

# **Pou Chen Corporation and Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2024 and 2023 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, 2024 and 2023, 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 material accounting policy information (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 (please 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 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, 2024 and 2023, the carrying amounts of the investments in Ruen Chen Investment Holding Co., Ltd. were \$51,934,424 thousand and \$41,171,531 thousand, respectively, representing 14.94% and 12.64%, respectively, of the Group's consolidated total assets. For the three months ended March 31, 2024 and 2023, the amounts of profit of the associates were \$2,402,814 thousand and \$25,410 thousand, respectively, representing 30.42% and 0.89%, 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 Wen-Yea Shyu and Ker-Chang Wu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 15, 2024

### 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)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023 (Retrospectively Adjusted)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 3 and 6)	\$ 47,188,556	14	\$ 40,582,121	12	\$ 37,023,394	11
Financial assets at fair value through profit or loss - current (Note 7)	1,694,192	-	945,643	-	564,360	-
Financial assets at fair value through other comprehensive income - current (Note 8)	24,008,020	7	22,747,994	7	19,019,621	6
Financial assets at amortized cost - current (Notes 3 and 9)	5,782,807	2	8,238,845	3	3,676,124	1
Notes receivable (Note 10)	15	-	201	-	245	-
Accounts receivable (Notes 10 and 34)	28,682,332	8	27,221,196	8	27,127,656	8
Other receivables (Note 10)	6,253,367	2	5,845,568	2	6,558,103	2
Inventories - manufacturing and retailing (Note 11)	42,078,786	12	38,368,737	12	47,647,328	15
Inventories - construction (Note 11)	3,659,686	1	3,658,698	1	3,698,991	1
Non-current assets held for sale (Note 12)	-	-	-	-	2,103,182	1
Other current assets (Note 13)	13,109,553	4	10,246,131	3	11,322,712	4
Total current assets	172,457,314	50	157,855,134	48	158,741,716	49
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	1,091,659	-	889,745	-	742,122	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	761,478	-	760,400	-	863,437	-
Financial assets at amortized cost - non-current (Notes 9 and 35)	3,733,413	1	3,758,063	1	2,858,511	1
Investments accounted for using the equity method (Note 15)	71,004,543	20	66,899,029	20	61,553,882	19
Property, plant and equipment (Note 16)	58,733,817	17	57,772,269	18	60,029,448	18
Right-of-use assets (Note 17)	16,338,352	5	16,443,139	5	17,366,268	5
Investment properties (Note 18)	5,796,777	2	6,034,953	2	5,710,700	2
Goodwill (Note 19)	8,703,084	2	8,379,396	3	8,397,187	3
Other intangible assets (Note 20)	2,035,061	1	2,025,692	1	1,836,902	1
Deferred tax assets (Notes 4 and 28)	5,547,577	2	5,483,415	2	6,221,823	2
Other non-current assets (Note 13)	1,404,476	-	1,280,100	-	1,383,345	-
Total non-current assets	175,150,237	50	169,726,201	52	166,963,625	51
<b>TOTAL</b>	<b>\$ 347,607,551</b>	<b>100</b>	<b>\$ 327,581,335</b>	<b>100</b>	<b>\$ 325,705,341</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 21)	\$ 27,378,916	8	\$ 26,665,698	8	\$ 25,340,441	8
Short-term bills payable (Note 21)	1,982,195	-	1,891,766	1	1,937,859	1
Financial liabilities at fair value through profit or loss - current (Note 7)	160,259	-	329,470	-	38,937	-
Notes payable (Note 22)	12,979	-	3,608	-	5,805	-
Accounts payable (Notes 22 and 34)	18,002,052	5	14,246,431	4	14,220,499	4
Other payables (Note 23)	17,537,290	5	17,587,766	5	20,182,589	6
Current tax liabilities (Notes 4 and 28)	3,632,686	1	3,037,204	1	4,093,534	1
Lease liabilities - current (Note 17)	2,564,818	1	2,765,479	1	3,175,500	1
Current portion of long-term borrowings (Note 21)	6,070,692	2	13,210,895	4	5,410,626	2
Other current liabilities	6,133,892	2	5,237,149	2	6,372,298	2
Total current liabilities	83,475,779	24	84,975,466	26	80,778,088	25
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Note 21)	36,936,113	11	28,051,451	8	44,673,414	13
Deferred tax liabilities (Notes 4 and 28)	2,750,155	1	2,750,892	1	3,153,878	1
Lease liabilities - non-current (Note 17)	5,244,243	1	5,529,176	2	6,362,696	2
Long-term payables (Note 23)	211,357	-	155,150	-	154,335	-
Net defined benefit liabilities (Note 4)	3,610,110	1	3,384,119	1	3,064,827	1
Other non-current liabilities	69,307	-	71,802	-	82,367	-
Total non-current liabilities	48,821,285	14	39,942,590	12	57,491,517	17
Total liabilities	132,297,064	38	124,918,056	38	138,269,605	42
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)</b>						
Share capital						
Ordinary shares	29,467,872	9	29,467,872	9	29,467,872	9
Capital surplus	4,419,568	1	4,410,292	2	4,421,515	2
Retained earnings						
Legal reserve	19,300,806	5	19,300,806	6	17,986,740	5
Special reserve	57,646,766	17	57,646,766	18	-	-
Unappropriated earnings	28,771,983	8	24,101,997	7	77,451,969	24
Total retained earnings	105,719,555	30	101,049,569	31	95,438,709	29
Other equity	(2,997,399)	(1)	(8,738,371)	(3)	(15,664,644)	(5)
Total equity attributable to owners of the Company	136,609,596	39	126,189,362	39	113,663,452	35
<b>NON-CONTROLLING INTERESTS</b>	<b>78,700,891</b>	<b>23</b>	<b>76,473,917</b>	<b>23</b>	<b>73,772,284</b>	<b>23</b>
Total equity	215,310,487	62	202,663,279	62	187,435,736	58
<b>TOTAL</b>	<b>\$ 347,607,551</b>	<b>100</b>	<b>\$ 327,581,335</b>	<b>100</b>	<b>\$ 325,705,341</b>	<b>100</b>

