	1	3,879,108	1
Lease liabilities - non-current (Note 17)	6,362,696	2	6,713,172	2	8,132,095	2	8,357,819	3
Long-term payables (Note 23)	154,335	-	155,166	-	148,496	-	170,621	-
Net defined benefit liabilities (Note 4)	3,064,827	1	3,061,851	1	4,513,101	1	4,482,434	1
Other non-current liabilities	<u>82,367</u>	<u>-</u>	<u>82,951</u>	<u>-</u>	<u>74,256</u>	<u>-</u>	<u>48,494</u>	<u>-</u>
Total non-current liabilities	<u>57,491,517</u>	<u>17</u>	<u>63,333,121</u>	<u>19</u>	<u>69,165,082</u>	<u>19</u>	<u>73,557,822</u>	<u>20</u>
Total liabilities	<u>138,269,605</u>	<u>42</u>	<u>144,762,326</u>	<u>44</u>	<u>166,653,523</u>	<u>47</u>	<u>162,366,795</u>	<u>44</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)								
Share capital								
Ordinary shares	<u>29,467,872</u>	<u>9</u>	<u>29,467,872</u>	<u>9</u>	<u>29,467,872</u>	<u>9</u>	<u>29,467,872</u>	<u>8</u>
Capital surplus	<u>4,421,515</u>	<u>2</u>	<u>4,420,389</u>	<u>1</u>	<u>4,420,394</u>	<u>1</u>	<u>4,419,400</u>	<u>1</u>
Retained earnings								
Legal reserve	17,986,740	5	17,986,740	6	16,547,491	5	16,547,491	4
Unappropriated earnings	<u>77,451,969</u>	<u>24</u>	<u>76,460,614</u>	<u>23</u>	<u>73,817,915</u>	<u>21</u>	<u>69,179,387</u>	<u>19</u>
Total retained earnings	<u>95,438,709</u>	<u>29</u>	<u>94,447,354</u>	<u>29</u>	<u>90,365,406</u>	<u>26</u>	<u>85,726,878</u>	<u>23</u>
Other equity	<u>(15,664,644)</u>	<u>(5)</u>	<u>(21,323,594)</u>	<u>(6)</u>	<u>(10,010,614)</u>	<u>(3)</u>	<u>19,818,804</u>	<u>6</u>
Total equity attributable to owners of the Company	113,663,452	35	107,012,021	33	114,243,058	33	139,432,954	38
NON-CONTROLLING INTERESTS	<u>73,772,284</u>	<u>23</u>	<u>75,115,457</u>	<u>23</u>	<u>71,279,613</u>	<u>20</u>	<u>68,063,798</u>	<u>18</u>
Total equity	<u>187,435,736</u>	<u>58</u>	<u>182,127,478</u>	<u>56</u>	<u>185,522,671</u>	<u>53</u>	<u>207,496,752</u>	<u>56</u>
TOTAL	<u>\$ 325,705,341</u>	<u>100</u>	<u>\$ 326,889,804</u>	<u>100</u>	<u>\$ 352,176,194</u>	<u>100</u>	<u>\$ 369,863,547</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 15, 2023)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 34)	\$ 64,366,793	100	\$ 67,263,361	100
OPERATING COSTS (Notes 24, 27 and 34)	<u>48,928,055</u>	<u>76</u>	<u>51,078,747</u>	<u>76</u>
GROSS PROFIT	<u>15,438,738</u>	<u>24</u>	<u>16,184,614</u>	<u>24</u>
OPERATING EXPENSES (Notes 24 and 27)				
Selling and marketing expenses	7,353,497	11	8,139,038	12
General and administrative expenses	4,781,111	8	4,139,255	6
Research and development expenses	<u>1,274,941</u>	<u>2</u>	<u>1,333,177</u>	<u>2</u>
Total operating expenses	<u>13,409,549</u>	<u>21</u>	<u>13,611,470</u>	<u>20</u>
INCOME FROM OPERATIONS	<u>2,029,189</u>	<u>3</u>	<u>2,573,144</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 27)	369,917	1	153,842	-
Other income (Note 27)	751,684	1	599,510	1
Other gains and losses (Note 27)	183,188	-	846,449	1
Net loss on derecognition of financial assets at amortized cost	(74,409)	-	(3,549)	-
Finance costs (Note 27)	(840,506)	(1)	(436,403)	(1)
Share of profit of associates and joint ventures (Note 15)	<u>443,457</u>	<u>1</u>	<u>3,028,598</u>	<u>5</u>
Total non-operating income and expenses	<u>833,331</u>	<u>2</u>	<u>4,188,447</u>	<u>6</u>
INCOME BEFORE INCOME TAX	2,862,520	5	6,761,591	10
INCOME TAX EXPENSE (Notes 4 and 28)	<u>677,537</u>	<u>1</u>	<u>688,804</u>	<u>1</u>
NET INCOME	<u>2,184,983</u>	<u>4</u>	<u>6,072,787</u>	<u>9</u>

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE NET INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	\$ 1,548,523	2	\$ 3,954,794	6
Share of other comprehensive (loss) income of associates and joint ventures	(89,593)	-	199,338	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(1,066,132)	(2)	5,081,720	8
Share of other comprehensive income (loss) of associates and joint ventures	<u>4,833,805</u>	<u>8</u>	<u>(36,663,392)</u>	<u>(55)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>5,226,603</u>	<u>8</u>	<u>(27,427,540)</u>	<u>(41)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 7,411,586</u>	<u>12</u>	<u>\$ (21,354,753)</u>	<u>(32)</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 991,355	1	\$ 4,638,528	7
Non-controlling interests	<u>1,193,628</u>	<u>2</u>	<u>1,434,259</u>	<u>2</u>
	<u>\$ 2,184,983</u>	<u>3</u>	<u>\$ 6,072,787</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 6,650,305	11	\$ (25,190,890)	(38)
Non-controlling interests	<u>761,281</u>	<u>1</u>	<u>3,836,137</u>	<u>6</u>
	<u>\$ 7,411,586</u>	<u>12</u>	<u>\$ (21,354,753)</u>	<u>(32)</u>
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$ 0.34</u>		<u>\$ 1.57</u>	
Diluted	<u>\$ 0.34</u>		<u>\$ 1.57</u>	

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

(With Deloitte & Touche review report dated May 15, 2023)

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company									
					Other Equity				Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Others	Total		
			Legal Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2022	\$ 29,467,872	\$ 4,419,400	\$ 16,547,491	\$ 69,179,387	\$ (7,414,850)	\$ 14,613,616	\$ 12,620,038	\$ 139,432,954	\$ 68,063,798	\$ 207,496,752
Net profit for the three months ended March 31, 2022	-	-	-	4,638,528	-	-	-	4,638,528	1,434,259	6,072,787
Other comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	2,632,855	(21,485,579)	(10,976,694)	(29,829,418)	2,401,878	(27,427,540)
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	4,638,528	2,632,855	(21,485,579)	(10,976,694)	(25,190,890)	3,836,137	(21,354,753)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Note 25)	-	(238)	-	-	-	-	-	(238)	-	(238)
Unclaimed dividends by shareholders	-	1,232	-	-	-	-	-	1,232	-	1,232
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(620,322)	(620,322)
Changes in equity for the three months ended March 31, 2022	-	994	-	4,638,528	2,632,855	(21,485,579)	(10,976,694)	(25,189,896)	3,215,815	(21,974,081)
BALANCE AT MARCH 31, 2022	<u>\$ 29,467,872</u>	<u>\$ 4,420,394</u>	<u>\$ 16,547,491</u>	<u>\$ 73,817,915</u>	<u>\$ (4,781,995)</u>	<u>\$ (6,871,963)</u>	<u>\$ 1,643,344</u>	<u>\$ 114,243,058</u>	<u>\$ 71,279,613</u>	<u>\$ 185,522,671</u>
BALANCE AT JANUARY 1, 2023	\$ 29,467,872	\$ 4,420,389	\$ 17,986,740	\$ 76,460,614	\$ (273,894)	\$ (3,520,843)	\$ (17,528,857)	\$ 107,012,021	\$ 75,115,457	\$ 182,127,478
Net profit for the three months ended March 31, 2023	-	-	-	991,355	-	-	-	991,355	1,193,628	2,184,983
Other comprehensive (loss) income for the three months ended March 31, 2023	-	-	-	-	(627,027)	2,464,551	3,821,426	5,658,950	(432,347)	5,226,603
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	991,355	(627,027)	2,464,551	3,821,426	6,650,305	761,281	7,411,586
Unclaimed dividends by shareholders	-	1,126	-	-	-	-	-	1,126	-	1,126
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(2,104,454)	(2,104,454)
Changes in equity for the three months ended March 31, 2023	-	1,126	-	991,355	(627,027)	2,464,551	3,821,426	6,651,431	(1,343,173)	5,308,258
BALANCE AT MARCH 31, 2023	<u>\$ 29,467,872</u>	<u>\$ 4,421,515</u>	<u>\$ 17,986,740</u>	<u>\$ 77,451,969</u>	<u>\$ (900,921)</u>	<u>\$ (1,056,292)</u>	<u>\$ (13,707,431)</u>	<u>\$ 113,663,452</u>	<u>\$ 73,772,284</u>	<u>\$ 187,435,736</u>

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

(With Deloitte & Touche review report dated May 15, 2023)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,862,520	\$ 6,761,591
Adjustments for:		
Depreciation expense	3,486,661	3,785,410
Amortization expense	30,294	29,178
Expected credit loss recognized on accounts receivable	18,966	11,058
Net gain on fair value changes of financial instruments at fair value through profit or loss	(441,461)	(776,653)
Finance costs	840,506	436,403
Net loss on derecognition of financial assets at amortized cost	74,409	3,549
Interest income	(369,917)	(153,842)
Compensation cost of employee share options	31,672	32,641
Share of profit of associates and joint ventures	(443,457)	(3,028,598)
Net loss (gain) on disposal of property, plant and equipment	53,511	(1,985)
Net gain on disposal of investment properties	(7,879)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,563,490	(2,089,556)
Notes receivable	(206)	(283)
Accounts receivable	1,564,426	(4,029,212)
Other receivables	(1,951,667)	(1,872,191)
Inventories	2,395,982	(1,810,793)
Other current assets	(321,188)	(2,647,780)
Other operating assets	(32,394)	(12,153)
Notes payable	1,811	387
Accounts payable	1,684,322	307,754
Other payables	(2,997,632)	(1,322,936)
Other current liabilities	361,779	268,432
Net defined benefit liabilities	2,976	30,667
Other operating liabilities	(1,497)	2,357
Cash generated from (used in) operations	9,406,027	(6,076,555)
Interest paid	(829,850)	(444,227)
Income tax paid	(362,465)	(265,959)
Net cash generated from (used in) operating activities	8,213,712	(6,786,741)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of financial assets at amortized cost	(2,147,737)	(2,695,102)
Proceeds from sale of financial assets at amortized cost	509,976	5,333,813
Proceeds from return of capital of investments using the equity method	-	34,959
Acquisition of property, plant and equipment	(1,168,622)	(1,898,428)
Proceeds from disposal of property, plant and equipment	70,460	89,571

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
Increase in refundable deposits	\$ -	\$ (11,268)
Decrease in refundable deposits	33,230	-
Decrease in other receivables	-	92,001
Payments for intangible assets	(51,126)	(46,395)
Payments for right-of-use assets	(40,042)	-
Disposal of investment properties	12,808	-
Increase in prepayment for equipment and long-term prepayment	(169,182)	(109,494)
Interest received	355,239	128,306
Dividends received	<u>225,531</u>	<u>-</u>
Net cash (used in) generated from investing activities	<u>(2,369,465)</u>	<u>917,963</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	4,728,632	7,841,907
Proceeds from short-term bills payable	358,500	-
Repayments of short-term bills payable	-	(1,076,000)
Repayments of long-term borrowings	(11,857,306)	(1,707,356)
Increase in guarantee deposits	82	1,280
Repayment of principal portion of lease liabilities	(1,007,708)	(1,241,401)
Changes in non-controlling interests	(2,614)	(66,234)
Unclaimed dividends by shareholders	<u>1,126</u>	<u>1,232</u>
Net cash (used in) generated from financing activities	<u>(7,779,288)</u>	<u>3,753,428</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(365,416)</u>	<u>1,568,598</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(2,300,457)</u>	<u>(546,752)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>39,317,629</u>	<u>28,450,346</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 37,017,172</u>	<u>\$ 27,903,594</u>

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

(With Deloitte & Touche review report dated May 15, 2023)

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Pou Chen Corporation (the “Company”) has main business activities which include the manufacture and sale of various kinds of shoes and the import and export of related products and materials. The Company also invests significantly in the shoes industries to diversify its business operations. The Company invests in Yue Yuen Industrial (Holdings) Limited (“Yue Yuen”) and other footwear-related companies through Wealthplus Holdings Limited (“Wealthplus”). Yue Yuen and Pou Sheng International (Holdings) Limited (“Pou Sheng”), a subsidiary of Yue Yuen, are listed on the Hong Kong Exchange and Clearing Limited (“HKEx”).

In January 1990, the Company started to trade its shares on the Taiwan Stock Exchange.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Company’s board of directors on May 15, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- 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, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except as noted below, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

1) Amendments to IAS 1 “Disclosure of Accounting Policies”

When applying the amendments, the Group refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Group chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Refer to Note 4 to the consolidated financial statements for related accounting policy information.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

The Group applied the amendments since January 1, 2023. The Group defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3) Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Group restated comparative information.

Had the Group applied the original IAS 12 in March 31, 2023, the following adjustments should be made to reflect the line items and balances under the amendments to IAS 12.

Impact on assets, liabilities and equity for the current year

March 31, 2023

Increase in deferred tax assets	<u>\$ 2,194,014</u>
Increase in assets	<u>\$ 2,194,014</u>
Increase in deferred tax liabilities	<u>\$ 2,194,014</u>
Increase in liabilities	<u>\$ 2,194,014</u>

Upon initial application of the amendments to IAS 12, the impact for the prior year is summarized below:

Impact on assets, liabilities and equity for the prior year

	As Originally Stated	Adjustments Arising from Initial Application	Restated
<u>December 31, 2022</u>			
Deferred tax assets	<u>\$ 3,828,203</u>	<u>\$ 2,360,401</u>	<u>\$ 6,188,604</u>
Total effect on assets	<u>\$ 3,828,203</u>	<u>\$ 2,360,401</u>	<u>\$ 6,188,604</u>
Deferred tax liabilities	<u>\$ 957,396</u>	<u>\$ 2,360,401</u>	<u>\$ 3,317,797</u>
Total effect on liabilities	<u>\$ 957,396</u>	<u>\$ 2,360,401</u>	<u>\$ 3,317,797</u>
<u>March 31, 2022</u>			
Deferred tax assets	<u>\$ 3,724,985</u>	<u>\$ 2,844,295</u>	<u>\$ 6,569,280</u>
Total effect on assets	<u>\$ 3,724,985</u>	<u>\$ 2,844,295</u>	<u>\$ 6,569,280</u>
Deferred tax liabilities	<u>\$ 945,560</u>	<u>\$ 2,844,295</u>	<u>\$ 3,789,855</u>
Total effect on liabilities	<u>\$ 945,560</u>	<u>\$ 2,844,295</u>	<u>\$ 3,789,855</u>
<u>January 1, 2022</u>			
Deferred tax assets	<u>\$ 3,560,596</u>	<u>\$ 2,972,721</u>	<u>\$ 6,533,317</u>
Total effect on assets	<u>\$ 3,560,596</u>	<u>\$ 2,972,721</u>	<u>\$ 6,533,317</u>
Deferred tax liabilities	<u>\$ 906,387</u>	<u>\$ 2,972,721</u>	<u>\$ 3,879,108</u>
Total effect on liabilities	<u>\$ 906,387</u>	<u>\$ 2,972,721</u>	<u>\$ 3,879,108</u>

- b. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

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.

- 1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

- 2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The basis of consolidation has been followed in these consolidated financial statements as was applied in the preparation of the consolidated financial statements for the year ended December 31, 2022.

Refer to Note 14 “Subsidiaries” to the consolidated financial statements, Table 9 of Note 38 “Information on Investees” and Table 10 of Note 38 “Information on investments in mainland China” of Note 38 to the consolidated financial statements for detailed information on subsidiaries, including the percentages of ownership and main businesses.

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period’s pre-tax income the tax rate that would be applicable to expected total annual earnings.

4) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

In addition, the same material accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company’s consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 63,447	\$ 20,301	\$ 45,532
Checking accounts and demand deposits	12,704,819	15,422,738	15,545,418
Cash equivalents (investments with original maturities of less than three months)			
Time deposits	24,248,906	23,869,790	11,487,813
Repurchase agreements collateralized by bonds	<u>-</u>	<u>4,800</u>	<u>824,831</u>
	<u>\$ 37,017,172</u>	<u>\$ 39,317,629</u>	<u>\$ 27,903,594</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets at FVTPL</u>			
Financial assets mandatorily as at FVTPL			
Hybrid financial assets			
Structured deposits (a)	\$ -	\$ 2,254,267	\$ 4,876,826
Derivative financial assets (not under hedge accounting)			
Interest rate swap contracts (b)	83,112	214,874	105,917
Forward exchange contracts (c)	86,765	17,718	32,425
Exchange rate option contracts (d)	3,603	-	1,647
Exchange rate swap contracts (e)	208,205	127,907	598,925
Non-derivative financial assets			
Mutual funds	<u>924,797</u>	<u>930,082</u>	<u>1,123,637</u>
	<u>\$ 1,306,482</u>	<u>\$ 3,544,848</u>	<u>\$ 6,739,377</u>
Current	\$ 564,360	\$ 2,783,815	\$ 6,034,458
Non-current	<u>742,122</u>	<u>761,033</u>	<u>704,919</u>
	<u>\$ 1,306,482</u>	<u>\$ 3,544,848</u>	<u>\$ 6,739,377</u>
<u>Financial liabilities at FVTPL</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Interest rate swap contracts (b)	\$ -	\$ -	\$ 92,597
Forward exchange contracts (c)	3,966	57,479	-
Exchange rate option contracts (d)	25,557	60,252	1,550
Exchange rate swap contracts (e)	<u>9,414</u>	<u>37,543</u>	<u>16</u>
	<u>\$ 38,937</u>	<u>\$ 155,274</u>	<u>\$ 94,163</u>
Current	\$ 38,937	\$ 155,274	\$ 19,403
Non-current	<u>-</u>	<u>-</u>	<u>74,760</u>
	<u>\$ 38,937</u>	<u>\$ 155,274</u>	<u>\$ 94,163</u>

a. Structured deposits

Yue Yuen entered into a 5-year, USD structured time deposit contract with a bank in October 2017. The structured time deposit contract includes an embedded derivative instrument that is not closely related to the host contract. The entire contract is assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9. The above USD structured time deposit contract was redeemed on maturity in September 2022. As of March 31, 2022, the Group classified that as “financial assets at FVTPL - current”.

Wealthplus entered into a 12-month, USD structured time deposit contract with a bank in January 2022. The structured time deposit contract includes an embedded derivative instrument that is not closely related to the host contract. The entire contract is assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9. The above USD structured time deposit contract was redeemed on maturity in January 2023. As of December 31, 2022 and March 31, 2022, the Group classified those as “financial assets at FVTPL - current”.

Yue Yuen entered into several 12-month, dual currency structured time deposit contracts with a bank in 2022 and 2021. The structured time deposit contract includes a time deposit contract and foreign currency options. When the maturity date comes, Yue Yuen decides the redeemed currency according to the FX rate. The above dual-currency structured time deposits were redeemed on maturity. December 31, 2022 and March 31, 2022, the Group classified those as “financial assets at FVTPL - current”.

b. At the end of the reporting period, outstanding interest rate swap contracts not under hedge accounting were as follows:

March 31, 2023

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 100,000	2023.07	3.335	5.57657
US\$ 150,000	2023.07	3.340	5.52529

December 31, 2022

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 100,000	2023.07	3.335	5.34971
US\$ 150,000	2023.07	3.340	5.11471
US\$ 50,000	2023.03	0.720	4.72900
US\$ 50,000	2023.03	0.710	4.72900
US\$ 50,000	2023.03	0.648	4.72900
US\$ 50,000	2023.03	0.548	4.72900
US\$ 50,000	2023.03	0.515	4.72900
US\$ 50,000	2023.03	0.485	4.72900

March 31, 2022

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 100,000	2023.07	3.335	1.16871
US\$ 150,000	2023.07	3.340	0.99900
US\$ 100,000	2022.08	2.600	0.96600
US\$ 50,000	2022.08	1.930	0.95757
US\$ 50,000	2022.08	1.930	0.95757
US\$ 50,000	2023.03	0.720	0.95757
US\$ 50,000	2023.03	0.710	0.95757
US\$ 50,000	2023.03	0.648	0.95757
US\$ 50,000	2023.03	0.548	0.95757
US\$ 50,000	2023.03	0.515	0.95757
US\$ 50,000	2023.03	0.485	0.95757

The Group entered into interest rate swap transactions to manage exposures to interest rate fluctuations.

- c. At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting were as follows:

March 31, 2023

Notional Amount (In Thousands)	Forward Exchange Rates
US\$ 56,250	Sell US\$/Buy IDR at 15,720 to 15,800
RMB 63,105	Sell RMB/Buy US\$ at 6.928 to 6.956
HKD 58,080	Sell US\$/Buy HKD at 7.822

December 31, 2022

Notional Amount (In Thousands)	Forward Exchange Rates
US\$ 95,320	Sell US\$/Buy IDR at 14,540 to 15,800
RMB 126,210	Sell RMB/Buy US\$ at 6.928 to 6.995

March 31, 2022

Notional Amount (In Thousands)	Forward Exchange Rates
US\$ 60,100	Sell US\$/Buy IDR at 14,630 to 14,680

The Group entered into forward exchange contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

- d. At the end of the reporting period, outstanding exchange rate option contracts not under hedge accounting were as follows:

March 31, 2023

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 48,000	Put	Sell	2023.04-2024.03	US\$:RMB 6.7500
US\$ 24,000	Put	Sell	2023.04-2024.03	US\$:RMB 6.7500
US\$ 32,000	Put	Sell	2023.04-2024.07	US\$:RMB 7.0200
US\$ 32,000	Put	Sell	2023.04-2024.07	US\$:RMB 7.0150
US\$ 32,000	Put	Sell	2023.04-2024.07	US\$:RMB 7.0000
US\$ 44,000	Put	Sell	2023.05-2025.02	US\$:RMB 7.0030
US\$ 44,000	Put	Sell	2023.05-2025.02	US\$:RMB 7.0030
US\$ 44,000	Put	Sell	2023.05-2025.02	US\$:RMB 7.0000
US\$ 246,000	Put	Sell	2023.04	US\$:NT\$ 31.5000-32.8600
US\$ 60,000	Call	Sell	2023.05-2024.11	US\$:HK\$ 7.7440
US\$ 17,598	Put	Sell	2023.09-2024.02	US\$:IR\$ 15,450
US\$ 18,000	Call	Sell	2023.04-2023.09	US\$:RMB 6.7500
RMB 138,000	Call	Sell	2024.03	US\$:RMB 6.5000
US\$ 40,000	Put	Sell	2023.04	US\$:NT\$ 31.6000-31.6300
US\$ 48,000	Put	Sell	2023.04-2024.07	US\$:RMB 7.0000

December 31, 2022

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 60,000	Put	Sell	2023.01-2024.03	US\$:RMB 6.7500
US\$ 30,000	Put	Sell	2023.01-2024.03	US\$:RMB 6.7500
US\$ 38,000	Put	Sell	2023.01-2024.07	US\$:RMB 7.0200
US\$ 38,000	Put	Sell	2023.01-2024.07	US\$:RMB 7.0150
US\$ 38,000	Put	Sell	2023.01-2024.07	US\$:RMB 7.0000
US\$ 490,000	Put	Sell	2023.01-2023.04	US\$:NT\$ 32.8000-32.9100
US\$ 60,000	Call	Sell	2023.05-2024.11	US\$:HK\$ 7.7440
US\$ 12,000	Call	Sell	2023.01-2023.04	US\$:RMB 6.7500
US\$ 57,000	Put	Sell	2023.01-2024.07	US\$:RMB 7.0000

March 31, 2022

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 76,000	Put	Sell	2022.09-2024.03	US\$:RMB 6.7500
US\$ 38,000	Put	Sell	2022.09-2024.03	US\$:RMB 6.7500
US\$ 12,000	Put	Sell	2022.05	US\$:NT\$ 29.5020
US\$ 6,000	Call	Sell	2022.05	US\$:HK\$ 7.7335
US\$ 4,000	Call	Sell	2022.05	US\$:HK\$ 7.7335

The Group entered into exchange rate option contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

- e. At the end of the reporting period, outstanding exchange rate swap contracts not under hedge accounting were as follows:

March 31, 2023

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 4,000	2023.08	US\$:NT\$ 29.2680
US\$ 10,200	2023.08	US\$:NT\$ 29.3800
US\$ 1,330	2023.08	US\$:NT\$ 29.3800
US\$ 10,200	2023.08	US\$:NT\$ 29.3800
US\$ 10,000	2023.09	US\$:NT\$ 30.2100
US\$ 2,000	2023.09	US\$:NT\$ 30.2100
US\$ 5,300	2023.11	US\$:NT\$ 30.9580
US\$ 80,300	2023.12	US\$:NT\$ 29.5100
US\$ 16,700	2023.12	US\$:NT\$ 29.5520
US\$ 59,000	2023.06	US\$:NT\$ 30.0850
US\$ 36,000	2023.06	US\$:NT\$ 30.0850
US\$ 21,000	2023.06	US\$:NT\$ 30.0850
US\$ 72,600	2023.06	US\$:NT\$ 30.0850
US\$ 7,000	2023.06	US\$:NT\$ 30.0850
US\$ 31,900	2023.06	US\$:NT\$ 30.0850
US\$ 16,900	2023.06	US\$:NT\$ 30.0850
US\$ 28,200	2023.06	US\$:NT\$ 30.0850
US\$ 7,500	2023.06	US\$:NT\$ 30.0850
US\$ 5,000	2023.06	US\$:NT\$ 30.0850
US\$ 43,000	2024.01	US\$:NT\$ 28.6400
US\$ 43,000	2024.02	US\$:NT\$ 29.1300
US\$ 3,000	2023.08	US\$:NT\$ 29.7220
US\$ 1,700	2023.08	US\$:NT\$ 29.8670
US\$ 2,000	2023.08	US\$:NT\$ 29.8670
US\$ 3,000	2023.09	US\$:NT\$ 29.7810
US\$ 8,500	2023.12	US\$:NT\$ 29.6490
US\$ 4,200	2023.09	US\$:NT\$ 29.8920
US\$ 1,000	2023.09	US\$:NT\$ 29.8920
US\$ 28,000	2023.09	US\$:NT\$ 29.7550
US\$ 121,000	2023.09	US\$:NT\$ 29.7690
US\$ 15,000	2023.09	US\$:NT\$ 29.7670
US\$ 17,500	2023.09	US\$:NT\$ 29.7690
US\$ 20,400	2023.09	US\$:NT\$ 29.7690
US\$ 55,000	2023.09	US\$:NT\$ 29.7690
US\$ 6,600	2023.09	US\$:NT\$ 29.7690
US\$ 3,000	2023.09	US\$:NT\$ 29.7690
US\$ 2,500	2023.09	US\$:NT\$ 29.7000
US\$ 700	2023.10	US\$:NT\$ 29.8440
RMB 26,700	2023.09	RMB:NT\$ 4.3280
RMB 280,000	2023.10	RMB:NT\$ 4.3636
RMB 280,000	2023.10	RMB:NT\$ 4.3653
RMB 280,000	2023.09	RMB:NT\$ 4.3719
RMB 100,000	2023.12	RMB:NT\$ 4.3173
RMB 42,860	2024.03	RMB:NT\$ 4.3282
RMB 900	2024.03	RMB:NT\$ 4.3282
RMB 138,000	2024.03	RMB:NT\$ 4.3583
US\$ 6,000	2023.08	US\$:NT\$ 29.3530

December 31, 2022

Notional Amount (In Thousands)	Maturity Date	Exchange Rate	
US\$ 30,000	2023.03	US\$:NT\$	28.1070
US\$ 4,000	2023.08	US\$:NT\$	29.2680
US\$ 10,200	2023.08	US\$:NT\$	29.3800
US\$ 1,330	2023.08	US\$:NT\$	29.3800
US\$ 10,200	2023.08	US\$:NT\$	29.3800
US\$ 10,000	2023.09	US\$:NT\$	30.2100
US\$ 2,000	2023.09	US\$:NT\$	30.2100
US\$ 700	2023.04	US\$:NT\$	31.1800
US\$ 5,300	2023.11	US\$:NT\$	30.9580
US\$ 3,000	2023.02	US\$:NT\$	30.7930
US\$ 2,000	2023.02	US\$:NT\$	30.7070
US\$ 8,500	2023.03	US\$:NT\$	30.3430
US\$ 80,300	2023.12	US\$:NT\$	29.5100
US\$ 4,200	2023.03	US\$:NT\$	30.4330
US\$ 55,000	2023.02	US\$:NT\$	30.5470
US\$ 121,000	2023.03	US\$:NT\$	30.3920
US\$ 15,000	2023.03	US\$:NT\$	30.3920
US\$ 20,400	2023.03	US\$:NT\$	30.3920
US\$ 17,500	2023.03	US\$:NT\$	30.3920
US\$ 55,000	2023.03	US\$:NT\$	30.3920
US\$ 6,600	2023.03	US\$:NT\$	30.3920
US\$ 3,000	2023.03	US\$:NT\$	30.3920
US\$ 16,700	2023.12	US\$:NT\$	29.5520
US\$ 59,000	2023.06	US\$:NT\$	30.0850
US\$ 36,000	2023.06	US\$:NT\$	30.0850
US\$ 21,000	2023.06	US\$:NT\$	30.0850
US\$ 72,600	2023.06	US\$:NT\$	30.0850
US\$ 7,000	2023.06	US\$:NT\$	30.0850
US\$ 31,900	2023.06	US\$:NT\$	30.0850
US\$ 16,900	2023.06	US\$:NT\$	30.0850
US\$ 28,200	2023.06	US\$:NT\$	30.0850
US\$ 7,500	2023.06	US\$:NT\$	30.0850
US\$ 5,000	2023.06	US\$:NT\$	30.0850
RMB 42,860	2023.03	RMB:NT\$	4.3433
RMB 900	2023.03	RMB:NT\$	4.3433
RMB 26,700	2023.09	RMB:NT\$	4.3280
RMB 280,000	2023.10	RMB:NT\$	4.3636
RMB 280,000	2023.10	RMB:NT\$	4.3653
RMB 280,000	2023.09	RMB:NT\$	4.3719
RMB 100,000	2023.12	RMB:NT\$	4.3173
RMB 21,036	2023.03	US\$:RMB	6.4606
RMB 21,040	2023.04	US\$:RMB	6.4524
US\$ 6,000	2023.08	US\$:NT\$	29.3530

March 31, 2022

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 55,000	2022.12	US\$:NT\$ 27.6630
US\$ 98,000	2022.06	US\$:NT\$ 27.6925
US\$ 23,000	2022.06	US\$:NT\$ 27.6925
US\$ 16,600	2022.06	US\$:NT\$ 27.6930
US\$ 55,000	2022.06	US\$:NT\$ 27.6930
US\$ 20,400	2022.06	US\$:NT\$ 27.6930
US\$ 9,000	2022.06	US\$:NT\$ 27.6930
US\$ 20,000	2022.06	US\$:NT\$ 27.6930
US\$ 17,500	2022.06	US\$:NT\$ 27.6930
US\$ 10,000	2022.06	US\$:NT\$ 27.6930
US\$ 15,000	2022.06	US\$:NT\$ 27.6930
US\$ 43,000	2022.06	US\$:NT\$ 27.6470
US\$ 36,000	2022.06	US\$:NT\$ 27.6470
US\$ 7,500	2022.06	US\$:NT\$ 27.6470
US\$ 7,000	2022.06	US\$:NT\$ 27.6470
US\$ 5,000	2022.06	US\$:NT\$ 27.6470
US\$ 31,900	2022.06	US\$:NT\$ 27.6470
US\$ 21,000	2022.06	US\$:NT\$ 27.6470
US\$ 72,600	2022.06	US\$:NT\$ 27.6470
US\$ 15,000	2022.09	US\$:NT\$ 28.0240
US\$ 2,000	2022.09	US\$:NT\$ 28.2270
US\$ 6,000	2022.05	US\$:NT\$ 28.5050
US\$ 30,000	2023.03	US\$:NT\$ 28.1070
RMB 42,860	2023.03	RMB:NT\$ 4.3433
RMB 900	2023.03	RMB:NT\$ 4.3433
RMB 20,980	2022.04	US\$:RMB 6.4774
RMB 20,800	2022.04	US\$:RMB 6.4774
RMB 33,622	2022.06	US\$:RMB 6.4659
RMB 113,943	2022.06	US\$:RMB 6.4520
RMB 112,200	2022.06	US\$:RMB 6.4521
RMB 229,320	2022.06	US\$:RMB 6.4609
RMB 34,930	2022.06	US\$:RMB 6.4527
RMB 14,000	2022.08	US\$:RMB 6.4005
RMB 200,000	2022.09	US\$:RMB 6.4385
RMB 100,000	2022.09	US\$:RMB 6.4377
RMB 21,036	2023.03	US\$:RMB 6.4606
RMB 21,040	2023.04	US\$:RMB 6.4524
US\$ 6,000	2022.04	US\$:NT\$ 27.7820
US\$ 40,000	2022.04	US\$:NT\$ 27.9820

The Group entered into exchange rate swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2023	December 31, 2022	March 31, 2022
Domestic investments			
Listed shares	\$ 19,581,090	\$ 18,042,399	\$ 24,797,387
Unlisted shares	76,193	66,792	71,789
Foreign investments			
Unlisted shares	<u>225,775</u>	<u>232,838</u>	<u>112,003</u>
	<u>\$ 19,883,058</u>	<u>\$ 18,342,029</u>	<u>\$ 24,981,179</u>
Current	\$ 19,019,621	\$ 17,501,573	\$ 24,112,396
Non-current	<u>863,437</u>	<u>840,456</u>	<u>868,783</u>
	<u>\$ 19,883,058</u>	<u>\$ 18,342,029</u>	<u>\$ 24,981,179</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management selected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
Domestic investments			
Time deposits with original maturities of more than three months	\$ 3,735,554	\$ 2,162,814	\$ 5,146,634
Restricted deposits of repatriated offshore funds	6,222	18,419	114,091
Repurchase agreements collateralized by bonds with original maturities of more than three months	-	-	535,102
Foreign investments			
Bonds	2,799,081	2,819,889	1,711,529
Structured products	-	-	116,705
Commercial paper	<u>-</u>	<u>-</u>	<u>1,923,881</u>
	<u>\$ 6,540,857</u>	<u>\$ 5,001,122</u>	<u>\$ 9,547,942</u>
Current	\$ 3,682,346	\$ 1,901,597	\$ 6,004,208
Non-current	<u>2,858,511</u>	<u>3,099,525</u>	<u>3,543,734</u>
	<u>\$ 6,540,857</u>	<u>\$ 5,001,122</u>	<u>\$ 9,547,942</u>

Refer to Note 35 to the consolidated financial statements for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes receivable</u>			
Notes receivable - operating	\$ 245	\$ 39	\$ 328
Notes receivable - non-operating	<u>-</u>	<u>-</u>	<u>9</u>
	<u>\$ 245</u>	<u>\$ 39</u>	<u>\$ 337</u>
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 27,860,770	\$ 29,435,832	\$ 30,775,438
Less: Allowance for impairment loss	<u>(733,114)</u>	<u>(724,541)</u>	<u>(216,291)</u>
	<u>\$ 27,127,656</u>	<u>\$ 28,711,291</u>	<u>\$ 30,559,147</u>
<u>Other receivables</u>			
Tax refund receivables	\$ 3,373,538	\$ 2,985,457	\$ 2,519,577
Others	3,184,565	1,477,613	3,063,626
Less: Allowance for impairment loss	<u>-</u>	<u>(859)</u>	<u>(859)</u>
	<u>\$ 6,558,103</u>	<u>\$ 4,462,211</u>	<u>\$ 5,582,344</u>

a. Notes receivable

The notes receivable balances at March 31, 2023, December 31, 2022 and March 31, 2022 were not past due.

b. Accounts receivable

The Group use simplified practice of IFRS 9 to measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position. As the Group's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished according to the Group's different customer base.

The Group writes off an account receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

- 1) The following table details the loss allowance of trade receivables.

March 31, 2023

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 21,599,562	\$ 5,583,939	\$ 677,269	\$ 27,860,770
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(57,855)</u>	<u>(675,259)</u>	<u>(733,114)</u>
Amortized cost	<u>\$ 21,599,562</u>	<u>\$ 5,526,084</u>	<u>\$ 2,010</u>	<u>\$ 27,127,656</u>

December 31, 2022

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 21,158,537	\$ 7,472,079	\$ 805,216	\$ 29,435,832
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(3,654)</u>	<u>(720,887)</u>	<u>(724,541)</u>
Amortized cost	<u>\$ 21,158,537</u>	<u>\$ 7,468,425</u>	<u>\$ 84,329</u>	<u>\$ 28,711,291</u>

March 31, 2022

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 20,394,380	\$ 9,674,315	\$ 706,743	\$ 30,775,438
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(7,901)</u>	<u>(208,390)</u>	<u>(216,291)</u>
Amortized cost	<u>\$ 20,394,380</u>	<u>\$ 9,666,414</u>	<u>\$ 498,353</u>	<u>\$ 30,559,147</u>

- 2) The movements of the loss allowance of accounts receivable were as follows:

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 724,541	\$ 202,341
Add: Impairment losses recognized on receivable	19,209	9,630
Less: Amounts written off	(5,481)	(3,063)
Foreign exchange (gains) losses	<u>(5,155)</u>	<u>7,383</u>
Balance at March 31	<u>\$ 733,114</u>	<u>\$ 216,291</u>

11. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Inventories - manufacturing and retail	\$ 47,647,328	\$ 50,014,348	\$ 58,894,332
Inventories - construction	<u>3,698,991</u>	<u>3,703,765</u>	<u>3,690,112</u>
	<u>\$ 51,346,319</u>	<u>\$ 53,718,113</u>	<u>\$ 62,584,444</u>

a. Inventories - manufacturing and retail at the end of the reporting period consisted of the following:

	March 31, 2023	December 31, 2022	March 31, 2022
Raw materials	\$ 8,489,292	\$ 9,267,060	\$ 10,320,099
Work in progress	5,712,566	5,073,217	6,910,122
Finished goods and merchandise	<u>33,445,470</u>	<u>35,674,071</u>	<u>41,664,111</u>
	<u>\$ 47,647,328</u>	<u>\$ 50,014,348</u>	<u>\$ 58,894,332</u>

The cost of manufacturing and retail inventories recognized as cost of goods sold for the three months ended March 31, 2023 and 2022 were \$48,896,632 thousand and \$51,078,747 thousand, respectively.

b. Inventories - construction at the end of the reporting period consisted of the following:

	March 31, 2023	December 31, 2022	March 31, 2022
Land and buildings held for development	\$ 3,537,997	\$ 3,537,396	\$ 3,536,683
Land and buildings held for sale	50,102	55,477	42,537
Land held for construction sites	<u>110,892</u>	<u>110,892</u>	<u>110,892</u>
	<u>\$ 3,698,991</u>	<u>\$ 3,703,765</u>	<u>\$ 3,690,112</u>

The cost of construction inventories recognized as cost of goods sold for the three months ended March 31, 2023 was \$31,423 thousand.

12. NON-CURRENT ASSETS HELD FOR SALE

	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment	<u>\$ 2,103,182</u>	<u>\$ -</u>	<u>\$ -</u>

The Group signed a land transaction agreement with an unrelated party in March 2023 and reclassified the remaining assets as “non-current assets held for sale”. The carrying amount of the assets was \$2,103,182 thousand (US\$69,070 thousand) as of March 31, 2023.