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

(With Deloitte & Touche review report dated May 15, 2024)

# POU CHEN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 34)	\$ 63,288,874	100	\$ 64,366,793	100
OPERATING COSTS (Notes 11, 24, 27 and 34)	<u>47,156,613</u>	<u>75</u>	<u>48,928,055</u>	<u>76</u>
GROSS PROFIT	<u>16,132,261</u>	<u>25</u>	<u>15,438,738</u>	<u>24</u>
OPERATING EXPENSES (Notes 24 and 27)				
Selling and marketing expenses	6,805,624	10	7,353,497	11
General and administrative expenses	4,414,013	7	4,781,111	8
Research and development expenses	<u>1,122,163</u>	<u>2</u>	<u>1,274,941</u>	<u>2</u>
Total operating expenses	<u>12,341,800</u>	<u>19</u>	<u>13,409,549</u>	<u>21</u>
INCOME FROM OPERATIONS	<u>3,790,461</u>	<u>6</u>	<u>2,029,189</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 27)	558,665	1	369,917	1
Other income (Note 27)	486,757	1	751,684	1
Other gains and losses (Note 27)	865,216	1	183,188	-
Net loss on derecognition of financial assets at amortized cost	(3,516)	-	(74,409)	-
Finance costs (Note 27)	(710,247)	(1)	(840,506)	(1)
Share of profit of associates and joint ventures (Note 15)	<u>2,911,658</u>	<u>4</u>	<u>443,457</u>	<u>1</u>
Total non-operating income and expenses	<u>4,108,533</u>	<u>6</u>	<u>833,331</u>	<u>2</u>
INCOME BEFORE INCOME TAX	7,898,994	12	2,862,520	5
INCOME TAX EXPENSE (Notes 4 and 28)	<u>1,392,154</u>	<u>2</u>	<u>677,537</u>	<u>1</u>
NET INCOME	<u>6,506,840</u>	<u>10</u>	<u>2,184,983</u>	<u>4</u>
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	832,287	2	1,548,523	2
Share of other comprehensive (loss) income of associates and joint ventures	21,292	-	(89,593)	-

(Continued)

# POU CHEN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 6,467,858	10	\$ (1,066,132)	(2)
Share of other comprehensive income of associates and joint ventures	<u>1,085,171</u>	<u>2</u>	<u>4,833,805</u>	<u>8</u>
Other comprehensive income for the period, net of income tax	<u>8,406,608</u>	<u>14</u>	<u>5,226,603</u>	<u>8</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<u>\$ 14,913,448</u>	<u>24</u>	<u>\$ 7,411,586</u>	<u>12</u>
<b>NET INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 4,652,640	7	\$ 991,355	2
Non-controlling interests	<u>1,854,200</u>	<u>3</u>	<u>1,193,628</u>	<u>2</u>
	<u>\$ 6,506,840</u>	<u>10</u>	<u>\$ 2,184,983</u>	<u>4</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 10,410,958	17	\$ 6,650,305	11
Non-controlling interests	<u>4,502,490</u>	<u>7</u>	<u>761,281</u>	<u>1</u>
	<u>\$ 14,913,448</u>	<u>24</u>	<u>\$ 7,411,586</u>	<u>12</u>
<b>EARNINGS PER SHARE (Note 29)</b>				
Basic	<u>\$ 1.58</u>		<u>\$ 0.34</u>	
Diluted	<u>\$ 1.58</u>		<u>\$ 0.34</u>	

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

(With Deloitte & Touche review report dated May 15, 2024)

(Concluded)

**POU CHEN CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Total	Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Others				
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	\$ 29,467,872	\$ 4,421,515	\$ 17,986,740	\$ -	\$ 77,451,969	\$ (900,921)	\$ (1,056,292)	\$ (13,707,431)	\$ 113,663,452	\$ 73,772,284	\$ 187,435,736	
BALANCE AT JANUARY 1, 2024	\$ 29,467,872	\$ 4,410,292	\$ 19,300,806	\$ 57,646,766	\$ 24,101,997	\$ (741,919)	\$ 2,433,063	\$ (10,429,515)	\$ 126,189,362	\$ 76,473,917	\$ 202,663,279	
Net profit for the three months ended March 31, 2024	-	-	-	-	4,652,640	-	-	-	4,652,640	1,854,200	6,506,840	
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	3,609,198	313,608	1,835,512	5,758,318	2,648,290	8,406,608	
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	4,652,640	3,609,198	313,608	1,835,512	10,410,958	4,502,490	14,913,448	
Disposal of associates accounted for using equity method	-	-	-	-	17,346	-	(17,346)	-	-	-	-	
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	7,557	-	-	-	-	-	-	7,557	-	7,557	
Unclaimed dividends by shareholders	-	1,719	-	-	-	-	-	-	1,719	-	1,719	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(2,275,516)	(2,275,516)	
Changes in equity for the three months ended March 31, 2024	-	9,276	-	-	4,669,986	3,609,198	296,262	1,835,512	10,420,234	2,226,974	12,647,208	
BALANCE AT MARCH 31, 2024	\$ 29,467,872	\$ 4,419,568	\$ 19,300,806	\$ 57,646,766	\$ 28,771,983	\$ 2,867,279	\$ 2,729,325	\$ (8,594,003)	\$ 136,609,596	\$ 78,700,891	\$ 215,310,487	

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

(With Deloitte & Touche review report dated May 15, 2024)