13. OTHER ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Prepayments	\$ 9,829,868	\$ 9,380,804	\$ 12,887,264
Refundable deposits	613,587	646,817	754,933
Defined benefit assets	43,754	43,754	43,754
Prepayments for equipment and long-term prepayment	652,757	824,102	3,486,454
Others	<u>1,566,091</u>	<u>1,661,014</u>	<u>1,178,737</u>
	<u>\$ 12,706,057</u>	<u>\$ 12,556,491</u>	<u>\$ 18,351,142</u>
Current	\$ 11,322,712	\$ 11,000,965	\$ 14,011,323
Non-current	<u>1,383,345</u>	<u>1,555,526</u>	<u>4,339,819</u>
	<u>\$ 12,706,057</u>	<u>\$ 12,556,491</u>	<u>\$ 18,351,142</u>

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			March 31, 2023	December 31, 2022	March 31, 2022
Wealthplus Holdings Limited (“Wealthplus”)	British Virgin Islands	Investing in footwear, electronics and peripheral products	100.00	100.00	100.00
Win Fortune Investments Limited	British Virgin Islands	Investing activities	100.00	100.00	100.00
Windsor Entertainment Co., Ltd.	ROC	Entertainment and resort operations	100.00	100.00	100.00
Pou Shine Investments Co., Ltd.	ROC	Investing activities	100.00	100.00	100.00
Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	100.00	100.00	100.00
Pro Arch International Development Enterprise Inc.	ROC	Design and manufacture of footwear products	100.00	100.00	100.00
Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	99.81	99.81	99.81
Barits Development Corporation	ROC	Import and export of shoe related materials and investing activities	99.62	99.62	99.62

The information of Wealthplus’ major subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			March 31, 2023	December 31, 2022	March 31, 2022
Yue Yuen Industrial (Holdings) Limited (“Yue Yuen”)	Bermuda	Manufacture and sale of athletic and casual footwear and sports apparel	50.04	50.04	50.04
Pou Sheng International (Holdings) Limited (“Pou Sheng”)	Bermuda	Retail of sporting goods and brand licensing business	31.30	31.30	31.30
Tetor Ventures Ltd.	British Virgin Islands	Investment holding	100.00	100.00	100.00
Allied Charm Holdings Limited	British Virgin Islands	Investment holding	100.00	100.00	100.00

Win Fortune Investments Limited (“Win Fortune”) invested in Yue Yuen (as of March 31, 2023, December 31, 2022 and March 31, 2022, the ownership percentage were 1.07%). Investment is its primary operation activity.

The information of Pou Yuen Technology Co., Ltd.'s subsidiary is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			March 31, 2023	December 31, 2022	March 31, 2022
Pearl Dove International Limited	British Virgin Islands	Investment holdings	100.00	100.00	100.00

The information of Barits Development Corporation's subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			March 31, 2023	December 31, 2022	March 31, 2022
Song Ming Investments Co., Ltd.	ROC	Investing activities	100.00	100.00	100.00
Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	100.00	100.00	100.00
Yue Hong Realty Development Co., Ltd.	ROC	Development of real estate	100.00	100.00	100.00
Wang Yi Construction Co., Ltd.	ROC	Construction	89.75	89.75	89.75
Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	75.00	75.00	75.00

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%)		
	March 31, 2023	December 31, 2022	March 31, 2022
Yue Yuen	48.89	48.89	48.89
Pou Sheng	37.45	37.45	37.45

Refer to Table 9 "Information on Investees" of Note 38 to the consolidated financial statements for business location and business item of the material associates.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	For the Three Months Ended March 31		March 31, 2023	December 31, 2022	March 31, 2022
	2023	2022			
Yue Yuen	\$ 736,134	\$ 1,196,810	\$ 59,157,641	\$ 61,002,763	\$ 56,319,969
Pou Sheng	363,767	166,536	14,566,610	14,166,369	14,658,748

Pou Sheng is a subsidiary of Yue Yuen, and the summarized financial information in respect of Yue Yuen and its subsidiaries (including Pou Sheng) is set out below:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 125,207,460	\$ 127,247,648	\$ 133,130,143
Non-current assets	109,296,093	111,986,475	112,318,387
Current liabilities	(58,260,763)	(61,422,845)	(71,967,967)
Non-current liabilities	<u>(40,579,284)</u>	<u>(38,859,113)</u>	<u>(43,330,169)</u>
Equity	<u>\$ 135,663,506</u>	<u>\$ 138,952,165</u>	<u>\$ 130,150,394</u>

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
Equity attributable to:			
Owners of the Company	\$ 62,209,895	\$ 64,140,313	\$ 59,219,710
Non-controlling interests of Yue Yuen	59,157,641	61,002,763	56,319,969
Non-controlling interests of Yue Yuen's subsidiaries	<u>14,295,970</u>	<u>13,809,089</u>	<u>14,610,715</u>
	<u>\$ 135,663,506</u>	<u>\$ 138,952,165</u>	<u>\$ 130,150,394</u> (Concluded)

	For the Three Months Ended March 31	
	2023	2022
Operating revenue	<u>\$ 64,055,821</u>	<u>\$ 67,027,966</u>
Net income	\$ 1,968,387	\$ 2,675,001
Other comprehensive income	<u>257,902</u>	<u>476</u>
Total comprehensive income	<u>\$ 2,226,289</u>	<u>\$ 2,675,477</u>
Net income attributable to:		
Owners of the Company	\$ 776,754	\$ 1,240,886
Non-controlling interests of Yue Yuen	736,134	1,196,810
Non-controlling interests of Yue Yuen's subsidiaries	<u>455,499</u>	<u>237,305</u>
	<u>\$ 1,968,387</u>	<u>\$ 2,675,001</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 848,197	\$ 1,223,928
Non-controlling interests of Yue Yuen	804,447	1,180,595
Non-controlling interests of Yue Yuen's subsidiaries	<u>573,645</u>	<u>270,954</u>
	<u>\$ 2,226,289</u>	<u>\$ 2,675,477</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 6,765,376	\$ (4,828,944)
Investing activities	(1,123,976)	(1,570,267)
Financing activities	<u>(6,668,992)</u>	<u>2,864,230</u>
Net cash outflow	<u>\$ (1,027,592)</u>	<u>\$ (3,534,981)</u>

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2023	December 31, 2022	March 31, 2022
Investments in associates	\$ 56,184,844	\$ 51,237,635	\$ 57,617,545
Investments in joint ventures	<u>5,369,038</u>	<u>5,635,466</u>	<u>5,727,369</u>
	<u>\$ 61,553,882</u>	<u>\$ 56,873,101</u>	<u>\$ 63,344,914</u>

a. Investments in associates

	March 31, 2023	December 31, 2022	March 31, 2022
Material associate			
Ruen Chen Investment Holding Co., Ltd.	\$ 40,715,096	\$ 35,917,433	\$ 42,853,611
Associates that are not individually material	<u>15,469,748</u>	<u>15,320,202</u>	<u>14,763,934</u>
	<u>\$ 56,184,844</u>	<u>\$ 51,237,635</u>	<u>\$ 57,617,545</u>

1) Material associate

Name of Associate	Proportion of Ownership and Voting Rights		
	March 31, 2023	December 31, 2022	March 31, 2022
Ruen Chen Investment Holding Co., Ltd.	20%	20%	20%
a) As of December 6, 2022, the Company purchasing 8,000 thousand issued ordinary shares with \$10 per share with the amount of \$80,000 thousand.			
b) Refer to Table 9 “Information on Investees” of Note 38 to the consolidated financial statements for business location and business item of the material associates.			
c) The summarized financial information below represents amounts shown in the material associate’s financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.			

Ruen Chen Investment Holding Co., Ltd.

Name of Associate	March 31, 2023	December 31, 2022	March 31, 2022
Assets	\$ 5,289,536,395	\$ 5,264,490,661	\$ 5,186,221,095
Liabilities	(5,056,536,427)	(5,058,171,956)	(4,940,792,072)
Non-controlling interests	<u>(29,127,926)</u>	<u>(26,434,978)</u>	<u>(30,864,406)</u>
Owners of Ruen Chen	<u>\$ 203,872,042</u>	<u>\$ 179,883,727</u>	<u>\$ 214,564,617</u>
Proportion of the Group’s interest	20%	20%	20%
Equity attributable to the Group	\$ 40,774,408	\$ 35,976,745	\$ 42,912,923
Other adjustments	<u>(59,312)</u>	<u>(59,312)</u>	<u>(59,312)</u>
Carrying amount	<u>\$ 40,715,096</u>	<u>\$ 35,917,433</u>	<u>\$ 42,853,611</u>

	For the Three Months Ended March 31	
	2023	2022
Operating revenue	<u>\$ 113,114,997</u>	<u>\$ 133,369,481</u>
Net income	\$ 150,968	\$ 14,527,981
Other comprehensive income (loss)	<u>26,648,397</u>	<u>(201,932,917)</u>
Total comprehensive income (loss)	<u>\$ 26,799,365</u>	<u>\$ (187,404,936)</u>

2) Associates that are not individually material

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	March 31, 2023	December 31, 2022	March 31, 2022
Eagle Nice (International) Holdings Limited	35.97	35.97	35.97
San Fang Chemical Industry Co., Ltd.	44.72	44.72	44.72
Elitegroup Computer Systems Co., Ltd.	14.53	14.53	14.53
Brandblack Inc.	31.25	31.25	31.25
Full Pearl International Ltd.	40.04	40.04	40.04
Just Lucky Investments Limited	38.30	38.30	38.30
Natural Options Limited	38.30	38.30	38.30
Oftenrich Holdings Limited	45.00	45.00	45.00
Pou Ming Paper Products Manufacturing Co., Ltd.	20.00	20.00	20.00
Prosperlink Limited	38.00	38.00	38.00
Prosperous Industrial (Holdings) Ltd.	22.50	22.50	22.50
Rise Bloom International Limited	38.00	38.00	38.00
Venture Well Holdings Ltd.	31.55	31.55	31.55
Nan Pao Resins Chemical Co., Ltd.	17.59	17.59	17.59
Nan Shan Life Insurance Co., Ltd.	0.18	0.18	0.18

- a) Refer to Table 9 “Information on Investees” of Note 38 to the consolidated financial statements for location of incorporation and main business of the above associates that are not individually material.
- b) The Group holds less than 20% interest of Elitegroup Computer Systems Co., Ltd. However, the Group has the power to appoint two out of the nine directors of Elitegroup Computer. Therefore, the Group is able to exercise significant influence over Elitegroup Computer.
- c) The Group holds less than 20% interest of Nan Pao Resins Chemical Co., Ltd. However, the Group has the power to appoint one out of the seven directors of Nan Pao. Therefore, the Group is able to exercise significant influence over Nan Pao.
- d) The Group holds less than 20% interest of Nan Shan Life Insurance Company, Ltd. However, the Group exercises significant influence over Ruen Chen Investment Holding Co., Ltd., which is the parent company of Nan Shan Life Insurance Company, Ltd. Therefore, Nan Shan Life Insurance Company, Ltd. is classified as an associate of the Group.

- e) The summarized financial information below represents the amounts shown in the financial statements of associates that are not individually material which were prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

	For the Three Months Ended March 31	
	2023	2022
The Group's share of:		
Net income	\$ 305,833	\$ 360,164
Other comprehensive loss	<u>(44,681)</u>	<u>(299,442)</u>
Total comprehensive income	<u>\$ 261,152</u>	<u>\$ 60,722</u>

- f) Fair values (Level 1) of investments in associates that are not individually material with available published price quotations are summarized as follows:

Name of Associate	March 31, 2023	December 31, 2022	March 31, 2022
Eagle Nice (International) Holdings Limited	<u>\$ 3,202,523</u>	<u>\$ 3,060,951</u>	<u>\$ 3,122,451</u>
Prosperous Industrial (Holdings) Ltd.	<u>\$ 723,361</u>	<u>\$ 674,543</u>	<u>\$ 1,022,252</u>
San Fang Chemical Industry Co., Ltd.	<u>\$ 3,722,552</u>	<u>\$ 3,644,575</u>	<u>\$ 3,593,280</u>
Elitegroup Computer Systems Co., Ltd.	<u>\$ 1,843,113</u>	<u>\$ 1,668,928</u>	<u>\$ 2,766,929</u>
Nan Pao Resins Chemical Co., Ltd.	<u>\$ 3,060,359</u>	<u>\$ 2,818,333</u>	<u>\$ 1,624,370</u>

b. Investments in joint ventures

	March 31, 2023	December 31, 2022	March 31, 2022
Joint ventures that are not individually material	<u>\$ 5,369,038</u>	<u>\$ 5,635,466</u>	<u>\$ 5,727,369</u>

At the end of the reporting period, the proportions of ownership and voting rights in joint ventures that are not individually material held by the Group were as follows:

Name of Joint Venture	Proportion of Ownership and Voting Rights (%)		
	March 31, 2023	December 31, 2022	March 31, 2022
Cohen Enterprises Inc.	50.00	50.00	50.00
Great Skill Industrial Limited	-	-	50.00
Hangzhou Baohong Sports Goods Company Limited	50.00	50.00	50.00
Hua Jian Industrial Holding Co., Limited	22.41	22.41	22.41
Jilin Xinfangwei Sports Goods Company Limited	50.00	50.00	50.00
Jumbo Power Enterprises Limited	50.00	50.00	50.00
Ka Yuen Rubber Factory Limited	50.00	50.00	50.00
Prime Glorious Limited	-	-	49.00
Top Units Developments Limited	49.00	49.00	49.00

(Continued)

Name of Joint Venture	Proportion of Ownership and Voting Rights (%)		
	March 31, 2023	December 31, 2022	March 31, 2022
Twinways Investments Limited	50.00	50.00	50.00
Zhong Ao Multiplex Management Group Limited (Formerly known as Zhong Ao Multiplex Management Limited)	46.82	46.82	46.82 (Concluded)

- 1) Refer to Table 9 “Information on Investees” of Note 38 to the consolidated financial statements for business location and business item of the material associates.
- 2) The summarized financial information below represents amounts shown in the financial statements of joint ventures that are not individually material which were prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes:

	For the Three Months Ended March 31	
	2023	2022
The Group’s share of:		
Net income	\$ 112,680	\$ 67,977
Other comprehensive income	<u>16,110</u>	<u>2,212</u>
Total comprehensive income	<u>\$ 128,790</u>	<u>\$ 70,189</u>

16. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2023	December 31, 2022	March 31, 2022
Land	\$ 2,704,015	\$ 2,704,364	\$ 2,704,474
Buildings and improvements	41,603,482	44,816,292	43,564,587
Machinery and equipment	11,828,823	12,561,789	13,316,844
Transportation equipment	227,990	248,025	248,349
Office equipment	2,075,862	2,152,588	2,104,421
Other equipment	63,104	66,335	72,152
Construction in progress	<u>1,526,172</u>	<u>1,463,494</u>	<u>1,653,621</u>
	<u>\$ 60,029,448</u>	<u>\$ 64,012,887</u>	<u>\$ 63,664,448</u>

- a. Except for depreciation expenses and reclassification to non-current assets held for sale there were neither significant disposal nor impairment of property, plant and equipment during the three months ended March 31, 2023 and 2022.

- b. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

<u>Items</u>	<u>Estimated Useful Life</u>
Buildings and improvements	
Main buildings	50-55 years
Elevators	15 years
Machinery and equipment	5-12 years
Transportation equipment	5 years
Office equipment	3-7 years
Other equipment	3-10 years

- c. The Group has land located in Changhwa County with a carrying amount of \$56,102 thousand. Due to certain restrictions under the land regulations, the ownership for these three parcels of land resides with a trustee through a trust agreement which prohibits the trustee from selling, pledging or hypothecating the property.

17. LEASE ARRANGEMENTS

- a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Land	\$ 8,315,083	\$ 8,342,652	\$ 5,454,715
Buildings	9,040,558	9,734,519	11,666,514
Machinery	2,518	3,206	5,305
Transportation equipment	4,619	3,094	3,954
Other equipment	<u>3,490</u>	<u>3,699</u>	<u>4,327</u>
	<u>\$ 17,366,268</u>	<u>\$ 18,087,170</u>	<u>\$ 17,134,815</u>
		For the Three Months Ended March 31	
		2023	2022
Additions to right-of-use assets		<u>\$ 934,974</u>	<u>\$ 373,009</u>
Depreciation charge for right-of-use assets			
Land		\$ 61,535	\$ 37,520
Buildings		1,033,837	1,268,983
Machinery		660	1,139
Transportation equipment		671	787
Other equipment		<u>209</u>	<u>209</u>
		<u>\$ 1,096,912</u>	<u>\$ 1,308,638</u>

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Current	\$ 3,175,500	\$ 3,486,555	\$ 4,040,206
Non-current	<u>6,362,696</u>	<u>6,713,172</u>	<u>8,132,095</u>
	<u>\$ 9,538,196</u>	<u>\$ 10,199,727</u>	<u>\$ 12,172,301</u>

Range of discounts rates for lease liabilities was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Land	1.10%-7.47%	1.10%-3.07%	1.10%-3.07%
Buildings	0.90%-7.47%	0.90%-6.25%	0.90%-6.25%
Machinery	0.85%-0.90%	0.85%-3.07%	0.85%-3.07%
Transportation equipment	3.90%-4.25%	4.08%-4.50%	4.25%-4.50%
Other equipment	1.25%-1.34%	1.25%-1.34%	1.25%-1.34%

c. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases	<u>\$ 60,500</u>	<u>\$ 152,607</u>
Expenses relating to low-value asset leases	<u>\$ 645</u>	<u>\$ 1,273</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,560,711</u>	<u>\$ 1,490,603</u>
Total cash outflow for leases	<u>\$ 2,730,799</u>	<u>\$ 3,017,404</u>

The Group leases which qualify as short-term leases and qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

18. INVESTMENT PROPERTIES

	March 31, 2023	December 31, 2022	March 31, 2022
Investment properties	<u>\$ 5,710,700</u>	<u>\$ 5,806,082</u>	<u>\$ 5,523,652</u>

- a. Except for depreciation expenses recognized and reclassification, the Group had neither significant disposal nor impairment of investment properties during the three months ended March 31, 2023 and 2022.
- b. The investment properties are depreciated using the straight-line method over 30-55 years.

- c. The fair values of the Group's investment properties as of December 31, 2022 and 2021 were \$12,967,385 thousand and \$5,573,665 thousand, respectively. The Group's management team evaluated except for the reclassification of the carrying amount of investment properties as of March 31, 2022, which resulted in the reclassification of fair value adjusted to \$11,145,621 thousand (using the fair value as of December 31, 2021). The fair value of investment properties which did not changed significantly for during the three months ended March 31, 2023 and 2022.

19. GOODWILL

The Group's goodwill was tested as of December 31, 2022 and 2021, and the Group's management team evaluated that goodwill as of March 31, 2023 and 2022, has not changed significantly and was not impaired.