# POU CHEN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023 (Retrospectively Adjusted)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 7,898,994	\$ 2,862,520
Adjustments for:		
Depreciation expense	3,051,672	3,486,661
Amortization expense	34,277	30,294
Expected credit loss recognized on accounts receivable	32,171	18,966
Net gain on fair value changes of financial instruments at fair value through profit or loss	(222,685)	(441,461)
Finance costs	710,247	840,506
Net loss on derecognition of financial assets at amortized cost	3,516	74,409
Interest income	(558,665)	(369,917)
Compensation cost of employee share options	23,617	31,672
Share of profit of associates and joint ventures	(2,911,658)	(443,457)
Net loss on disposal of property, plant and equipment	3,287	53,511
Net gain on disposal of investment properties	-	(7,879)
Gain on modification of lease	(276,579)	-
Net gain on disposal of associate	(396,056)	-
Impairment loss of financial assets	206,391	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(896,989)	2,563,490
Notes receivable	69	(206)
Accounts receivable	(1,494,282)	1,564,426
Other receivables	(118,120)	(1,951,667)
Inventories	(3,710,276)	2,395,982
Other current assets	(2,973,499)	(321,188)
Other operating assets	409	(32,394)
Notes payable	9,371	1,811
Accounts payable	3,755,621	1,684,322
Other payables	(2,026,126)	(2,997,632)
Other current liabilities	896,743	361,779
Net defined benefit liabilities	225,991	2,976
Other operating liabilities	55,540	(1,497)
Cash generated from operations	1,322,981	9,406,027
Interest paid	(736,644)	(829,850)
Income tax paid	(722,554)	(362,465)
Net cash (used in) generated from operating activities	<u>(136,217)</u>	<u>8,213,712</u> (Continued)



# POU CHEN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023 (Retrospectively Adjusted)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (395,606)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive	512	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	8,973	-
Purchases of financial assets at amortized cost	(1,681,064)	(2,070,100)
Proceeds from sale of financial assets at amortized cost	4,508,282	420,201
Proceeds from disposal of investments accounted for using equity method	663,668	-
Acquisition of property, plant and equipment	(973,267)	(1,168,622)
Proceeds from disposal of property, plant and equipment	18,631	70,460
Decrease in refundable deposits	18,453	33,230
Payments for intangible assets	(34,999)	(51,126)
Payments for right-of-use assets	(7,296)	(40,042)
Disposal of investment properties	-	12,808
Increase in prepayment for equipment and long-term prepayment	(275,174)	(169,182)
Interest received	520,124	355,239
Dividends received	-	225,531
Proceeds from disposal of right-of-use assets	<u>300,264</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>2,671,501</u>	<u>(2,381,603)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	713,218	4,728,632
Proceeds from short-term bills payable	91,000	358,500
Proceeds from long-term borrowings	1,732,401	-
Repayments of long-term borrowings	-	(11,857,306)
Increase in guarantee deposits	-	82
Decrease in guarantee deposits	(1,711)	-
Repayment of principal portion of lease liabilities	(845,021)	(1,007,708)
Changes in non-controlling interests	(44,454)	(2,614)
Unclaimed dividends by shareholders	<u>1,719</u>	<u>1,126</u>
Net cash generated from (used in) financing activities	<u>1,647,152</u>	<u>(7,779,288)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>2,423,999</u>	<u>(365,475)</u>
		(Continued)

# POU CHEN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

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	For the Three Months Ended March 31	
	2024	2023 (Retrospectively Adjusted)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 6,606,435	\$ (2,312,654)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>40,582,121</u>	<u>39,336,048</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 47,188,556</u>	<u>\$ 37,023,394</u>

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

(With Deloitte & Touche review report dated May 15, 2024)

(Concluded)

# POU CHEN CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 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 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 the “Group”) are presented in New Taiwan dollars, the functional currency of the Company.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 15, 2024.

### 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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC) did not have a material impact on the Group’s accounting policies.
- b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
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
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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) IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

### 3) Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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.

#### c. Reclassification

The management of the Group considers the bank deposits repatriated for restricted purpose for the use of substantial investments and financial investments in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. do not change the nature of the deposit as the entity can access those amounts on demand. The management concludes that the presentation of cash and cash equivalents is more appropriate and, therefore, has changed the presentation of the consolidated balance sheets and consolidated statements of cash flows. The financial assets at amortized cost were reclassified to cash and cash equivalents with a carrying amount of \$6,222 thousand and \$18,419 thousand on March 31, 2023 and January 1, 2023. The impact on cash flows for the 3 months ended March 31, 2023 was as follows:

	<b>Adjustments</b>
Net cash used in operating activities	\$ (59)
Net cash used in investing activities	<u>(12,138)</u>
Net decrease in cash and cash equivalents	<u>\$ (12,197)</u>

## 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 based on the significance of the inputs to the fair value measurement in its entirety, 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, 2023.

Please refer to Note 14 “Subsidiaries” to the consolidated financial statements, Table 9 “Information on Investees” and Table 10 “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, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period, and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group’s construction-related assets and liabilities.

2) 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.

3) 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.

4) 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.

## 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 on 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, 2023.

## 6. CASH AND CASH EQUIVALENTS

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Cash on hand	\$ 13,563	\$ 19,040	\$ 63,447
Checking accounts and demand deposits	19,904,787	14,094,271	12,711,041
Cash equivalents (investments with original maturities of less than three months)			
Time deposits	25,792,702	24,840,386	24,248,906
Repurchase agreements collateralized by bonds	<u>1,477,504</u>	<u>1,628,424</u>	<u>-</u>
	<u>\$ 47,188,556</u>	<u>\$ 40,582,121</u>	<u>\$ 37,023,394</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets at FVTPL</u>			
Financial assets mandatorily as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Interest rate swap contracts (a)	\$ -	\$ -	\$ 83,112
Forward exchange contracts (b)	8,056	-	86,765
Exchange rate option contracts (c)	8,614	11,733	3,603
Exchange rate swap contracts (d)	158,965	139,663	208,205
Cross-currency swap contracts (e)	8,778	25,363	-
Non-derivative financial assets			
Domestic listed shares	-	7,286	-
Mutual funds	<u>2,601,438</u>	<u>1,651,343</u>	<u>924,797</u>
	<u>\$ 2,785,851</u>	<u>\$ 1,835,388</u>	<u>\$ 1,306,482</u>
Current	\$ 1,694,192	\$ 945,643	\$ 564,360
Non-current	<u>1,091,659</u>	<u>889,745</u>	<u>742,122</u>
	<u>\$ 2,785,851</u>	<u>\$ 1,835,388</u>	<u>\$ 1,306,482</u>

### Financial liabilities at FVTPL

Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts (b)	\$ 140,896	\$ 99,812	3,966
Exchange rate option contracts (c)	19,363	19,420	25,557
Exchange rate swap contracts (d)	<u>-</u>	<u>210,238</u>	<u>9,414</u>
	<u>\$ 160,259</u>	<u>\$ 329,470</u>	<u>\$ 38,937</u>
Current	<u>\$ 160,259</u>	<u>\$ 329,470</u>	<u>\$ 38,937</u>

- a. 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\$ 250,000	2023.07	3.335-3.340	5.52529-5.57657

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



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

March 31, 2024

**Notional Amount  
(In Thousands)**

US\$ 198,170  
US\$ 197,400  
US\$ 85,434

**Forward Exchange Rates**

Sell US\$/Buy IDR at 15,250 to 15,880  
Sell US\$/Buy NT\$ at 31.890 to 31.964  
Sell US\$/Buy VN\$ at 24,345 to 24,700

December 31, 2023

**Notional Amount  
(In Thousands)**

US\$ 91,775  
NT\$ 1,398,012

**Forward Exchange Rates**

Sell US\$/Buy IDR at 15,250 to 15,450  
Sell NT\$/Buy US\$ at 32.104 to 32.149

March 31, 2023

**Notional Amount  
(In Thousands)**

US\$ 56,250  
RMB 63,105  
HK\$ 58,080

**Forward Exchange Rates**

Sell US\$/Buy IDR at 15,720 to 15,800  
Sell RMB/Buy US\$ at 6.928 to 6.956  
Sell US\$/Buy HK\$ at 7.822