20. OTHER INTANGIBLE ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Computer software	\$ 1,571,800	\$ 1,541,637	\$ 1,328,593
Non-compete agreements	264,702	274,117	307,032
Trademarks	72	75	82
Patents	<u>328</u>	<u>335</u>	<u>191</u>
	<u>\$ 1,836,902</u>	<u>\$ 1,816,164</u>	<u>\$ 1,635,898</u>

- a. Except for amortization recognized, the Group had neither significant disposal nor impairment of other intangible assets during the three months ended March 31, 2023 and 2022.
- b. The abovementioned items of other intangible assets are amortized on a straight-line basis over their estimated useful life as follows:

<u>Item</u>	<u>Estimated Useful Life</u>
Computer software	3-20 years
Non-compete agreements	5-20 years
Trademarks	10 years
Patents	10-20 years

21. BORROWINGS

- a. Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Unsecured borrowings</u>			
Credit borrowings	<u>\$ 25,340,441</u>	<u>\$ 20,611,809</u>	<u>\$ 33,394,340</u>

The ranges of effective interest rate on bank borrowings were 1.00%-7.91%, 1.00%-7.47% and 0.55%-4.35% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

b. Short-term bills payable

March 31, 2023

	Properties	Annual Interest Rate	Amount
Commercial papers	NA	1.30%-1.57%	\$ 1,939,500
Less: Unamortized discount on bills payable			<u>(1,641)</u>
			<u>\$ 1,937,859</u>

December 31, 2022

	Properties	Annual Interest Rate	Amount
Commercial papers	NA	1.38%-2.15%	\$ 1,581,000
Less: Unamortized discount on bills payable			<u>(899)</u>
			<u>\$ 1,580,101</u>

March 31, 2022

	Properties	Annual Interest Rate	Amount
Commercial papers	NA	0.46%-0.80%	\$ 1,488,000
Less: Unamortized discount on bills payable			<u>(788)</u>
			<u>\$ 1,487,212</u>

c. Long-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Unsecured borrowings</u>			
Bank loans	\$ 50,124,265	\$ 61,981,571	\$ 64,558,853
Less: Long-term expenses for syndicated loans	(40,225)	(55,923)	(80,121)
Less: Current portion	<u>(5,410,626)</u>	<u>(11,923,464)</u>	<u>(12,046,213)</u>
	<u>\$ 44,673,414</u>	<u>\$ 50,002,184</u>	<u>\$ 52,432,519</u>

Maturity dates and ranges of annual interest rates:

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Maturity date</u>			
Long-term borrowings	2024.04.15- 2026.11.29	2024.01.15- 2026.11.29	2023.04.15- 2026.11.29
Current portion of long-term borrowings	2023.04.15- 2024.03.15	2023.01.15- 2023.12.20	2022.04.15- 2023.03.29
<u>Ranges of interest rate</u>	0.94%-5.93%	0.94%-5.54%	0.67%-1.72%

22. NOTES PAYABLE AND ACCOUNTS PAYABLE

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes payable (included related parties)</u>			
Operating	\$ 1,271	\$ 2,671	\$ 1,382
Non-operating	<u>4,534</u>	<u>1,323</u>	<u>4,790</u>
	<u>\$ 5,805</u>	<u>\$ 3,994</u>	<u>\$ 6,172</u>
Accounts payable (included related parties)	<u>\$ 14,220,499</u>	<u>\$ 12,536,177</u>	<u>\$ 17,713,976</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

23. OTHER PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Payables for salaries	\$ 8,509,698	\$ 11,006,308	\$ 8,556,514
Payables for purchase of property, plant and equipment	892,894	1,297,784	1,038,476
Compensation due to directors	132,233	178,867	168,557
Compensation of employees	503,514	483,415	584,446
Interest payables	203,736	292,424	116,979
Payables for annual leave	936,686	1,015,231	1,012,814
Payables for dividends	2,133,512	-	586,729
Others	<u>7,024,651</u>	<u>7,421,424</u>	<u>7,518,901</u>
	<u>\$ 20,336,924</u>	<u>\$ 21,695,453</u>	<u>\$ 19,583,416</u>
Current	\$ 20,182,589	\$ 21,540,287	\$ 19,434,920
Non-current	<u>154,335</u>	<u>155,166</u>	<u>148,496</u>
	<u>\$ 20,336,924</u>	<u>\$ 21,695,453</u>	<u>\$ 19,583,416</u>

24. RETIREMENT BENEFIT PLANS

Employee benefits expenses in respect of the Group's defined benefit retirement plans during the three months ended March 31, 2023 and 2022 were calculated using the respective annual, actuarially determined pension cost discount rates as of December 31, 2022 and 2021 and recognized in the following line items in their respective periods:

	For the Three Months Ended March 31	
	2023	2022
Operating costs	\$ 112,153	\$ 132,464
Selling and marketing expenses	610	623
General and administrative expenses	12,904	9,127
Research and development expenses	<u>1,082</u>	<u>1,037</u>
	<u>\$ 126,749</u>	<u>\$ 143,251</u>

25. EQUITY

a. Share capital

	March 31, 2023	December 31, 2022	March 31, 2022
Number of shares authorized (in thousands)	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
Amount of shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>2,946,787</u>	<u>2,946,787</u>	<u>2,946,787</u>
Amount of shares issued	<u>\$ 29,467,872</u>	<u>\$ 29,467,872</u>	<u>\$ 29,467,872</u>

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)			
Recognized from issuance of ordinary shares	\$ 848,603	\$ 848,603	\$ 848,603
Recognized from conversion of bonds	1,447,492	1,447,492	1,447,492
Recognized from treasury share transactions	1,824,608	1,824,608	1,824,608
Recognized from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	109,637	109,637	109,637

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
<u>May be used to offset a deficit only</u>			
Recognized from the changes in ownership to subsidiaries (Note 2)	\$ 27,234	\$ 27,234	\$ 27,234
Recognized from the share of changes in net assets of associates and joint ventures	133,171	133,171	133,172
Others	<u>30,770</u>	<u>29,644</u>	<u>29,648</u>
	<u>\$ 4,421,515</u>	<u>\$ 4,420,389</u>	<u>\$ 4,420,394</u> (Concluded)

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

Note 2: Such capital surplus are the changes in equity transactions recognized from the equity changes of subsidiaries when the Company does not actually receive or dispose of subsidiaries' shares.

c. Retained earnings and dividend policy

Under the dividend policy of the amended Articles, the Company should make appropriations from the annual net profit in the following order:

- 1) For paying taxes.
- 2) For offsetting deficit.
- 3) For the legal reserve at 10% of the remaining profit, and for the special reserve to be appropriated and distributed according to regulations or upon request by the FSC.
- 4) The total of any remaining profit after the appropriations mentioned above plus any accumulated unappropriated earnings from prior years may be partially retained and then the remainder distributed as proposed according to the share ownership proportion.

The board of directors proposes an earnings distribution in the form of new shares shall be approved following the resolution of the shareholders' meetings. Distribution of dividends and bonuses or distribution of the legal reserve and capital surplus in whole or in part by cash shall be resolved by a majority vote at a meeting attended by more than two thirds of the total number of directors, and such distribution shall be reported at the shareholders' meeting.

For information about the accrual basis of the compensation of employees and remuneration of directors and supervisors and the actual appropriations, refer to Note 27 (h) to the consolidated financial statements.

In accordance with the "Articles", profit may be distributed after taking into consideration the future development plan, financial condition, business and operational status, and so on. The distribution of profit shall be proposed by the board of directors, and submitted to the shareholders' meeting for approval. The ratio of distribution shall be no less than 30% of the net income for each fiscal year, and the proportion of cash dividends distributed shall be no less than 30% of total dividends distributed. If there are material changes in the operating environment, the Company can adjust the ratio and amounts of distribution of profit.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865, Rule No. 1010047490, Rule No. 1030006415 and Rule No. 1110384722 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve.

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2022	For Year 2021	For Year 2022	For Year 2021
Legal reserve	\$ 1,314,066	\$ 1,439,249	\$ -	\$ -
Special reserve	57,646,766	-	-	-
Cash dividends	3,830,823	4,420,181	1.3	1.5

The above 2022 and 2021 appropriations for cash dividends were resolved by the Company's board of directors on April 26, 2023 and April 28, 2022, respectively; the other proposed appropriations for 2021 had been resolved by the shareholders in their meeting on June 15, 2022. The other proposed appropriations for 2022 will be resolved by the shareholders at their meeting to be held on June 15, 2023.

d. Other equity item

1) Exchange differences on translation of the financial statements of foreign operations

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ (273,894)	\$ (7,414,850)
Exchange differences on translation of the financial statements of foreign operations	(644,358)	2,680,271
Share of exchange differences of associates and joint ventures accounted for using the equity method	<u>17,331</u>	<u>(47,416)</u>
Balance at March 31	<u>\$ (900,921)</u>	<u>\$ (4,781,995)</u>

2) Unrealized gain or loss on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ (3,520,843)	\$ 14,613,616
Unrealized gain from equity instruments	1,521,728	3,980,850
Disposal of associates accounted for using the equity method	<u>942,823</u>	<u>(25,466,429)</u>
Balance at March 31	<u>\$ (1,056,292)</u>	<u>\$ (6,871,963)</u>

3) Others

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ (17,528,857)	\$ 12,620,038
Share of loss from associates and joint ventures accounted for using the equity method	<u>3,821,426</u>	<u>(10,976,694)</u>
Balance at March 31	<u>\$ (13,707,431)</u>	<u>\$ 1,643,344</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 75,115,457	\$ 68,063,798
Share of non-controlling interests		
Net income	1,193,628	1,434,259
Exchange differences on translation of the financial statements of foreign operations	(403,359)	2,335,091
Unrealized (loss) gain on financial assets at FVTOCI	(29,063)	67,001
Others	75	(214)
Changes in non-controlling interests	<u>(2,104,454)</u>	<u>(620,322)</u>
Balance at March 31	<u>\$ 73,772,284</u>	<u>\$ 71,279,613</u>

26. REVENUE

	For the Three Months Ended March 31	
	2023	2022
Sales revenue	\$ 64,128,554	\$ 67,050,334
Revenue from entertainment and resorts	143,942	131,908
Others	<u>94,297</u>	<u>81,119</u>
	<u>\$ 64,366,793</u>	<u>\$ 67,263,361</u>

27. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consists of the following:

a. Interest income

	For the Three Months Ended March 31	
	2023	2022
Interest income		
Cash in bank	\$ 325,796	\$ 107,739
Repurchase agreements collateralized by bonds	2	813
Financial assets at amortized cost	44,099	45,278
Others	<u>20</u>	<u>12</u>
	<u>\$ 369,917</u>	<u>\$ 153,842</u>

b. Other income

	For the Three Months Ended March 31	
	2023	2022
Rental income	\$ 213,275	\$ 190,049
Others	<u>538,409</u>	<u>409,461</u>
	<u>\$ 751,684</u>	<u>\$ 599,510</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2023	2022
Net (loss) gain on disposal of property, plant and equipment	\$ (53,511)	\$ 1,985
Net gain on disposal of investment properties	7,879	-
Net foreign exchange (loss) gain	(134,409)	117,085
Net gain on financial products at FVTPL	441,461	776,653
Others	<u>(78,232)</u>	<u>(49,274)</u>
	<u>\$ 183,188</u>	<u>\$ 846,449</u>

d. Finance costs

	For the Three Months Ended March 31	
	2023	2022
Interest on bank borrowings	\$ 727,630	\$ 300,972
Lease liabilities	101,234	131,520
Interest on short-term bills payable	11,603	3,890
Other interest expense	<u>39</u>	<u>21</u>
	<u>\$ 840,506</u>	<u>\$ 436,403</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2023	2022
Property, plant and equipment	\$ 2,350,060	\$ 2,427,243
Right-of-use assets	1,096,912	1,308,638
Investment properties	39,689	49,529
Other intangible assets	30,294	28,803
Long-term prepayments	<u>-</u>	<u>375</u>
	<u>\$ 3,516,955</u>	<u>\$ 3,814,588</u>
An analysis of depreciation by function		
Operating costs	\$ 1,367,158	\$ 1,425,086
Operating expenses	2,083,218	2,348,732
Non-operating expenses	<u>36,285</u>	<u>11,592</u>
	<u>\$ 3,486,661</u>	<u>\$ 3,785,410</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 30,294</u>	<u>\$ 29,178</u>

f. Direct operating expenses from investment properties

	For the Three Months Ended March 31	
	2023	2022
Generate rental income	<u>\$ 13,716</u>	<u>\$ 10,242</u>

g. Employee benefits expense

	For the Three Months Ended March 31	
	2023	2022
Short-term benefits	\$ 15,010,901	\$ 15,553,149
Post-employment benefits		
Defined contribution plans	2,023,214	1,619,754
Defined benefit plans	<u>126,749</u>	<u>143,251</u>
	2,149,963	1,763,005
Share-based payments		
Equity-settled	31,672	32,641
Termination benefits	<u>3,443</u>	<u>89</u>
	<u>\$ 17,195,979</u>	<u>\$ 17,348,884</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 11,272,445	\$ 11,781,102
Operating expenses	<u>5,923,534</u>	<u>5,567,782</u>
	<u>\$ 17,195,979</u>	<u>\$ 17,348,884</u>

As of March 31, 2023 and 2022, there were 299,198 and 330,707 employees, respectively, in the Group. The Group accounts for employee benefits expense based on the number of employees.

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company shall distribute compensation of employees and remuneration of directors and supervisors at rates of 1%-5% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. In the case of an accumulated loss, the Company shall allocate an amount to recover such loss before appropriating any compensation of employees and remuneration of directors and supervisors.

The compensation of employees and remuneration of directors for the three months ended March 31, 2023 and 2022 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	1.6%	1.6%
Remuneration of directors	0.8%	0.8%

Amount

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	\$ 20,305	\$ 76,289
Remuneration of directors	\$ 10,152	\$ 38,143

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 16, 2023 and March 16, 2022, respectively, were as follows:

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 221,811	\$ -	\$ 229,168	\$ -
Remuneration of directors	110,906	-	114,584	-

There was no difference between the actual amounts of compensation of employees and remuneration of directors approved/paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on compensation of employees and remuneration of directors resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2023	2022
Current tax		
In respect of the current period	\$ 869,839	\$ 814,303
Adjustments for prior year's income tax	<u>4,836</u>	<u>-</u>
	<u>874,675</u>	<u>814,303</u>
Deferred tax		
In respect of the current period	<u>(197,138)</u>	<u>(125,499)</u>
	<u>(197,138)</u>	<u>(125,499)</u>
Income tax expense recognized in profit or loss	<u>\$ 677,537</u>	<u>\$ 688,804</u>

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

b. Income tax assessments

All the Company's income tax returns as of 2020 have been assessed by the tax authorities.

29. EARNINGS PER SHARE

The basic earnings per share and diluted earnings per share for the three months ended March 31, 2023 and 2022 were as follows:

	For the Three Months Ended March 31	
	2023	2022
<u>Net income (in thousand dollars)</u>		
Earnings used in the computation of earnings per share	<u>\$ 991,355</u>	<u>\$ 4,638,528</u>
<u>Weighted average number of shares outstanding (in thousand shares)</u>		
Weighted average number of ordinary shares used in the computation of basic earnings per share	2,946,787	2,946,787
Effects of potentially dilutive ordinary shares:		
Compensation of employees	<u>2,052</u>	<u>3,969</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>2,948,839</u>	<u>2,950,756</u>

(Continued)

	For the Three Months Ended March 31	
	2023	2022
<u>Earnings per share (in dollars)</u>		
Basic earnings per share	<u>\$ 0.34</u>	<u>\$ 1.57</u>
Diluted earnings per share	<u>\$ 0.34</u>	<u>\$ 1.57</u>
		(Concluded)

Since the Company offered to settle the compensation paid to employees by cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

30. SHARE-BASED PAYMENT ARRANGEMENTS

a. Information about Yue Yuen's employee share options

Information about the granted employee share options during the three months ended March 31, 2023 and 2022 was as follows:

	For the Three Months Ended March 31	
	2023	2022
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	1,470	1,740
Options granted	1,331	1,184
Options cancelled	<u>(46)</u>	<u>(60)</u>
Balance at March 31	<u>2,755</u>	<u>2,864</u>

Yue Yuen recognized \$28,480 thousand and \$26,146 thousand in compensation costs for the three months ended March 31, 2023 and 2022, respectively.

b. Information about Pou Sheng's employee share options

Information about the granted employee share options during the three months ended March 31, 2023 and 2022 was as follows:

	For the Three Months Ended March 31	
	2023	2022
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	8,163	15,968
Options cancelled	(99)	(217)
Options exercised	<u>(378)</u>	<u>(5,521)</u>
Balance at March 31	<u>7,686</u>	<u>10,230</u>

Pou Sheng recognized \$3,192 thousand and \$6,495 thousand in compensation costs for the three months ended March 31, 2023 and 2022, respectively.

31. EXPLANATORY COMMENTS ABOUT THE SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The Group's industry is not seasonal in nature. Based on historical experience, the sales of the Group are not seasonally dependent.

32. CAPITAL MANAGEMENT

The Group's capital management policy is to ensure that the Group has sufficient financial resources and operating plans to balance the working capital, capital expenditure, research and development expenditure, repayment of debt and dividends paid to shareholders within twelve months.

33. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The Group's management considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1, 2 and 3 based on the degree to which the fair value is observable:

1) The fair value hierarchy is as follows:

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 381,685	\$ -	\$ 381,685
Mutual funds	<u>312,797</u>	<u>-</u>	<u>612,000</u>	<u>924,797</u>
	<u>\$ 312,797</u>	<u>\$ 381,685</u>	<u>\$ 612,000</u>	<u>\$ 1,306,482</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 19,581,090	\$ -	\$ -	\$ 19,581,090
Domestic unlisted shares	-	-	76,193	76,193
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>225,775</u>	<u>225,775</u>
	<u>\$ 19,581,090</u>	<u>\$ -</u>	<u>\$ 301,968</u>	<u>\$ 19,883,058</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 38,937</u>	<u>\$ -</u>	<u>\$ 38,937</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 360,499	\$ -	\$ 360,499
Structured deposits	-	2,254,267	-	2,254,267
Mutual funds	<u>300,373</u>	<u>-</u>	<u>629,709</u>	<u>930,082</u>
	<u>\$ 300,373</u>	<u>\$ 2,614,766</u>	<u>\$ 629,709</u>	<u>\$ 3,544,848</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 18,042,399	\$ -	\$ -	\$ 18,042,399
Domestic unlisted shares	-	-	66,792	66,792
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>232,838</u>	<u>232,838</u>
	<u>\$ 18,042,399</u>	<u>\$ -</u>	<u>\$ 299,630</u>	<u>\$ 18,342,029</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 155,274</u>	<u>\$ -</u>	<u>\$ 155,274</u>

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 738,914	\$ -	\$ 738,914
Structured deposits	-	4,876,826	-	4,876,826
Mutual funds	<u>545,048</u>	<u>-</u>	<u>578,589</u>	<u>1,123,637</u>
	<u>\$ 545,048</u>	<u>\$ 5,615,740</u>	<u>\$ 578,589</u>	<u>\$ 6,739,377</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 24,797,387	\$ -	\$ -	\$ 24,797,387
Domestic unlisted shares	-	-	71,789	71,789
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>112,003</u>	<u>112,003</u>
	<u>\$ 24,797,387</u>	<u>\$ -</u>	<u>\$ 183,792</u>	<u>\$ 24,981,179</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 94,163</u>	<u>\$ -</u>	<u>\$ 94,163</u>

- 2) There were no transfers between Levels 1 and 2 in the current and prior periods.
- 3) There was no reconciliation of Level 3 fair value measurements of financial assets except for changes in fair value recognized in other comprehensive income.
- 4) The fair value of Level 2 financial assets and financial liabilities is determined as follows:
 - a) The fair value of financial instruments with standard terms and conditions and traded in active liquid markets is determined with reference to the quoted market prices.
 - b) The future cash flows of derivatives are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
- 5) Valuation techniques and assumptions applied for Level 3 fair value measurement is as follows:

The fair values of unlisted shares and funds with no active market is determined using the asset approach, income approach and market approach.

c. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily at FVTPL	\$ 1,306,482	\$ 3,544,848	\$ 6,739,377
Financial assets at amortized cost (Note 1)	77,857,620	78,139,109	74,348,297
Financial assets at FVTOCI	19,883,058	18,342,029	24,981,179
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	38,937	155,274	94,163
Financial liabilities at amortized cost (Note 2)	111,974,708	118,402,239	136,702,210

Note 1: The balance included financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables and refundable deposits.

Note 2: The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables, long-term borrowings (including current portion), long-term payables and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity investments, borrowings, receivables, payables, refundable deposits and guarantee deposits. The Group's treasury function monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts and other derivative instruments.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and the carrying amount of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 37 to the consolidated financial statements.

Sensitivity analysis

The Group was mainly exposed to the USD, RMB, HKD, VND and IDR.

The following table details the Group's sensitivity to 1% increase (decrease) in New Taiwan dollars (the functional currency) against the relevant foreign currencies. A positive (negative) number below indicates an increase (decrease) in pre-tax profit with New Taiwan dollars strengthening 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	For the Three Months Ended March 31	
	2023	2022
USD	\$ 35,351	\$ 9,004
RMB	(82,089)	(65,626)
HKD	(23,742)	(6,238)
VND	5,710	(21,492)
IDR	550	2,397

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts.

The carrying amounts of the Group's financial liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Cash flow interest rate risk			
Financial liabilities	\$ 69,732,934	\$ 75,530,185	\$ 76,296,442

Sensitivity analysis

The sensitivity analysis below was based on the Group's floating rate liabilities. The analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole period. If there had been a 1% increase in interest rates, it would have caused the Group to increase its cash outflow by \$174,332 thousand and \$190,741 thousand during the three months ended March 31, 2023 and 2022, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and mutual funds. The investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had declined by 1%, income before income tax for the three months ended March 31, 2023 and 2022 would have decreased by \$9,248 thousand and \$11,236 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income for the three months ended March 31, 2023 and 2022 would have decreased by \$196,000 thousand and \$248,159 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The company's sensitivity to equity securities investment has not changed significantly from the previous year.

2) Credit risk

Financial instruments are evaluated for credit risk (which represents the potential loss that would be incurred by the Company if a counterparty or third party were to breach a contract). The risk includes the centralization of credit risk, components, contract figures, and accounts receivable. Besides, the Company requires significant clients to provide guarantees of a credit rating of intermediate or higher issued by a bank so as to effectively reduce its credit risk.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The tables had been drawn up based on the undiscounted cash flows of financial liabilities including both interest and principal from the earliest date on which the Group can be required to pay.