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

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

March 31, 2024

**Notional Amount  
(In Thousands)**

US\$ 240,000  
US\$ 78,000

**Type**

Put  
Call

**Buy/Sell**

Sell  
Sell

**Maturity Date**

2024.04-2026.03  
2024.04-2025.04

**Exchange Rate**

US\$:RMB 7.0000-7.4200  
US\$:HK\$ 7.7210-7.7440

December 31, 2023

**Notional Amount  
(In Thousands)**

US\$ 243,000  
US\$ 160,000  
US\$ 30,070  
US\$ 78,000  
RMB 138,000

**Type**

Put  
Put  
Put  
Call  
Call

**Buy/Sell**

Sell  
Sell  
Sell  
Sell  
Sell

**Maturity Date**

2024.01-2025.07  
2024.01-2025.08  
2024.01-2024.02  
2024.04-2025.04  
2024.03

**Exchange Rate**

US\$:RMB 6.7500-7.0200  
US\$:NT\$ 32.5000-33.5000  
US\$:IDR 15,100-15,500  
US\$:HK\$ 7.7210-7.7440  
US\$:RMB 6.5000

March 31, 2023

<b>Notional Amount (In Thousands)</b>	<b>Type</b>	<b>Buy/Sell</b>	<b>Maturity Date</b>	<b>Exchange Rate</b>
US\$ 348,000	Put	Sell	2023.04-2025.02	US\$:RMB 6.7500-7.0200
US\$ 286,000	Put	Sell	2023.04	US\$:NT\$ 31.5000-32.8600
US\$ 17,598	Put	Sell	2023.09-2024.02	US\$:IDR 15,450
US\$ 18,000	Call	Sell	2023.04-2023.09	US\$:RMB 6.7500
US\$ 60,000	Call	Sell	2023.05-2024.11	US\$:HK\$ 7.7440
RMB 138,000	Call	Sell	2024.03	US\$:RMB 6.5000

The Group entered into exchange rate option 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 swap contracts not under hedge accounting were as follows:

March 31, 2024

<b>Notional Amount (In Thousands)</b>	<b>Maturity Date</b>	<b>Exchange Rate</b>
US\$ 218,300	2024.04-2024.06	US\$:NT\$30.9140-31.8810
RMB 1,322,460	2024.06-2025.03	RMB:NT\$ 4.3004-4.3387

December 31, 2023

<b>Notional Amount (In Thousands)</b>	<b>Maturity Date</b>	<b>Exchange Rate</b>
US\$ 347,500	2024.01-2024.03	US\$:NT\$28.6400-31.0770
RMB 1,460,460	2024.03-2024.11	RMB:NT\$ 4.3054-4.3750

March 31, 2023

<b>Notional Amount (In Thousands)</b>	<b>Maturity Date</b>	<b>Exchange Rate</b>
US\$ 810,230	2023.06-2024.02	US\$:NT\$28.6400-30.9580
RMB 1,148,460	2023.09-2024.03	RMB:NT\$ 4.3173-4.3719

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

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

March 31, 2024

<b>Notional Amount (In Thousands)</b>	<b>Maturity Date</b>	<b>Exchange Rate</b>	<b>Exchange Interest Rate %</b>
US\$ 30,000	2024.09	US\$:RMB7.2600	2.9800

December 31, 2023

<b>Notional Amount (In Thousands)</b>	<b>Maturity Date</b>	<b>Exchange Rate</b>	<b>Exchange Interest Rate %</b>
US\$ 30,000	2024.09	US\$:RMB7.2600	2.9800