March 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 20,661,850	\$ 7,510,310	\$ 6,237,216	\$ 145,286	\$ 57,706
Lease liabilities	276,999	1,016,717	2,216,441	5,632,015	1,446,040
Floating interest rate liabilities	14,874,056	4,660,974	8,532,980	41,664,924	-
Fixed interest rate liabilities	3,847,471	600,717	1,875,000	3,930,000	-
Financial guarantee contracts	<u>1,313,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 40,973,566</u>	<u>\$ 13,788,718</u>	<u>\$ 18,861,637</u>	<u>\$ 51,372,225</u>	<u>\$ 1,503,746</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 16,968,010	\$ 8,259,348	\$ 8,854,020	\$ 143,150	\$ 60,154
Lease liabilities	347,271	1,102,741	2,406,212	5,917,883	1,557,611
Floating interest rate liabilities	7,943,134	6,325,400	13,675,710	47,585,941	-
Fixed interest rate liabilities	2,504,900	1,989,712	3,537,000	3,930,000	-
Financial guarantee contracts	<u>1,323,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 29,086,437</u>	<u>\$ 17,677,201</u>	<u>\$ 28,472,942</u>	<u>\$ 57,576,974</u>	<u>\$ 1,617,765</u>

March 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 22,044,732	\$ 8,616,642	\$ 6,494,910	\$ 129,311	\$ 56,331
Lease liabilities	290,764	1,338,038	2,834,426	7,157,633	1,907,689
Floating interest rate liabilities	15,620,106	6,999,801	5,406,957	48,269,578	-
Fixed interest rate liabilities	8,131,861	-	11,219,441	4,775,000	-
Financial guarantee contracts	<u>1,394,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 47,481,565</u>	<u>\$ 16,954,481</u>	<u>\$ 25,955,734</u>	<u>\$ 60,331,522</u>	<u>\$ 1,964,020</u>

The amounts included above for floating interest rate instruments for non-derivative financial liabilities were subject to change if floating interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

March 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Forward exchange contracts	\$ 1,210	\$ 2,756	\$ -	\$ -	\$ -
Exchange rate option contracts	1,749	775	23,033	-	-
Exchange rate swap contracts	<u>-</u>	<u>-</u>	<u>9,414</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,959</u>	<u>\$ 3,531</u>	<u>\$ 32,447</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Forward exchange contracts	\$ 535	\$ 55,011	\$ 1,933	\$ -	\$ -
Exchange rate option contracts	2,615	5,727	51,910	-	-
Exchange rate swap contracts	<u>-</u>	<u>6,040</u>	<u>31,503</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,150</u>	<u>\$ 66,778</u>	<u>\$ 85,346</u>	<u>\$ -</u>	<u>\$ -</u>

March 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	\$ -	\$ 53,529	\$ 25,906	\$ 13,162	\$ -
Exchange rate option contracts	-	-	-	1,550	-
Exchange rate swap contracts	<u>-</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 53,529</u>	<u>\$ 25,922</u>	<u>\$ 14,712</u>	<u>\$ -</u>

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party names and categories

Name	Related Party Category
Oftenrich Holdings Limited	Associate
San Fang Chemical Industry Co., Ltd.	Associate
Ka Yuen Rubber Factory Limited	Joint venture
Twinways Investments Limited	Joint venture
Shan Dong Liwei Economic and Trade Co., Ltd.	Other related party

b. Operating revenue

Account Item	Related Party Category	For the Three Months Ended March 31	
		2023	2022
Sales	Associates	\$ 28,024	\$ 46,320
	Joint ventures	98,368	71,415
	Other related party	<u>41,307</u>	<u>-</u>
		<u>\$ 167,699</u>	<u>\$ 117,735</u>

The sales prices and receivable terms to related parties were not significantly different from those of non-related parties.

c. Purchases

Account Item	Related Party Category	For the Three Months Ended March 31	
		2023	2022
Purchases	Associates	\$ 821,579	\$ 748,820
	Joint ventures	<u>1,223,141</u>	<u>1,209,838</u>
		<u>\$ 2,044,720</u>	<u>\$ 1,958,658</u>

The purchase prices and payment terms from related parties were not significantly different from those of non-related parties.

d. Receivables from related parties

Account Item	Related Party Category	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable and accounts receivable	Associates	\$ 18,790	\$ 21,439	\$ 29,449
	Joint ventures	13,241	10,686	11,471
	Other related party	<u>20,663</u>	<u>-</u>	<u>-</u>
		<u>\$ 52,694</u>	<u>\$ 32,125</u>	<u>\$ 40,920</u>

No bad debt expense was recognized for the three months ended March 31, 2023 and 2022 for the amounts owed by related parties.

e. Payables to related parties

Account Item	Related Party Category	March 31, 2023	December 31, 2022	March 31, 2022
Notes payable and accounts payable	Associates	\$ 750,007	\$ 575,581	\$ 669,410
	Joint ventures	<u>1,146,488</u>	<u>1,011,328</u>	<u>1,217,827</u>
		<u>\$ 1,896,495</u>	<u>\$ 1,586,909</u>	<u>\$ 1,887,237</u>

f. Financing provided

Refer to Table 1 “Financing provided to others” of Note 38 to the consolidated financial statements.

g. Endorsements/guarantees provided

Refer to Table 2 “Endorsements/guarantees provided” of Note 38 to the consolidated financial statements.

h. Compensation of key management personnel

	For the Three Months Ended March 31	
	2023	2022
Short-term employee benefits	<u>\$ 51,518</u>	<u>\$ 84,711</u>

The remuneration of directors and key management personnel was determined by the remuneration committee with regard to the performance of individuals and market trends.

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the issuance of gift vouchers:

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets at amortized cost	<u>\$ 59,430</u>	<u>\$ 59,292</u>	<u>\$ 61,938</u>

36. SIGNIFICANT COMMITMENTS AND UNRECOGNIZED LIABILITIES

a. Outstanding letters of credit of the Group at the end of reporting period were as follows:

(Unit: In Thousands of Foreign Currencies)

Foreign Currencies	March 31, 2023	December 31, 2022	March 31, 2022
USD	\$ 1,255	\$ 1,491	\$ 2,539
VND	9,185,381	9,185,381	9,185,381

b. The Company entered into project agreements with the Institute for Information Industry. According to the project agreements, the Company has to provide promissory notes and bank guarantees to Taipei Computer Association as guarantee.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the functional currencies of the entities in the Group and the exchange rates between the foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

March 31, 2023

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 67,903	30.45	\$ 2,067,655
NTD	243,326	1	243,326
RMB	3,039,896	4.431	13,469,780
HKD	618,699	3.879	2,399,935
VND	396,538,281	0.00128	507,569
IDR	123,495,074	0.00203	250,695
Non-monetary items			
USD	6,715	30.45	204,460
NTD	674,072	1	674,072
RMB	438,599	4.431	1,943,432
<u>Financial liabilities</u>			
Monetary items			
USD	184,033	30.45	5,603,803
NTD	1,791,773	1	1,791,773
RMB	1,187,362	4.431	5,261,199
HKD	6,625	3.879	25,700
VND	967,532,813	0.00128	1,238,442
IDR	150,979,310	0.00203	306,488
Non-monetary items			
USD	283	30.45	8,611

December 31, 2022

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
<u>Financial assets</u>			
Monetary items			
USD	\$ 65,989	30.71	\$ 2,026,513
NTD	292,083	1	292,083
RMB	2,944,840	4.408	12,980,856
HKD	65,125	3.938	256,462
VND	609,899,225	0.00129	786,770
IDR	258,398,485	0.00198	511,629
(Continued)			

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
Non-monetary items			
USD	\$ 4,647	30.71	\$ 142,719
NTD	1,089,222	1	1,089,222
RMB	411,326	4.408	1,813,123

Financial liabilities

Monetary items			
USD	182,273	30.71	5,597,601
NTD	1,445,804	1	1,445,804
RMB	1,046,122	4.408	4,611,305
HKD	5,762	3.938	22,692
VND	937,428,682	0.00129	1,209,283
IDR	144,059,091	0.00198	285,237
Non-monetary items			
USD	790	30.71	24,249
			(Concluded)

March 31, 2022

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 75,173	28.625	\$ 2,151,819
NTD	254,562	1	254,562
RMB	1,562,344	4.506	7,039,922
HKD	181,362	3.656	663,060
VND	3,243,833,065	0.00124	4,022,353
IDR	116,466,162	0.00198	230,603
Non-monetary items			
USD	20,665	28.625	591,534
NTD	816,757	1	816,757
RMB	587,524	4.506	2,647,385

Financial liabilities

Monetary items			
USD	106,621	28.625	3,052,020
NTD	1,262,400	1	1,262,400
RMB	105,969	4.506	477,495
HKD	10,756	3.656	39,324
VND	1,094,658,871	0.00124	1,357,377
IDR	236,312,626	0.00198	467,899

For the three months ended March 31, 2023 and 2022, net foreign exchange (loss) gain were \$(134,409) thousand and \$117,085 thousand, respectively. It is impractical to disclose net foreign exchange (loss) gain by each significant foreign currency due to the variety of the functional currencies of the Group's entities.

38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 9) Trading in derivative instruments (Note 33)
- 10) Intercompany relationships and significant intercompany transactions (Table 8)
- 11) Information on investees (Table 9)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party: (None).

c. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

39. SEGMENT INFORMATION

a. Information about reportable segments

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

- 1) Manufacturing of shoes;
- 2) Retail of sporting goods and brand licensing business; and
- 3) Others.

b. Segment revenue and results

The Group's revenue and results by reportable segment were as follows:

For the three months ended March 31, 2023

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 38,173,177</u>	<u>\$ 25,910,339</u>	<u>\$ 283,277</u>	<u>\$ 64,366,793</u>
Segment income	<u>\$ 4,524,459</u>	<u>\$ 2,102,756</u>	<u>\$ 183,085</u>	\$ 6,810,300
Administrative costs and remuneration of directors				(4,781,111)
Interest income				369,917
Rental income				213,275
Other income				538,409
Net loss on disposal of property, plant and equipment				(53,511)
Net gain on disposal of investment properties				7,879
Net foreign exchange loss				(134,409)
Net gain on financial assets at FVTPL				441,461
Other loss				(78,232)
Net loss on derecognition of financial assets at amortized cost				(74,409)
Finance costs				(840,506)
Share of profit of associates and joint ventures				<u>443,457</u>
Income before income tax				<u>\$ 2,862,520</u>

For the three months ended March 31, 2022

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 42,881,123</u>	<u>\$ 24,143,565</u>	<u>\$ 238,673</u>	<u>\$ 67,263,361</u>
Segment income	<u>\$ 5,222,958</u>	<u>\$ 1,316,586</u>	<u>\$ 172,855</u>	<u>\$ 6,712,399</u>
Administrative costs and remuneration of directors				(4,139,255)
Interest income				153,842
Rental income				190,049
Other income				409,461
Net gain on disposal of property, plant and equipment				1,985
Net foreign exchange gain				117,085
Net gain on financial assets at FVTPL				776,653
Other loss				(49,274)
Net loss on derecognition of financial assets at amortized cost				(3,549)
Finance costs				(436,403)
Share of profit of associates and joint ventures				<u>3,028,598</u>
Income before income tax				<u>\$ 6,761,591</u>

- 1) Sales between segments were made at market price.
- 2) Segment profit represented the profit before income tax earned by each segment without allocation of administration costs, remuneration of directors, interest income, rental income, other income, net (loss) gain on disposal of property, plant and equipment, net gain on disposal of investment property, net foreign exchange (loss) gain, gain on financial instruments, other loss, net loss on derecognition of financial assets at amortized cost, finance costs and the share of profit of associates and joint ventures. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

POU CHEN CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Financing Company	Borrowing Company	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note
													Item	Value			
1	Dongguan Baoqiao Electronic Technology Co., Ltd.	Kunshan Yuanying Electronics Technology Co., Ltd. Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	\$ 12,224 (RMB 2,750,000)	\$ 12,185 (RMB 2,750,000)	\$ -	4.35	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 253,593	\$ 253,593	
			Accounts receivable from related parties	Yes	(RMB 20,000,000)	(RMB 20,000,000)	(RMB 88,620 20,000,000)	3.00	2	-	Operating capital	-	-	-	253,593	253,593	
2	Dongguan Yuming Electronic Technology Co., Ltd.	Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	(RMB 44,450 10,000,000)	(RMB 44,310 10,000,000)	(RMB 44,310 10,000,000)	3.00	2	-	Operating capital	-	-	-	321,043	321,043	
3	Wang Yi Construction Co., Ltd.	Barits Development Corporation	Accounts receivable from related parties	Yes	22,000	22,000	22,000	1.45	2	-	Operating capital	-	-	-	24,899	24,899	
4	Orisol Asia Limited	Orisol Vietnam Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 15,240 500,000)	(US\$ 15,225 500,000)	(US\$ 15,225 500,000)	2.00	2	-	Operating capital	-	-	-	532,680	532,680	
5	Prime Asia (S.E. Asia) Leather Corporation	Prime Asia (Vietnam) Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 539,496 17,700,000)	(US\$ 538,965 17,700,000)	(US\$ 538,965 17,700,000)	1.50	2	-	Operating capital	-	-	-	1,446,584	1,446,584	
6	Yue Yuen Industrial (Holdings) Limited	Pt. Pou Yuen Indonesia	Accounts receivable from related parties	Yes	(US\$ 3,962,400 130,000,000)	(US\$ 3,958,500 130,000,000)	(US\$ 3,958,500 130,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pt. Glostar Indonesia	Accounts receivable from related parties	Yes	(US\$ 2,651,760 87,000,000)	(US\$ 2,649,150 87,000,000)	(US\$ 2,649,150 87,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pt. Nikomas Gemilang	Accounts receivable from related parties	Yes	(US\$ 3,810,000 125,000,000)	(US\$ 3,806,250 125,000,000)	(US\$ 3,806,250 125,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pt. Pou Chen Indonesia	Accounts receivable from related parties	Yes	(US\$ 822,960 27,000,000)	(US\$ 822,150 27,000,000)	(US\$ 822,150 27,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pt. Selalu Cinta Indonesia	Accounts receivable from related parties	Yes	(US\$ 1,080,516 35,450,000)	(US\$ 1,079,453 35,450,000)	(US\$ 1,079,453 35,450,000)	5.63	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Prime Asia (Vietnam) Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 365,760 12,000,000)	(US\$ 243,600 8,000,000)	(US\$ 243,600 8,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pouyuen Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 7,498,080 246,000,000)	(US\$ 6,577,200 216,000,000)	(US\$ 6,577,200 216,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pou Hung Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 2,867,850 95,000,000)	(US\$ 1,065,750 35,000,000)	(US\$ 1,065,750 35,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pou Li Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,218,810 40,000,000)	(US\$ 822,150 27,000,000)	(US\$ 822,150 27,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pou Phong Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,021,080 33,500,000)	(US\$ 1,020,075 33,500,000)	(US\$ 1,020,075 33,500,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Yue De Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 3,420,655 113,000,000)	(US\$ 1,979,250 65,000,000)	(US\$ 1,979,250 65,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pt. Shoenary Javanusia Inc.	Accounts receivable from related parties	Yes	(US\$ 838,200 27,500,000)	(US\$ 837,375 27,500,000)	(US\$ 837,375 27,500,000)	5.63	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pou Sung Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 5,845,930 192,000,000)	(US\$ 5,420,100 178,000,000)	(US\$ 5,420,100 178,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pou Chen Vietnam Enterprise Ltd.	Accounts receivable from related parties	Yes	(US\$ 1,158,240 38,000,000)	(US\$ 1,157,100 38,000,000)	(US\$ 1,157,100 38,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Pro Kingtex Industrial Company Limited	Accounts receivable from related parties	Yes	(US\$ 69,037 2,265,000)	(US\$ 68,969 2,265,000)	(US\$ 68,969 2,265,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Precious Full Investments Ltd.	Accounts receivable from related parties	Yes	(US\$ 1,010,701 33,170,000)	(US\$ 1,010,027 33,170,000)	(US\$ 1,010,027 33,170,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Solar Link International Inc.	Accounts receivable from related parties	Yes	(US\$ 184,099 6,040,000)	(US\$ 183,918 6,040,000)	(US\$ 183,918 6,040,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Ct TNHH Mtv Dich Vu Thuong Mai Tu Van	Accounts receivable from related parties	Yes	(US\$ 13,703 450,000)	(US\$ 13,703 450,000)	(US\$ 13,703 450,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Xuat Nhap Khau Van Thuan	Accounts receivable from related parties	Yes	(US\$ 426,720 14,000,000)	(US\$ 426,300 14,000,000)	(US\$ 426,300 14,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 304,800 10,000,000)	(US\$ 304,500 10,000,000)	(US\$ 304,500 10,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 342,265 77,000,000)	(US\$ 341,187 77,000,000)	(US\$ 341,187 77,000,000)	2.56	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Dongguan Yu Xiang Shoes Material Co., Ltd.	Accounts receivable from related parties	Yes	(RMB 39,929 77,000,000)	(RMB 39,890 77,000,000)	(RMB 39,890 77,000,000)	5.53	2	-	Operating capital	-	-	-	51,030,680	51,030,680	
		Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 1,310,000)	(US\$ 1,310,000)	(US\$ 1,310,000)			-			-	-			
7	Idea (Macao Commercial Offshore) Limited	Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 121,920 4,000,000)	(US\$ 121,800 4,000,000)	(US\$ 121,800 4,000,000)	1.30	2	-	Operating capital	-	-	-	4,021,132	4,021,132	
8	Mega International Trading Ltd.	Prodigy Management Ltd.	Accounts receivable from related parties	Yes	(US\$ 83,210 2,730,000)	(US\$ 83,129 2,730,000)	(US\$ 83,129 2,730,000)	-	2	-	Operating capital	-	-	-	211,111	211,111	
		United Ally Global Ltd.	Accounts receivable from related parties	Yes	(US\$ 8,230 270,000)	(US\$ 8,222 270,000)	(US\$ 8,222 270,000)	-	2	-	Operating capital	-	-	-	211,111	211,111	
9	Pou Chien Enterprise Co., Ltd.	I-Tech. Sporting Enterprise Ltd.	Accounts receivable from related parties	Yes	800,000	800,000	539,000	1.04	2	-	Operating capital	-	-	-	2,170,415	2,170,415	
10	Dongguan Yusheng Shoe Industry Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited	Accounts receivable from related parties	Yes	(RMB 1,111,250 250,000,000)	(RMB 1,107,750 250,000,000)	(RMB 620,340 140,000,000)	2.59	2	-	Operating capital	-	-	-	1,576,970	1,576,970	
		Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	(RMB 66,675 15,000,000)	(RMB 66,465 15,000,000)	(RMB 66,465 15,000,000)	2.56	2	-	Operating capital	-	-	-	1,576,970	1,576,970	
		Yichun Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	(RMB 111,125 25,000,000)	(RMB 110,775 25,000,000)	(RMB 110,775 25,000,000)	2.56	2	-	Operating capital	-	-	-	1,576,970	1,576,970	
		Dongguan Yu Xiang Shoes Material Co., Ltd.	Accounts receivable from related parties	Yes	(RMB 133,350 30,000,000)	(RMB 132,930 30,000,000)	(RMB 66,465 15,000,000)	2.56	2	-	Operating capital	-	-	-	1,576,970	1,576,970	

(Continued)

No. (Note 1)	Financing Company	Borrowing Company	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note
													Item	Value			
11	Rui Jin Pou Yuen Footwear Development Co., Ltd.	Yu Xing (Jishui) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	\$ 28,442 (RMB 6,400,000)	\$ 28,358 (RMB 6,400,000)	\$ 28,358 (RMB 6,400,000)	2.56-3.33	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 252,218	\$ 252,218	
12	Yiyang Yujing Shoes Industrial Co., Ltd.	Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	31,115 (RMB 7,000,000)	31,017 (RMB 7,000,000)	-	3.33	2	-	Operating capital	-	-	-	163,464	163,464	
13	Yichun Yisen Industry Co., Ltd.	Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	22,225 (RMB 5,000,000)	22,155 (RMB 5,000,000)	22,155 (RMB 5,000,000)	3.33	2	-	Operating capital	-	-	-	759,068	759,068	
14	Shanggao Yisen Industry Co., Ltd.	Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	88,900 (RMB 20,000,000)	88,620 (RMB 20,000,000)	-	2.59	2	-	Operating capital	-	-	-	1,893,219	1,893,219	
15	Yue Yuen (Anfu) Footwear Co., Ltd.	Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	444,500 (RMB 100,000,000)	443,100 (RMB 100,000,000)	-	2.59	2	-	Operating capital	-	-	-	2,367,499	2,367,499	
16	Pouyuen Vietnam Company Limited	Powerknit Vietnam Company Limited	Accounts receivable from related parties	Yes	304,567 (US\$ 10,140,416)	-	-	-	2	-	Operating capital	-	-	-	5,870,395	5,870,395	
17	Precious Full Investments Limited	Bangladesh Pou Hung Industrial Limited	Accounts receivable from related parties	Yes	692,506 (US\$ 22,720,000)	691,824 (US\$ 22,720,000)	691,824 (US\$ 22,720,000)	-	2	-	Operating capital	-	-	-	5,245,490	5,245,490	
18	Pt. Hardases Abadi Indonesia	Pt. Nikomas Gemilang	Accounts receivable from related parties	Yes	304,800 (US\$ 10,000,000)	-	-	-	2	-	Operating capital	-	-	-	1,069,801	1,069,801	
19	Wealthplus Holdings Limited	Pou Chen Corporation	Accounts receivable from related parties	Yes	12,920,593 (RMB 1,078,000,000) (US\$ 268,000,000)	10,348,968 (RMB 1,078,000,000) (US\$ 183,000,000)	10,348,968 (RMB 1,078,000,000) (US\$ 183,000,000)	-	2	-	Operating capital	-	-	-	158,400,278	158,400,278	
20	Pou Sheng (China) Investment Group Co., Ltd. (formerly known as Pou Sheng (China) Investment Co., Ltd)	Qingdao Pou-Sheng International Sport Products Co., Ltd.	Loans receivable	Yes	1,337,637 (RMB 300,930,700)	1,333,424 (RMB 300,930,700)	474,325 (RMB 107,047,049)	4.35	2	-	Operating capital	-	-	-	2,133,479	2,133,479	

Note 1: The Company is coded as follows:

a. The Company is coded “0”.

b. The investee is coded consecutively beginning from “1” in the order presented in the table above.