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

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Domestic investments			
Listed shares	\$ 24,556,244	\$ 23,299,045	\$ 19,581,090
Unlisted shares	72,496	73,608	76,193
Foreign investments			
Unlisted shares	<u>140,758</u>	<u>135,741</u>	<u>225,775</u>
	<u>\$ 24,769,498</u>	<u>\$ 23,508,394</u>	<u>\$ 19,883,058</u>
Current	\$ 24,008,020	\$ 22,747,994	\$ 19,019,621
Non-current	<u>761,478</u>	<u>760,400</u>	<u>863,437</u>
	<u>\$ 24,769,498</u>	<u>\$ 23,508,394</u>	<u>\$ 19,883,058</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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Domestic investments			
Time deposits with original maturities of more than three months	\$ 1,766,209	\$ 4,579,025	\$ 3,735,554
Foreign investments			
Bonds	2,634,683	2,636,501	2,799,081
Time deposits with original maturities of more than three months	<u>5,115,328</u>	<u>4,781,382</u>	<u>-</u>
	<u>\$ 9,516,220</u>	<u>\$ 11,996,908</u>	<u>\$ 6,534,635</u>
Current	\$ 5,782,807	\$ 8,238,845	\$ 3,676,124
Non-current	<u>3,733,413</u>	<u>3,758,063</u>	<u>2,858,511</u>
	<u>\$ 9,516,220</u>	<u>\$ 11,996,908</u>	<u>\$ 6,534,635</u>

Please 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, 2024	December 31, 2023	March 31, 2023
<u>Notes receivable</u>			
Notes receivable - operating	\$ 15	\$ 169	\$ 245
Notes receivable - non-operating	<u>-</u>	<u>32</u>	<u>-</u>
	<u>\$ 15</u>	<u>\$ 201</u>	<u>\$ 245</u>
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 29,498,113	\$ 27,983,785	\$ 27,860,770
Less: Allowance for impairment loss	<u>(815,781)</u>	<u>(762,589)</u>	<u>(733,114)</u>
	<u>\$ 28,682,332</u>	<u>\$ 27,221,196</u>	<u>\$ 27,127,656</u>
<u>Other receivables</u>			
Tax refund receivables	\$ 4,767,391	\$ 4,389,709	\$ 3,373,538
Others	1,507,096	1,477,076	3,184,565
Less: Allowance for impairment loss	<u>(21,120)</u>	<u>(21,217)</u>	<u>-</u>
	<u>\$ 6,253,367</u>	<u>\$ 5,845,568</u>	<u>\$ 6,558,103</u>

### a. Notes receivable

The notes receivable balances at March 31, 2024, December 31, 2023 and March 31, 2023 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, 2024

	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>Over 91 Days</b>	<b>Total</b>
Gross carrying amount	\$ 19,856,436	\$ 8,740,205	\$ 901,472	\$ 29,498,113
Loss allowance (lifetime ECLs)	<u>-</u>	<u>-</u>	<u>(815,781)</u>	<u>(815,781)</u>
Amortized cost	<u>\$ 19,856,436</u>	<u>\$ 8,740,205</u>	<u>\$ 85,691</u>	<u>\$ 28,682,332</u>

December 31, 2023

	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>Over 91 Days</b>	<b>Total</b>
Gross carrying amount	\$ 17,442,294	\$ 9,667,443	\$ 874,048	\$ 27,983,785
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(31)</u>	<u>(762,558)</u>	<u>(762,589)</u>
Amortized cost	<u>\$ 17,442,294</u>	<u>\$ 9,667,412</u>	<u>\$ 111,490</u>	<u>\$ 27,221,196</u>

March 31, 2023

	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>Over 91 Days</b>	<b>Total</b>
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>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 762,589	\$ 724,541
Add: Impairment losses recognized on receivable	33,146	19,209
Less: Amounts written off	(9,713)	(5,481)
Foreign exchange gains and losses	<u>29,759</u>	<u>(5,155)</u>
Balance at March 31	<u>\$ 815,781</u>	<u>\$ 733,114</u>

3) The movements of the loss allowance of other receivables were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 21,217	\$ 859
Less: Reversal of impairment losses on receivable	(975)	(243)
Less: Amounts written off	-	(615)
Foreign exchange gains and losses	<u>878</u>	<u>(1)</u>
Balance at March 31	<u>\$ 21,120</u>	<u>\$ -</u>