Note 2: The nature of financing is code as follows:

a. Business relationship is coded 1.

b. The need for short-term financing is coded 2.

Note 3: According to the Company’s policy, procedure of financing provided to others as follows:

a. The maximum amount permitted to a single borrower is listed based on the types of financing reasons as follows:

1) Business relationship: Each of the financing amount shall not exceed the amount of our business relationship. Business relationship means higher amount of the purchases from or sales to both sides in the current year or in the future year and shall not exceed 10% of the Company’s net worth.

2) The need for short-term financing: Each of the financing amount shall not exceed 10% of the Company’s net worth.

b. The total maximum amount permitted to a single borrower is listed based on the types of financing reasons as follows:

1) Business relationship: Each of the financing amount shall not exceed 10% of the Company’s net worth.

2) The need for short-term financing: Each of the financing amount shall not exceed 40% of the Company’s net worth.

3) Among foreign companies which the Company holds 100% voting rights directly and indirectly, when financing is necessary, the amount is not limited by the above information. However, the limit amount of financing to others during one year shall not exceed the borrowers’ net worth.

Note 4: Dongguan Baoqiao Electronic Technology Co., Ltd. for subsidiaries in which Pou Chen holds 100% voting rights directly and indirectly: The financing amount and each of the financing amount shall not exceed 100% of total equity of Dongguan Baoqiao Electronic Technology Co., Ltd.’s financial statement. Dongguan Yuming Electronic Technology Co., Ltd. for subsidiaries in which Pou Chen holds 100% voting rights directly and indirectly: The financing amount and each of the financing amount shall not exceed 100% of total equity of Dongguan Yuming Electronic Technology Co., Ltd.’s financial statement. When Wang Yi Construction Co., Ltd. engages in fund lending, the financing amount shall not exceed 40% of total equity in the Wang Yi Construction Co., Ltd.’s financial statements. When Yue Yuen Industrial (Holdings) Limited engages in fund lending, the financing amount shall not exceed 40% of total equity in the Yue Yuen’s consolidated financial statements. Foreign companies on which Yue Yuen Industrial (Holdings) Limited holds 100% voting rights directly and indirectly: The financing amount shall not exceed 100% of total equity of Yue Yuen’s consolidated financial statement. If the lender or the borrower is registered in Taiwan, the financing amount shall not exceed 40% of total equity of lender’s financial statement. When Wealthplus Holdings Limited engages in fund lending, the financing amount shall not exceed 100% of total equity in the Wealthplus Holdings Limited’s consolidated financial statements. For subsidiaries in which Pou Sheng (China) Investment Group Co., Ltd holds not 100% voting rights directly. The financing amount shall not exceed 40% of total equity of lender’s financial statement.

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship (Note 2)											
0	Pou Chen Corporation	Wealthplus Holdings Limited Pro Arch International Development Enterprise Inc. Barits Development Corporation Windsor Entertainment Co., Ltd. Yue Hong Realty Development Co., Ltd. Pou Shine Investment Co., Ltd. Pou Yuen Technology Co., Ltd. Pou Yui Development Co., Ltd.	b b b b b b b b	\$ 113,663,452 113,663,452 113,663,452 113,663,452 113,663,452 113,663,452 113,663,452 113,663,452	\$ 27,100,500 37,800 8,528,800 80,000 550,000 1,750,000 100,000 400,000	\$ 27,100,500 34,020 8,527,000 80,000 550,000 1,750,000 100,000 400,000	\$ - 34,020 2,825,500 30,000 527,500 559,500 - 125,400	\$ - - - - - - - -	24 - 8 - - 2 - -	\$ 227,326,904 227,326,904 227,326,904 227,326,904 227,326,904 227,326,904 227,326,904 227,326,904	Y Y Y Y Y Y Y Y	N N N N N N N N	N N N N N N N N	
1	Yue Yuen Industrial (Holdings) Limited	Cohen Enterprises Inc. Innovative Track Limited Oftenrich Holdings Limited Pt. Selalu Cinta Indonesia Orisol Taiwan Limited Prime Asia Leather Corporation Prime Asia Leather (Vietnam) Company Limited Pou Chien Enterprise Co., Ltd. Pou Phong Vietnam Company Ltd. Pt. KMK Global Sports Pt. Shoenary Javanesia Inc. Yue Dean Technology Corporation I-Tech Sporting Enterprises Ltd. Pou Chen (Cambodia) Co., Ltd.	f f f b b b b b b b b b b b b	76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020 76,546,020	(US\$ 17,500,000) 302,400 (NT\$ 150,000,000) (US\$ 5,000,000) 630,936 (US\$ 20,700,000) 2,663,190 (US\$ 87,375,000) 90,000 2,285,400 (US\$ 75,000,000) 609,000 (US\$ 20,000,000) 260,000 274,320 (US\$ 9,000,000) 2,057,400 (US\$ 67,500,000) 1,211,580 (US\$ 39,750,000) 1,900,000 900,000 1,676,400 (US\$ 55,000,000)	(US\$ 12,500,000) 302,400 (NT\$ 150,000,000) (US\$ 5,000,000) 630,315 (US\$ 20,700,000) 2,660,569 (US\$ 87,375,000) 90,000 1,827,000 (US\$ 60,000,000) 609,000 (US\$ 20,000,000) - 274,050 (US\$ 9,000,000) 2,055,375 (US\$ 67,500,000) 1,210,388 (US\$ 39,750,000) 1,900,000 900,000 913,500 (US\$ 30,000,000)	(US\$ 6,250,000) 239,326 (NT\$ 109,250,000) (US\$ 4,271,800) 4,522 (US\$ 148,500) 1,905,636 62,582,436 90,000 549,300 - - - - 850,018 27,915,191 602,689 19,792,711 850,000 311,000 - -	- - - - - 2 - - - - - - - - 2 1 - 1 1 1	- - - - - 2 - 1 - - - - - - 2 1 1 1	191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050 191,365,050	N N N N N N N N N N N N N N N N N	N N N N N N N N N N N N N N N N N	N N N N N N N N N N N N N N N N N	
2	Pou Sheng International (Holdings) Limited	Shaanxi Pousheng Trading Co., Ltd. Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd. Hefei Pouxun Sporting Goods Co., Ltd. Henan YYSPO RTS Sport Products Co., Ltd. Zhejiang Shengdao Sporting-Goods Co., Ltd. Yue Cheng (Kun Shan) Sports Co., Ltd. Qingdao Pou-Sheng International Sport Products Co., Ltd. Bao Sheng Dao Ji (Beijing) Trading Company Ltd. Pou Yuen Trading Corporation Taiwan Taisong Trading Co., Ltd. Guangzhou Pou-Yuen Trading Co., Ltd. Pou Sheng (China) Investment Group Co., Ltd.	b b b b b b b b b b b b b b b	72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519 72,614,519	(RMB 3,859,528) (RMB 415,713,928) (US\$ 66,000,000) 10,232,477 (RMB 1,849,605,587) (US\$ 66,000,000) 48,110 (RMB 10,823,495) 86,931 (RMB 19,556,958) (RMB 2,468,561) (RMB 102,785,478) (US\$ 66,000,000) 2,514,639 (RMB 565,723,077) 45,605 (RMB 10,259,831) 4,423,233 (RMB 542,531,566) (US\$ 66,000,000) 487,920 (NT\$ 366,000,000) (US\$ 4,000,000) 90,000 2,011,680 (US\$ 66,000,000) 8,536,940 (RMB 1,468,000,000) (US\$ 66,000,000)	(RMB 3,851,728) (RMB 415,713,928) (US\$ 66,000,000) 9,983,753 (RMB 1,799,605,587) (US\$ 66,000,000) 47,959 (RMB 10,823,495) 86,657 (RMB 19,556,958) (RMB 2,465,142) (RMB 102,785,478) (US\$ 66,000,000) 2,506,719 (RMB 565,723,077) 45,461 (RMB 10,259,831) 4,413,657 (RMB 542,531,566) (US\$ 66,000,000) 487,800 (NT\$ 366,000,000) (US\$ 4,000,000) 90,000 2,009,700 (US\$ 66,000,000) 8,514,408 (RMB 1,468,000,000) (US\$ 66,000,000)	- - - - - - - - - - - - - - - - - - -	- - - - - - - - - - - - - - - - -	11 28 - - 7 7 - - 12 1 - 6 23	145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038 145,229,038	N N N N N N N N N N N N N N N N N	N N N N N N N N N N N N N N N	Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y	

(Continued)

No. (Note 1)	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship (Note 2)											
2	Pou Sheng International (Holdings) Limited	Taicang Yue-Shen Sporting Goods Co., Ltd.	b	\$ 72,614,519	\$ 2,047,726 (RMB 8,109,398) (US\$ 66,000,000)	\$ 2,045,633 (RMB 8,109,398) (US\$ 66,000,000)	\$ -	\$ -	6	\$ 145,229,038	N	N	Y	
		Yue-Shen (Taicang) Footwear Co., Ltd.	b	72,614,519	33,360 (RMB 7,505,112)	33,255 (RMB 7,505,112)	-	-	-	145,229,038	N	N	Y	
		PCG Bros Sports Management Co., Ltd.	b	72,614,519	135,000	135,000	-	-	-	145,229,038	N	N	N	
		Hainan Baoxun Electronic Commerce Co., Ltd.	b	72,614,519	13,083,731 (RMB 2,490,900,000) (US\$ 66,000,000)	13,046,878 (RMB 2,490,900,000) (US\$ 66,000,000)	-	-	36	145,229,038	N	N	Y	
		Hainan Shengwei Electronic Commerce Co., Ltd.	b	72,614,519	16,001,987 (RMB 3,147,425,675) (US\$ 66,000,000)	15,955,943 (RMB 3,147,425,675) (US\$ 66,000,000)	3,605,969 (RMB 813,804,851)	-	44	145,229,038	N	N	Y	
3	Pou Sheng (China) Investment Group Co., Ltd.	Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	10,667,393	1,367,727 (RMB 307,720,000)	1,322,301 (RMB 298,420,000)	-	-	25	21,334,786	N	N	Y	
		Hefei Pouxun Sporting Goods Co., Ltd.	b	10,667,393	73,788 (RMB 16,600,000)	73,556 (RMB 16,600,000)	-	-	1	21,334,786	N	N	Y	
		Jiangxi Bao Yuan Trade Co., Ltd.	b	10,667,393	7,912 (RMB 1,780,000)	7,887 (RMB 1,780,000)	-	-	-	21,334,786	N	N	Y	
		Shaanxi Pousheng Trading Co., Ltd.	b	10,667,393	97,636 (RMB 22,000,000)	48,741 (RMB 11,000,000)	-	-	1	21,334,786	N	N	Y	
		Taicang Yue-Shen Sporting Goods Co., Ltd.	b	10,667,393	28,893 (RMB 6,500,000)	28,802 (RMB 6,500,000)	-	-	1	21,334,786	N	N	Y	
		Henan YYSPTS Sport Products Co., Ltd.	b	10,667,393	88,900 (RMB 20,000,000)	88,620 (RMB 20,000,000)	-	-	2	21,334,786	N	N	Y	
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	10,667,393	137,795 (RMB 31,000,000)	137,361 (RMB 31,000,000)	-	-	3	21,334,786	N	N	Y	
		Shenzhen Pou-Yuen Sport Products Co., Ltd.	b	10,667,393	889 (RMB 200,000)	886 (RMB 200,000)	-	-	-	21,334,786	N	N	Y	
		Shanghai Shengdao Sports Goods Company Limited	b	10,667,393	889,000 (RMB 200,000,000)	886,200 (RMB 200,000,000)	-	-	17	21,334,786	N	N	Y	
		Shanghai Shengjie Sports Goods Company Limited	b	10,667,393	878,421 (RMB 197,620,000)	875,654 (RMB 197,620,000)	-	-	16	21,334,786	N	N	Y	
		Changsha Shengdao Sports Goods Co.	b	10,667,393	48,741 (RMB 11,000,000)	48,741 (RMB 11,000,000)	-	-	1	21,334,786	N	N	Y	
		Kunshan Bao Kuen Smart Chain Information Technology Co.	b	10,667,393	101,791 (RMB 22,900,000)	101,470 (RMB 22,900,000)	-	-	2	21,334,786	N	N	Y	

Note 1: The Company is coded as follows:

- a. The Company is coded “0”.
- b. The investee is coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Relationships for guarantee provider and guarantee are as follows:

- a. Business relationship.
- b. A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- c. A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- d. A company in which the Company directly and indirectly holds more than 90% of the voting shares.
- e. A company 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.
- f. A company where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- g. A company where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: According to the Company’s procedures for the Management of Endorsements and Guarantees, the aggregate amount of endorsements/guarantees provided by the Company shall not exceed 200% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 100% of the Company’s net worth. The aggregate amount of endorsements/guarantees provided by the Yue Yuen Industrial (Holdings) Limited shall not exceed 150% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 60% of the Company’s net worth. The aggregate amount of endorsements/guarantees provided by the Pou Sheng International (Holdings) Limited shall not exceed 400% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 200% of the Company’s net worth. The aggregate amount of endorsements/guarantees provided by the Pou Sheng (China) Investment Group Co., Ltd. shall not exceed 400% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 200% of the Company’s net worth.

Note 4: Endorsement/guarantee given by listed parent on behalf of subsidiaries, by subsidiaries on behalf of listed parent, and on behalf of companies in mainland China is coded “Y”.

(Concluded)

TABLE 3

POU CHEN CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Pou Chen Corporation	<u>Ordinary shares</u>							
	Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	196,523,748	\$ 6,485,284	1.45	\$ 6,485,284	
	Taiwan Paiho Limited		Financial assets at FVTOCI - current	615,473	36,313	0.21	36,313	
	Zhiyuan Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	4,633,929	56,143	10.71	56,143	
Wealthplus Holdings Limited	New Loulan Corporation., Ltd.		Financial assets at FVTOCI - non-current	100,000	793	4.00	793	
	<u>Ordinary shares</u>							
	Golden Brands Developments Ltd.		Financial assets at FVTOCI - non-current	17,086,572	181,410	5.88	181,410	
					(US\$ 5,957,635)		(US\$ 5,957,635)	
	Great Team Backend Foundry, Inc.		Financial assets at FVTOCI - non-current	1,624,353	44,365	6.69	44,365	
					(US\$ 1,456,985)		(US\$ 1,456,985)	
	<u>Bonds</u>							
	Natwest Markets PL		Financial assets at amortized cost - non-current	-	443,352	-	443,352	
					(US\$ 14,560,000)		(US\$ 14,560,000)	
	Emirates Nbd Bank Pjsc. Senior Bond		Financial assets at amortized cost - non-current	-	140,873	-	140,873	
					(US\$ 4,626,355)		(US\$ 4,626,355)	
	Qatar National Bank Senior Bond		Financial assets at amortized cost - non-current	-	225,005	-	225,005	
					(US\$ 7,389,319)		(US\$ 7,389,319)	
	Standard Chartered Perpetual Bond		Financial assets at amortized cost - non-current	-	333,771	-	333,771	
					(US\$ 10,961,284)		(US\$ 10,961,284)	
	Barclay & Co., Ltd. Perpetual Bond		Financial assets at amortized cost - non-current	-	255,587	-	255,587	
					(US\$ 8,393,670)		(US\$ 8,393,670)	
	Natwest Markets PL Perpetual Bond		Financial assets at amortized cost - non-current	-	115,563	-	115,563	
					(US\$ 3,795,178)		(US\$ 3,795,178)	
	Deutsche Bank Perpetual Bond		Financial assets at amortized cost - non-current	-	119,736	-	119,736	
					(US\$ 3,932,230)		(US\$ 3,932,230)	
	Societe Generale Perpetual Bond		Financial assets at amortized cost - non-current	-	98,923	-	98,923	
					(US\$ 3,248,699)		(US\$ 3,248,699)	
	Swedbank Perpetual Bond		Financial assets at amortized cost - non-current	-	92,789	-	92,789	
					(US\$ 3,047,243)		(US\$ 3,047,243)	
	BNP Paribas Perpetual Bond		Financial assets at amortized cost - non-current	-	95,039	-	95,039	
					(US\$ 3,121,154)		(US\$ 3,121,154)	
	Bank Of America Senior Bond		Financial assets at amortized cost - non-current	-	291,729	-	291,729	
					(US\$ 9,580,601)		(US\$ 9,580,601)	
	The Goldman Sachs Group Inc. Senior Bond		Financial assets at amortized cost - non-current	-	298,610	-	298,610	
					(US\$ 9,806,569)		(US\$ 9,806,569)	
	HSBC Holdings Senior Bond		Financial assets at amortized cost - non-current	-	258,397	-	258,397	
					(US\$ 8,485,926)		(US\$ 8,485,926)	
	Groupe BPCE Subordinated Bond		Financial assets at amortized cost - non-current	-	29,707	-	29,707	
					(US\$ 975,612)		(US\$ 975,612)	
Win Fortune Investments Limited	<u>Fund</u>							
	Prodigy Strategic Investment Fund XXII Segregated Portfolio		Financial assets mandatorily at FVTPL - non-current	36,100	130,123	-	130,123	
					(US\$ 4,273,319)		(US\$ 4,273,319)	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Pou Shine Investment Co., Ltd.	<u>Ordinary shares</u> Taiwan Paiho Limited		Financial assets at FVTOCI - current	775,170	\$ 45,735	0.26	\$ 45,735	
			Financial assets at FVTOCI - current	128,251,120	4,232,287	0.92	4,232,287	
Pou Yuen Technology Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	788,519	9,977	-	9,977	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	17,465,356	576,357	0.13	576,357	
Barits Development Corporation	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	137,063,966	4,523,111	0.98	4,523,111	
			Financial assets at FVTOCI - non-current	32,000	320	1.07	320	
			Financial assets at FVTOCI - non-current	20,000	-	1.00	-	
Song Ming Investments Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	5,590,611	70,737	-	70,737	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	50,651,528	1,671,500	0.36	1,671,500	
Pro Arch International Development Enterprise Inc.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	2,199,305	27,828	-	27,828	
Pou Chin Development Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	1,000,700	12,662	-	12,662	
Wang Yi Construction Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	304,610	3,854	-	3,854	
Windsor Entertainment Co., Ltd.	<u>Fund</u> Jih Sun Money Market Fund		Financial assets mandatorily at FVTPL - current	626,303	9,465	-	9,465	
			Financial assets mandatorily at FVTPL - current	220,644	3,022	-	3,022	
	<u>Ordinary shares</u> Taichung International Entertainment Corporation		Financial assets at FVTOCI - non-current	3	10,950	0.09	10,950	
Pou Yii Development Co., Ltd.	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	41,071,186	1,355,349	0.29	1,355,349	
Yue Yuen Industrial (Holdings) Limited	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	3,571,205	45,130	-	45,130	
					(US\$ 1,482,104)		(US\$ 1,482,104)	
	BPEA Asia Private Equity		Financial assets mandatorily at FVTPL - non-current	-	612,000	-	612,000	
					(US\$ 20,098,510)		(US\$ 20,098,510)	
	<u>Ordinary shares</u> Evermore Chemical Industry Co., Ltd.		Financial assets at FVTOCI - current	7,321,281	112,608	7.37	112,608	
					(US\$ 3,698,126)		(US\$ 3,698,126)	
	Taiwan Paiho Limited		Financial assets at FVTOCI - non-current	9,528,228	561,469	3.20	561,469	
					(US\$ 18,439,027)		(US\$ 18,439,027)	
	Keg Big Dome Sports Co., Ltd.		Financial assets at FVTOCI - non-current	-	7,987	11.76	7,987	
					(US\$ 262,302)		(US\$ 262,302)	

Note: The marketable securities stated here are related to shares, debentures and beneficiary certificates and the derivative products caused by those of “IFRS 9 Financial Instruments”. For information on the investments in subsidiaries, associates and joint ventures refer to Tables 9 and 10.

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Yue Yuen Industrial (Holdings) Limited	Public construction such as factories and dormitories	2023.01-2023.03	\$ 780,929 (US\$ 25,646,260)	Accumulated payment as of March 31, 2023 \$ 304,294 (US\$ 9,993,226)	-	Non-relatives	-	-	-	-	Market price	Plant expansion	

TABLE 5

POU CHEN CORPORATION AND SUBSIDIARIES

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)**

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Pou Chien Enterprise Co., Ltd.	Five parcels of land in Taoyuan City Park	2023.3	2018.2-2022.6	\$ 2,103,182	\$ 2,352,000	Not received	\$ 333,227 (Note)	-	Non-relatives	Disposal of idle assets	Price evaluation report and mutual bargaining decision	

Note: The Group signed a land sale and purchase agreement with an unrelated party on March 28, 2023. The expected gain on disposal is \$333,227 thousand and the transaction has not been completed as of March 31, 2023.

TABLE 6

POU CHEN CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	The subsidiary in which the Company holds 51.11% indirectly at March 31, 2023	Sale	\$ (1,889,957)	(98)	D/A 45 days	-	-	\$ 1,380,576	99	
Yue Yuen Industrial (Holdings) Limited	Pou Chen Corporation	The parent company	Purchase	1,889,957 (US\$ 62,179,865)	5	D/A 45 days	-	-	(1,380,576) (US\$ (45,339,113))	(9)	
	Ka Yuen Rubber Factory Limited	Investee accounted for by the equity method	Purchase	526,198 (US\$ 17,312,000)	1	D/A 45 days	-	-	(518,868) (US\$ (17,040,000))	(4)	
	Twinways Investments Limited	Investee accounted for by the equity method	Purchase	394,770 (US\$ 12,988,000)	1	D/A 45 days	-	-	(385,984) (US\$ (12,676,000))	(3)	
	Top Units Developments Ltd.	Investee accounted for by the equity method	Purchase	181,914 (US\$ 5,985,000)	1	D/A 45 days	-	-	(159,101) (US\$ (5,225,000))	(1)	
	San Fang Chemical Industry Co., Ltd.	Investee accounted for by the equity method	Purchase	497,262 (US\$ 16,360,000)	1	D/A 45 days	-	-	(428,919) (US\$ (14,086,000))	(3)	
	Eastlion Industrial Ltd.	Investee accounted for by the equity method	Purchase	289,421 (US\$ 9,522,000)	1	D/A 45 days	-	-	(270,853) (US\$ (8,895,000))	(2)	

TABLE 7

POU CHEN CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	The subsidiary in which the Company holds 51.11% indirectly at March 31, 2023	\$ 1,380,576	5	\$ -	-	\$ 756,546	\$ -

POU CHEN CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	a	Operating revenue	\$ 1,889,957	D/A 45 days	3
		Yue Yuen Industrial (Holdings) Limited	a	Accounts receivable	1,380,576	D/A 45 days	-

Note 1: The Company and its subsidiaries are coded as follows:

- a. The Company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationship is as follows:

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s period-end balance is shown as a percentage to consolidated total assets as of March 31, 2023. For profit or loss items, cumulative amounts are shown as a percentage to the consolidated total operating revenue for the three months ended March 31, 2023.

TABLE 9

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	%	Carrying Amount			
Pou Chen Corporation	Wealthplus Holdings Limited	British Virgin Islands	Investing in footwear, electronic and peripheral products	\$ 295,429 (US\$ 9,222,000)	\$ 295,429 (US\$ 9,222,000)	9,222,000	100.00	\$ 86,897,513 (US\$ 2,853,777,113)	\$ 1,079,899 (US\$ 35,528,840)	\$ 1,083,009 (US\$ 35,631,165)	
	Win Fortune Investments Limited	British Virgin Islands	Investing activities	3,230 (US\$ 100,000)	3,230 (US\$ 100,000)	100,000	100.00	2,243,946 (US\$ 73,692,801)	16,869 (US\$ 555,000)	16,936 (US\$ 557,195)	
	Windsor Entertainment Co., Ltd.	ROC	Entertainment and resort operations	71,000	71,000	7,100,000	100.00	126,305	8,030	1,503	
	Pou Shine Investment Co., Ltd.	ROC	Investing activities	1,124,667	1,124,667	133,094,460	100.00	4,017,299	(2,423)	(2,423)	
	Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	5,000	5,000	-	100.00	12,451	(372)	(372)	
	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,117,292	2,117,292	294,451,784	99.49	9,830,972	(5,628)	(5,490)	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	966,450	966,450	30,456,252	97.82	423,273	1,466	(1,787)	
	Pro Arch International Development Enterprise Inc.	ROC	Design and manufacture of footwear products	2,643,184	2,643,184	20,000,000	100.00	240,835	864	873	
	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	40,320	40,320	7,875,000	15.00	197,706	11,536	1,731	
	Wang Yi Construction Co., Ltd.	ROC	Construction	5,356	5,356	367,305	7.82	-	(1,031)	35	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	3,245,815	3,245,815	68,884,949	12.36	1,426,925	5,302	655	
	Ruen Chen Investment Holding Co., Ltd.	ROC	Investment holding	15,452,000	15,452,000	5,327,000,000	20.00	40,715,096	124,721	24,944	
	Nan Shan Life Insurance Co., Ltd.	ROC	Sale of life insurance	370	370	10,000	-	325	251,153	-	
Wealthplus Holdings Limited	Yue Yuen Industrial (Holdings) Limited	Hong Kong	Manufacturing and sale of athletic and casual footwear and sports apparel	24,199,976 (US\$ 747,132,133)	24,199,976 (US\$ 747,132,133)	806,836,663	50.04	61,487,723 (US\$ 2,019,301,246)	1,512,887 (US\$ 49,774,222)	760,441 (US\$ 25,018,619)	
	Venture Well Holdings Ltd.	British Virgin Islands	Sale of electronic components	160,000 (US\$ 4,933,705)	160,000 (US\$ 4,933,705)	4,798,114	31.55	9,381 (US\$ 308,097)	835 (US\$ 27,486)	264 (US\$ 8,673)	
	Yue Yuen Industrial (Holdings) Limited	Hong Kong	Manufacturing and sale of athletic and casual footwear and sports apparel	404,026 (US\$ 12,769,118)	404,026 (US\$ 12,769,118)	17,307,172	1.07	1,319,568 (US\$ 43,335,576)	1,512,887 (US\$ 49,774,222)	16,313 (US\$ 536,688)	
Pou Shine Investment Co., Ltd.	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,583	2,583	378,342	0.13	12,588	(5,628)	(7)	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	23,637	23,637	745,978	0.13	15,449	5,302	7	
	Nan Shan Life Insurance Co., Ltd.	ROC	Sale of life insurance	189,772	189,772	12,811,208	0.09	227,972	251,153	233	
Barits Development Corporation	Song Ming Investments Co., Ltd.	ROC	Investing activities	1,218,879	1,218,879	120,486,400	100.00	2,780,773	11,500	11,500	
	Wang Yi Construction Co., Ltd.	ROC	Construction	62,787	62,787	4,218,250	89.75	54,942	(1,031)	(926)	
	Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	200,000	200,000	20,000,000	100.00	199,011	(19)	(19)	
	Yue Hong Realty Development Co., Ltd.	ROC	Development of real estate	240,000	240,000	24,000,000	100.00	138,284	(3,695)	(3,695)	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	125,083	125,083	9,237,451	1.66	191,347	5,302	88	
	Nan Shan Life Insurance Co., Ltd.	ROC	Sale of life insurance	189,920	189,920	12,821,208	0.09	228,218	251,153	233	
Song Ming Investments Co., Ltd.	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	262,500	262,500	39,375,000	75.00	988,530	11,536	8,652	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	21,240	21,240	619,220	1.99	15,684	1,466	29	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	19,792	19,792	2,147,558	0.39	44,488	5,302	21	
Pou Yuen Technology Co., Ltd.	Pearl Dove International Limited	British Virgin Islands	Investment holding	78,348 (US\$ 2,573,883)	78,348 (US\$ 2,573,883)	25,901	100.00	12,714 (US\$ 417,526)	(513) (US\$ (16,879))	(513) (US\$ (16,879))	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	%	Carrying Amount			
Yue Yuen Industrial (Holdings) Limited	Eagle Nice (International) Holdings Limited	British Cayman Islands	Manufacturing of wearing apparel and clothing accessories	\$ 1,297,712	\$ 1,297,712	192,000,000	35.97	\$ 2,581,441	\$ (55,198)	\$ (19,855)	
	Full Pearl International Ltd.	British Virgin Islands	Sale of women's shoes	(US\$ 39,972,084)	(US\$ 39,972,084)	1,319	40.04	(US\$ 84,776,399)	(US\$ (1,816,036))	(US\$ (653,228))	
	Oftenrich Holdings Limited	Bermuda	Manufacturing and sale of footwear	381,878	381,878			-	-	-	
				(US\$ 12,226,424)	(US\$ 12,226,424)						
	Prosperous Industrial (Holdings) Ltd.			1,339,783	1,339,783	5,400	45.00	3,003,712	205,540	92,493	
				(US\$ 42,210,159)	(US\$ 42,210,159)			(US\$ 98,644,065)	(US\$ 6,762,296)	(US\$ 3,043,033)	
	San Fang Chemical Industry Co., Ltd.	British Cayman Islands	Manufacturing and sale of gym bags	583,740	583,740	252,000,000	22.50	546,050	116,422	26,195	
				(US\$ 18,000,000)	(US\$ 18,000,000)			(US\$ 18,812,666)	(US\$ 3,830,293)	(US\$ 861,816)	
	Nan Pao Resins Chemical Co., Ltd.	ROC	Manufacturing and sale of synthetic leather	2,696,757	2,696,757	177,908,075	44.72	4,553,703	168,790	75,483	
				(US\$ 83,192,794)	(US\$ 83,192,794)			(US\$ 149,546,886)	(US\$ 5,553,216)	(US\$ 2,483,398)	
	Just Lucky Investments Limited	ROC	Manufacturing and sale of chemical materials	539,797	539,797	21,205,248	17.59	2,474,388	734,510	129,200	
				(US\$ 16,873,924)	(US\$ 16,873,924)			(US\$ 81,260,709)	(US\$ 24,165,475)	(US\$ 4,250,707)	
	Natural Options Limited	British Virgin Islands	Property management	26,207	26,207	808,130	38.30	52,463	110	42	
				(US\$ 808,130)	(US\$ 808,130)			(US\$ 1,722,918)	(US\$ 3,616)	(US\$ 1,385)	
	Rise Bloom International Limited	British Virgin Islands	Manufacturing of foam	11,144	11,144	340,870	38.30	7,059	-	-	
				(US\$ 343,638)	(US\$ 343,638)			(US\$ 231,832)	(US\$ (16))	(US\$ (6))	
	Prosperlink Limited	Hong Kong	Processing and sale of foam	24,312	24,312	760,000	38.00	32,925	630	240	
				(US\$ 760,000)	(US\$ 760,000)			(US\$ 1,081,271)	(US\$ 20,737)	(US\$ 7,880)	
	Pou Ming Paper Products Manufacturing Co., Ltd.	Samoa	Processing and sale of foam	17,432	17,432	570,000	38.00	19,300	200	76	
				(US\$ 570,000)	(US\$ 570,000)			(US\$ 633,820)	(US\$ 6,574)	(US\$ 2,498)	
	Brandblack Inc.	British Virgin Islands	Manufacturing of paper products	66,937	66,937	1,000,000	20.00	7,091	2,292	458	
				(US\$ 2,163,800)	(US\$ 2,163,800)			(US\$ 232,860)	(US\$ 75,415)	(US\$ 15,083)	
	Jumbo Power Enterprises Limited	USA	Sale of footwear	68,762	68,762	1,135,796	31.25	47,591	-	-	
				(US\$ 2,275,000)	(US\$ 2,275,000)			(US\$ 1,562,925)			
	Ka Yuen Rubber Factory Limited	British Virgin Islands	Manufacturing and sale of footwear	259,742	259,742	8,000,000	50.00	518,725	1,996	998	
				(US\$ 8,000,000)	(US\$ 8,000,000)			(US\$ 17,035,300)	(US\$ 65,668)	(US\$ 32,834)	
	Hua Jian Industrial Holding Co., Limited	British Virgin Islands	Manufacturing and sale of rubber sole	371,142	371,142	11,500,000	50.00	790,322	98,365	49,182	
				(US\$ 11,500,000)	(US\$ 11,500,000)			(US\$ 25,954,754)	(US\$ 3,236,224)	(US\$ 1,618,112)	
	Cohen Enterprises Inc.	British Virgin Islands	Manufacturing and sale of women cloth and footwear	460,031	460,031	2,241	22.41	104,072	(162,758)	(36,474)	
				(US\$ 13,684,113)	(US\$ 13,684,113)			(US\$ 3,417,814)	(US\$ (5,354,752))	(US\$ (1,200,000))	
	Twinways Investments Limited	British Virgin Islands	Manufacturing and sale of footwear leather products	623,276	623,276	20,000,000	50.00	545,267	(32,058)	(16,029)	
				(US\$ 20,215,015)	(US\$ 20,215,015)			(US\$ 17,906,951)	(US\$ (1,054,722))	(US\$ (527,361))	
	Top Units Developments Ltd.	British Virgin Islands	Manufacturing and sale of footwear accessory injection crepe	551,432	551,432	17,500,000	50.00	1,031,298	117,843	58,922	
				(US\$ 17,500,000)	(US\$ 17,500,000)			(US\$ 33,869,491)	(US\$ 3,877,068)	(US\$ 1,938,534)	
			Manufacturing of footwear accessories	418,997	418,997	5,390,000	49.00	931,087	123,931	60,726	
				(US\$ 14,079,196)	(US\$ 14,079,196)			(US\$ 30,577,568)	(US\$ 4,077,347)	(US\$ 1,997,900)	

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023	Note
					Outward	Inward							
Great Team Backend Foundry, Inc.	Processing and manufacturing of transistors	\$ 2,642,140 (US\$ 88,116,600)	b	\$ -	\$ -	\$ -	\$ -	\$ -	2.01	\$ -	\$ 44,365 (RMB 10,012,456)	\$ -	(Note 3)
Yue-Shen (Taicang) Footwear Co., Ltd.	Finished shoes, semi-finished products, components and production and marketing of moulds	554,646 (US\$ 17,100,000)	b	-	-	-	-	3,046 (RMB 685,855)	31.97	974 (RMB 219,268) b, 1)	211,036 (RMB 47,627,169)	-	
Dongguan Yuming Electronic Technology Co., Ltd.	Production and marketing of over 17 inches color-image monitor, motherboards and other products	475,745 (US\$ 14,500,000)	b	-	-	-	-	1,306 (RMB 293,968)	100.00	1,306 (RMB 293,968) b, 1)	327,488 (RMB 73,908,428)	-	
Yue Cheng (Kun Shan) Sports Co., Ltd.	Operating sporting goods and equipment, spare parts production and marketing business	435,402 (US\$ 14,200,000)	b	-	-	-	-	111,727 (RMB 25,158,044)	31.97	35,719 (RMB 8,043,027) b, 1)	1,117,777 (RMB 252,263,024)	-	
Dongguan Baoqiao Electronic Technology Co., Ltd.	Production and marketing of other optical appliances and instruments	147,645 (US\$ 4,500,000)	b	-	-	-	-	20,411 (RMB 4,595,952)	100.00	20,411 (RMB 4,595,952) b, 2)	268,760 (RMB 60,654,391)	-	
Poushun Paper Products Manufacturing Co., Ltd.	Production and sale of shoe inner boxes, cartons	68,901 (US\$ 2,100,000)	b	-	-	-	-	3,284 (RMB 739,506)	10.22	336 (RMB 75,578) b, 1)	7,233 (RMB 1,632,351)	-	
Pouhong Footwear Industrial Ltd.	Production and operation of casual shoes, sports shoes	49,215 (US\$ 1,500,000)	b	-	-	-	-	(2,081) (RMB (468,660))	51.11	(1,064) (RMB (239,532)) b, 1)	22,755 (RMB 5,135,305)	-	
Shanggao Yisen Industry Co., Ltd.	Production and sale of finished shoes, semi-finished products, components and moulds	945,204 (US\$ 30,390,000)	b	-	-	-	-	22,615 (RMB 5,092,423)	51.11	11,559 (RMB 2,602,737) b, 1)	751,769 (RMB 169,661,267)	-	
Bao Hong (Yangzhou) Shoes Co., Ltd.	Production of needles, woven garments, footwear and sales of self-produce products	2,591,184 (US\$ 85,291,730)	b	-	-	-	-	(18,046) (RMB (4,063,573))	51.11	(9,223) (RMB (2,076,892)) b, 1)	409,408 (RMB 92,396,239)	-	
Dong Guan Yu Yuen Mold Co., Ltd.	Production and sale of molds for non-metallic products	62,011 (US\$ 1,890,000)	b	-	-	-	-	403 (RMB 90,666)	51.11	206 (RMB 46,340) b, 1)	31,268 (RMB 7,056,600)	-	
Zhong Shan Glory Shoes Ind., Ltd.	Production and operation of various types of leather shoes products	951,490 (US\$ 29,000,000)	b	-	-	-	-	195 (RMB 44,002)	23.00	45 (RMB 10,120) b, 2)	452,913 (RMB 102,214,520)	-	
Zhong Shan Lu Mei Da Shoes Ind., Ltd.	Production and operation of various types of leather shoes products	39,372 (US\$ 1,200,000)	b	-	-	-	-	73 (RMB 16,331)	23.00	17 (RMB 3,756) b, 2)	10,390 (RMB 2,344,743)	-	
Zhong Ao Multiplex Management Group Limited	Stadium management, wholesale and retail of clothing and footwear accessories	2,055,560 (RMB 431,795,000)	b	-	-	-	-	(9,956) (RMB (2,241,778))	20.34	(2,025) (RMB (455,978)) b, 1)	606,605 (RMB 136,900,251)	-	
ShangGao Yisen Ka Yuen Industry Co., Ltd.	Production and sale of footwear products	77,432 (US\$ 2,360,000)	b	-	-	-	-	10,110 (RMB 2,276,429)	25.56	2,584 (RMB 581,855) b, 1)	44,335 (RMB 10,005,732)	-	
Bao Sheng Dao Ji (BeiJing) Trading Company Ltd.	Retail business of sports goods and accessories	1,988,061 (US\$ 65,000,000)	b	-	-	-	-	(34,714) (RMB (7,816,737))	31.97	(11,098) (RMB (2,499,011)) b, 1)	595,543 (RMB 134,403,718)	-	
Qingdao Pou-Sheng International Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	94,800 (RMB 20,000,000)	b	-	-	-	-	171,502 (RMB 38,617,927)	23.02	39,480 (RMB 8,889,847) b, 1)	211,648 (RMB 47,765,347)	-	
Guizhou Pou-Sheng Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	322,886 (US\$ 10,000,000)	b	-	-	-	-	(2,596) (RMB (584,575))	31.97	(830) (RMB (186,889)) b, 1)	144,928 (RMB 32,707,696)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023	Note
					Outward	Inward							
Nanning Pou-Kung Sport Products Co., Ltd.	Retail business of sports goods and accessories	\$ 42,653 (US\$ 1,300,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 1,473 (RMB 331,783)	31.97	\$ 471 (RMB 106,071) b, 1)	\$ (39,743) (RMB (8,969,282))	\$ -	
Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	Retail business of sports goods and accessories	1,567,250 (US\$ 50,000,000)	b	-	-	-	-	196,177 (RMB 44,174,125)	31.97	62,718 (RMB 14,122,468) b, 1)	1,551,352 (RMB 350,113,210)	-	
Taicang YYSPO RTS Business Trading Co., Ltd.	Retail business of sports goods and accessories series products	164,050 (US\$ 5,000,000)	b	-	-	-	-	1,390 (RMB 313,066)	31.97	444 (RMB 100,087) b, 1)	67,078 (RMB 15,138,421)	-	
Yangzhou Baoyi Shoes Manufacturing Co., Ltd.	Vulcanized shoes, sports shoes, casual shoes and other footwear manufacturing, marketing	729,906 (US\$ 22,456,800)	b	-	-	-	-	20,897 (RMB 4,705,461)	25.56	5,341 (RMB 1,202,716) b, 1)	278,510 (RMB 62,854,877)	-	
Dalian YYSPO RTS Sport Industrial Development Co., Ltd.	Development and sale of sports goods, clothing, shoes and hats, fitness equipment and related products	928,000 (RMB 200,000,000)	b	-	-	-	-	48,020 (RMB 10,812,770)	31.97	15,352 (RMB 3,456,842) b, 1)	562,793 (RMB 127,012,616)	-	
YYSPO RTS (Chengdu) Business Trading Co., Ltd.	Retail business of sports goods and accessories	689,194 (US\$ 22,400,000)	b	-	-	-	-	43,847 (RMB 9,873,188)	31.97	14,018 (RMB 3,156,458) b, 1)	169,725 (RMB 38,304,001)	-	
Fujian Baomin Sporting Goods Co., Ltd.	Retail business of sports goods and accessories	147,645 (US\$ 4,500,000)	b	-	-	-	-	(4,759) (RMB (1,071,708))	28.77	(1,369) (RMB (308,330)) b, 1)	69,099 (RMB 15,594,519)	-	
Guangzhou Pou-Yuen Trading Co., Ltd.	Retail business of sports goods and accessories	710,251 (US\$ 23,310,000)	b	-	-	-	-	9,992 (RMB 2,249,994)	31.97	3,195 (RMB 719,323) b, 1)	219,920 (RMB 49,632,114)	-	
Dragon Light (China) Sporting Goods Co., Ltd.	Development and sale of sports goods, clothing, shoes and hats, fitness equipment and related products	2,111,340 (US\$ 66,000,000)	b	-	-	-	-	6,906 (RMB 1,555,020)	31.97	2,208 (RMB 497,140) b, 1)	791,729 (RMB 178,679,532)	-	
Shend Dao (Yang Zhou) Sporting Goods Dev Co., Ltd.	Shopping mall management and property management	2,111,340 (US\$ 66,000,000)	b	-	-	-	-	5,184 (RMB 1,167,237)	31.97	1,657 (RMB 373,166) b, 1)	720,477 (RMB 162,599,213)	-	
Zhong Shan O Li Su Shoe Making Machine Ltd.	Manufacturing shoes and boots or repairing machinery	181,314 (US\$ 5,900,000)	b	-	-	-	-	(1,364) (RMB (307,174))	51.11	(697) (RMB (156,997)) b, 1)	17,638 (RMB 3,980,589)	-	
Shaanxi Pousheng Trading Co., Ltd.	Engaged in wholesale, retail and import and export business of sports goods, fitness equipment and sportswear	2,012,320 (US\$ 66,000,000)	b	-	-	-	-	83,741 (RMB 18,856,432)	31.97	26,772 (RMB 6,028,401) b, 1)	1,941,733 (RMB 438,215,584)	-	
Taicang Yue-Shen Sporting Goods Co., Ltd.	Engaged in the production and sales of shoe products, semi-finished products, moulds and related sports goods	393,720 (US\$ 12,000,000)	b	-	-	-	-	1,096 (RMB 246,713)	31.97	350 (RMB 78,874) b, 1)	119,988 (RMB 27,079,285)	-	
Hangzhou Pou-Hung Sport Products Co., Ltd.	Design, development, production and processing of sports goods, sports instruments, sportswear, sports shoes and accessories	67,308 (RMB 14,200,000)	b	-	-	-	-	-	15.90	- b, 1)	-	-	
Rui Jin Pou Yuen Footwear Development Co., Ltd.	Production and sale of sports shoes, casual shoes and semi-finished products	356,697 (US\$ 12,000,000)	b	-	-	-	-	(1,419) (RMB (319,598))	51.11	(725) (RMB (163,347)) b, 1)	125,178 (RMB 28,250,402)	-	
Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Production and sale of shoes uppers, footwear and garments	1,676,479 (US\$ 55,517,000)	b	-	-	-	-	24,411 (RMB 5,496,696)	51.11	12,476 (RMB 2,809,361) b, 1)	575,241 (RMB 129,821,970)	-	
Jiangxi Province Yutai Shoe Co., Ltd.	Production and sale of footwear products and semi-finished products	918,125 (US\$ 30,000,000)	b	-	-	-	-	(5,235) (RMB (1,178,782))	51.11	(2,676) (RMB (602,475)) b, 1)	120,963 (RMB 27,299,164)	-	
Dongguan Yu Xiang Shoes Material Co., Ltd.	Production and sale of footwear products	295,820 (US\$ 9,500,000)	b	-	-	-	-	(50,887) (RMB (11,458,394))	51.11	(26,008) (RMB (5,856,385)) b, 1)	167,383 (RMB 37,775,502)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023	Note
					Outward	Inward							
Jiang Xi Hwa Ching Foam Ltd.	Manufacturing and sale of plastic foam, plastic packaging materials and other plastic products	\$ 63,600 (US\$ 2,000,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (668) (RMB (150,497))	19.42	\$ (130) (RMB (29,227)) b, 1)	\$ 14,625 (RMB 3,300,722)	\$ -	
Yue Yuen (Anfu) Footwear Co., Ltd.	Production and marketing of finished shoes, semi-finished products and components and modules	1,763,350 (US\$ 60,000,000)	b	-	-	-	-	9,376 (RMB 2,111,334)	51.11	4,792 (RMB 1,079,103) b, 1)	1,027,160 (RMB 231,812,200)	-	
Dong Guan Bao Yu Shoes Co., Ltd.	Production and sale of sports shoes, casual shoes, leather shoes, children's shoes, semi-finished footwear and footwear materials	66,780 (US\$ 2,100,000)	b	-	-	-	-	(361) (RMB (81,357))	51.11	(185) (RMB (41,582)) b, 1)	4,884 (RMB 1,102,290)	-	
Kun Shan Pou-chi Sports Co., Ltd.	Wholesale, commission agency, import and export business of sports goods, sports equipment, clothing, shoes, caps and packaging and related design, technical consultation and services	399,539 (US\$ 13,500,000)	b	-	-	-	-	41 (RMB 9,154)	31.97	13 (RMB 2,927) b, 1)	146,956 (RMB 33,165,461)	-	
Dongguan De Chang Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	1,980 (RMB 445,860)	51.11	1,012 (RMB 227,879) b, 1)	14,263 (RMB 3,218,894)	-	
Zhong Shan Bao Song Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	816 (RMB 183,812)	51.11	417 (RMB 93,946) b, 1)	11,132 (RMB 2,512,218)	-	
Yiyang Yujing Shoes Industrial Co., Ltd.	Production and sale of finished and semi-finished sports shoes and casual shoes	743,983 (US\$ 24,000,000)	b	-	-	-	-	(3,941) (RMB (887,484))	51.11	(2,014) (RMB (453,593)) b, 1)	73,886 (RMB 16,674,853)	-	
Jiangxi Uniscien Consulting Co., Ltd.	Business management consultation, marketing planning and other services	10,442 (US\$ 350,000)	b	-	-	-	-	638 (RMB 143,685)	51.11	326 (RMB 73,437) b, 1)	8,046 (RMB 1,815,849)	-	
Yu Xing (Jishui) Footwear Co., Ltd.	Production and sale of sports shoes	183,840 (US\$ 6,400,000)	b	-	-	-	-	(3,154) (RMB (710,228))	51.11	(1,612) (RMB (362,997)) b, 1)	35,829 (RMB 8,086,092)	-	
Dongguan Xingtai Consulting Co., Ltd.	Business management consultation, marketing planning and other services	-	b	-	-	-	-	167 (RMB 37,598)	-	- b, 1)	-	-	
Yang Xin Zhang Yuan Shoe Co., Ltd.	Production and sale of footwear products	61,029 (US\$ 2,100,000)	b	-	-	-	-	(319) (RMB (71,746))	25.56	(81) (RMB (18,338)) b, 1)	5,845 (RMB 1,319,154)	-	
YangXin Pou Jia Yuen Shoes Manufacturing Co., Ltd.	Production and sale of rubber soles	87,258 (US\$ 3,000,000)	b	-	-	-	-	(2,650) (RMB (596,681))	25.56	(677) (RMB (152,512)) b, 1)	8,792 (RMB 1,984,146)	-	
Pou Sheng (China) Investment Group Co., Ltd.	Business of investment, technical services and wholesale, import and export sports goods, sportswear, sports shoes and leisure shoes	4,550,741 (US\$ 152,922,400)	b	-	-	-	-	(1,620) (RMB (364,754))	31.97	(518) (RMB (116,612)) b, 1)	4,657,371 (RMB 1,051,088,122)	-	
Yichun Yisen Industry Co., Ltd.	Production and sale of footwear and mold products	410,130 (US\$ 14,000,000)	b	-	-	-	-	22,840 (RMB 5,142,911)	51.11	11,673 (RMB 2,628,542) b, 1)	302,384 (RMB 68,242,943)	-	
Zhong Xiang Yue-Shen Sporting Goods Co., Ltd.	Production, processing of shoes, semi-finished products, moulds and related sporting goods, sales of self-produce products	94,380 (US\$ 3,250,000)	b	-	-	-	-	(9) (RMB (2,027))	51.11	(5) (RMB (1,036)) b, 1)	343 (RMB 77,353)	-	
Dong Guan Pou Chen Footwear Company Limited	Production and sale of footwear products, semi-finished footwear products and accessories, moulding tools and engaged in the wholesale and import and export business of footwear products	1,223,925 (RMB 263,827,800)	b	-	-	-	-	8,300 (RMB 1,868,897)	51.11	4,242 (RMB 955,193) b, 1)	734,811 (RMB 165,834,151)	-	
Dongguan Yusheng Shoe Industry Co., Ltd.	Production and sale of finished shoes, semi-finished shoes and mold products and engaged in research and development of shoes, finished shoes, mold products	1,469,176 (RMB 319,970,250)	b	-	-	-	-	36,130 (RMB 8,135,508)	51.11	18,466 (RMB 4,158,058) b, 1)	878,450 (RMB 198,251,048)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023	Note
					Outward	Inward							
Dong Guan Yue Yuan Footwear Products Company Limited	Production and sale of footwear products, semi-finished footwear products, mold products and engaged in wholesale and import and export business of footwear products	\$ 1,026,777 (RMB 217,720,430)	b	\$ -	\$ -	\$ -	\$ -	\$ (11,322) (RMB (2,549,395))	51.11	\$ (5,787) (RMB (1,302,996)) b, 1)	\$ 207,871 (RMB 46,912,907)	\$ -	
Jilin Xinfangwei Sports Goods Company Limited	Sports goods sales	196,160 (RMB 40,000,000)	b	-	-	-	-	-	15.90	- b, 1)	-	-	
Dong Guan Yue Guan Paper Products Co., Ltd.	Production and sale of cartons and engaged in research and development of cartons	48,693 (RMB 10,000,000)	b	-	-	-	-	2,121 (RMB 477,563)	10.22	217 (RMB 48,807) b, 1)	4,727 (RMB 1,066,741)	-	
Kun Shan YYSports E-Commerce Co., Ltd.	Network technology development, technical consultation, technical services and retail and wholesale of sports goods, sports equipment	89,367 (US\$ 3,000,000)	b	-	-	-	-	14,557 (RMB 3,277,766)	31.97	4,654 (RMB 1,047,902) b, 1)	26,377 (RMB 5,952,870)	-	
Hunan Huaqing Foam Products Co., Ltd.	Processing and production of plastic foam, foam daily products, shoe products and composite products	76,819 (US\$ 2,500,000)	b	-	-	-	-	(165) (RMB (37,123))	6.80	(11) (RMB (2,524)) b, 1)	3,408 (RMB 769,089)	-	
Kun Shan Taisong Trading Co., Ltd.	Wholesale and retail of clothing, footwear, glasses and watches	790,110 (US\$ 26,500,000)	b	-	-	-	-	(41,123) (RMB (9,259,921))	31.97	(13,147) (RMB (2,960,397)) b, 1)	(202,560) (RMB (45,714,208))	-	
Kun Shan Pou-Han Sport Culture Development Co., Ltd.	Management consultants, wholesale of sports goods and equipment wholesale, other sports services and other art performance assistant services	48,278 (US\$ 1,500,000)	b	-	-	-	-	(276) (RMB (62,185))	31.97	(88) (RMB (19,881)) b, 1)	11,520 (RMB 2,599,955)	-	
Yisen (YiFeng) Mould Co., Ltd.	Production and sale of mould products	479,284 (US\$ 14,850,000)	b	-	-	-	-	(938) (RMB (211,196))	51.11	(479) (RMB (107,942)) b, 1)	145,457 (RMB 32,827,227)	-	
Zhu Hai Yu Yuan Industrial Co., Ltd.	Processing, production and sale of footwear products	1,408 (RMB 300,000)	b	-	-	-	-	(2,626) (RMB (591,352))	51.11	(1,342) (RMB (302,240)) b, 1)	2,977 (RMB 671,923)	-	
Yang Xin Pou Shou Sporting Goods Co., Ltd.	Processing, production and sale of footwear products	236,574 (US\$ 7,800,000)	b	-	-	-	-	(10,735) (RMB (2,417,314))	51.11	(5,487) (RMB (1,235,489)) b, 1)	30,956 (RMB 6,986,161)	-	
Changsha YYSports Sport Products Co., Ltd.	Sales of sports goods and equipment	22,825 (RMB 5,000,000)	b	-	-	-	-	34,602 (RMB 7,791,570)	31.97	11,062 (RMB 2,490,965) b, 1)	(297) (RMB (67,139))	-	
Henan YYSports Sport Products Co., Ltd.	Retail business of sports goods and accessories	9,130 (RMB 2,000,000)	b	-	-	-	-	55,745 (RMB 12,552,464)	31.97	17,822 (RMB 4,013,023) b, 1)	14,509 (RMB 3,274,523)	-	
Shenyang Pou-Yi Trading Co., Ltd.	Retail business of sports goods and accessories	182,600 (RMB 40,000,000)	b	-	-	-	-	4,953 (RMB 1,115,366)	31.97	1,584 (RMB 356,582) b, 1)	(15,190) (RMB (3,428,018))	-	
Zhejiang Shengdao Sporting-Goods Co., Ltd.	Retail business of sports goods and accessories	228,250 (RMB 50,000,000)	b	-	-	-	-	93,681 (RMB 21,094,674)	31.97	29,950 (RMB 6,743,967) b, 1)	267,712 (RMB 60,417,929)	-	
Mudanjiang YYSports Sport Technology Co., Ltd.	Sports services, research and development of sports fitness equipment and retail business of sports goods	4,565 (RMB 1,000,000)	b	-	-	-	-	3,707 (RMB 834,808)	31.97	1,185 (RMB 266,888) b, 1)	10,315 (RMB 2,327,919)	-	
Widevision Investment (Shenzhen) Co., Ltd.	Business management consulting, economic information consulting and market management planning	13,833 (RMB 3,000,000)	b	-	-	-	-	(666) (RMB (149,911))	100.00	(666) (RMB (149,911)) b, 1)	15,763 (RMB 3,557,467)	-	
Chongqing Baoyu Sports Goods Company Limited	Wholesale and retail of sports goods, sports equipment, clothing, shoes, caps and accessories and premises leasing	8,994 (RMB 2,000,000)	b	-	-	-	-	2,607 (RMB 587,044)	31.97	833 (RMB 187,678) b, 1)	(18,167) (RMB (4,100,015))	-	
Kuo Yuen Tannery	Production, processing, sales, research and development of shoe materials, import and export goods or technic	176,844 (RMB 41,047,490)	b	-	-	-	-	(2,481) (RMB (558,767))	25.56	(634) (RMB (142,821)) b, 1)	28,641 (RMB 6,463,872)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023	Note
					Outward	Inward							
Yangzhou Yuhong Garment Co., Ltd.	Engaged in the processing and production of apparel, apparel accessories, and selling our own products	\$ 588,725 (US\$ 19,749,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (9,657) (RMB (2,174,601))	51.11	\$ (4,936) (RMB (1,111,438)) b, 1)	\$ 285,669 (RMB 64,470,446)	\$ -	
Yifeng Kun Ching Foam Ltd.	Production, sales, processing of plastic foam and foam daily products	8,994 (US\$ 300,000)	b	-	-	-	-	706 (RMB 158,925)	19.42	137 (RMB 30,863) b, 1)	2,914 (RMB 657,603)	-	
Zhongshan Hwa Ching Foam Co., Ltd.	Production of foam products	29,980 (US\$ 1,000,000)	b	-	-	-	-	1,732 (RMB 389,971)	19.58	339 (RMB 76,356) b, 1)	10,870 (RMB 2,453,073)	-	
Hubei PouShou Sports Goods Trading Company Limited	Management consultants, wholesale of sports goods, sports equipment, clothing, shoes, caps and accessories and advertising design agency	4,191 (RMB 1,000,000)	b	-	-	-	-	(3,167) (RMB (713,117))	31.97	(1,012) (RMB (227,984)) b, 1)	(8,577) (RMB (1,935,705))	-	
Dong Guan Orisol Trading Company Ltd.	Wholesale or repair of shoe-related machinery and parts	27,850 (US\$ 1,000,000)	b	-	-	-	-	(6,951) (RMB (1,564,680))	51.11	(3,553) (RMB (799,708)) b, 1)	103,053 (RMB 23,257,193)	-	
Shanghai Shengjie Sports Goods Co., Ltd.	Retail business of sports goods and accessories	67,095 (RMB 15,000,000)	b	-	-	-	-	217,504 (RMB 48,960,800)	31.97	69,536 (RMB 15,652,768) b, 1)	285,332 (RMB 64,394,496)	-	
Suzhou Baocheng Sports Goods Trading Co., Ltd.	Retail business of sports goods and accessories	2,204 (RMB 500,000)	b	-	-	-	-	(19,393) (RMB (4,365,410))	31.97	(6,200) (RMB (1,395,622)) b, 1)	(7,328) (RMB (1,653,847))	-	

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
\$ -	\$ 22,077,372 (US\$ 725,036,858)	\$ 68,198,071

Note 1: Methods of investments have following types:

- a. Direct investment in mainland China.
- b. Indirect investment in the Company located in mainland China through a third place of the subsidiaries of Wealthplus Holdings Limited and Yue Yuen Industrial Holdings Limited.
- c. Other.

Note 2: Investment profit or loss recognized in the current period:

- a. If it is in the preparation stage, there is no investment gains and losses, it should be noted.
- b. The amount of investment gain (loss) was recognized in following bases:
 - 1) Based on the financial statements audited by an ROC CPA firm cooperating with an international CPA firm.
 - 2) Based on the financial statements audited by the auditor of parent company.

Note 3: Financial assets at FVTOCI.

Note 4: The limitation of the amount is in accordance with the provisions of the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” which was passed on August 29, 2008.

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023	Note
					Outward	Inward							
Kunshan Yuanying Electronics Technology Co., Ltd.	Manufacturing and sale of alloy	\$ 85,936 (US\$ 2,620,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (1,247) (RMB (280,836))	100.00	\$ (1,247) (RMB (280,836)) b, 2)	\$ 54,106 (RMB 12,210,693)	\$ -	

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ -	\$ 175,696 (US\$ 5,770,000)	\$ 473,156

Note 1: Methods of investments have following types:

a.

Direct investment in mainland China.

b.

Indirect investment in the Company located in mainland China through a third region of Pearl Dove International Limited.

c.

Other.

Note 2: Investment profit or loss recognized in the current period:

a.

If it is in the preparation stage, there is no investment gains and losses, it should be noted.

b.

The amount of investment gain (loss) was recognized on following bases:

1)

Based on the financial statements audited by an ROC CPA firm cooperating with an international CPA firm.

2)

Based on the financial statements audited by the auditor of parent company.

Note 3: The limitation of the amount is in accordance with the provisions of the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” which was amended on August 29, 2008.

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TABLE 11**POU CHEN CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
PC Holdings Limited	213,270,710	7.24
Chuan Mou Investments Co., Limited	163,425,022	5.55

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.