## 11. INVENTORIES

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Inventories - manufacturing and retailing	\$ 42,078,786	\$ 38,368,737	\$ 47,647,328
Inventories - construction	<u>3,659,686</u>	<u>3,658,698</u>	<u>3,698,991</u>
	<u>\$ 45,738,472</u>	<u>\$ 42,027,435</u>	<u>\$ 51,346,319</u>

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Raw materials	\$ 8,024,844	\$ 6,328,000	\$ 8,489,292
Work in progress	5,802,353	4,635,776	5,712,566
Finished goods and merchandise	<u>28,251,589</u>	<u>27,404,961</u>	<u>33,445,470</u>
	<u>\$ 42,078,786</u>	<u>\$ 38,368,737</u>	<u>\$ 47,647,328</u>

The cost of manufacturing and retailing inventories recognized as cost of goods sold for the three months ended March 31, 2024 and 2023 were \$47,156,613 thousand and \$48,896,632 thousand, respectively.

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Land and buildings held for development	\$ 3,515,858	\$ 3,515,607	\$ 3,537,997
Land and buildings held for sale	32,936	32,199	50,102
Land held for construction sites	<u>110,892</u>	<u>110,892</u>	<u>110,892</u>
	<u>\$ 3,659,686</u>	<u>\$ 3,658,698</u>	<u>\$ 3,698,991</u>

The cost of construction inventories recognized as cost of goods sold for the three months ended March 31, 2024 and 2023 were \$0 thousand and \$31,423 thousand, respectively.

## 12. NON-CURRENT ASSETS HELD FOR SALE

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>2,103,182</u>

The Group signed a real estate 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, 2024	December 31, 2023	March 31, 2023
Prepayments	\$ 11,596,255	\$ 8,776,007	\$ 9,829,868
Refundable deposits	531,126	549,579	613,587
Defined benefit assets	43,754	43,754	43,754
Prepayments for equipment and long-term prepayment	768,013	624,775	652,757
Others	<u>1,574,881</u>	<u>1,532,116</u>	<u>1,566,091</u>
	<u>\$ 14,514,029</u>	<u>\$ 11,526,231</u>	<u>\$ 12,706,057</u>
Current	\$ 13,109,553	\$ 10,246,131	\$ 11,322,712
Non-current	<u>1,404,476</u>	<u>1,280,100</u>	<u>1,383,345</u>
	<u>\$ 14,514,029</u>	<u>\$ 11,526,231</u>	<u>\$ 12,706,057</u>

## 14. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
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, 2024	December 31, 2023	March 31, 2023
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	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, 2024, December 31, 2023 and March 31, 2023, 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, 2024	December 31, 2023	March 31, 2023
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, 2024	December 31, 2023	March 31, 2023
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, 2024	December 31, 2023	March 31, 2023
Yue Yuen	48.89	48.89	48.89
Pou Sheng	37.45	37.45	37.45

Please 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 Allocated to Non-controlling Interests For the Three Months Ended March 31		Accumulated Non-controlling Interests		
	2024	2023	March 31, 2024	December 31, 2023	March 31, 2023
	Yue Yuen	\$ 1,518,626	\$ 736,134	\$ 63,240,454	\$ 61,675,136
Pou Sheng	282,183	363,767	15,141,088	14,473,109	14,566,610



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:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current assets	\$ 125,973,168	\$ 116,183,436	\$ 125,207,460
Non-current assets	108,912,412	107,067,722	109,296,093
Current liabilities	(62,655,006)	(60,841,199)	(58,260,763)
Non-current liabilities	<u>(27,408,064)</u>	<u>(21,451,188)</u>	<u>(40,579,284)</u>
Equity	<u>\$ 144,822,510</u>	<u>\$ 140,958,771</u>	<u>\$ 135,663,506</u>
Equity attributable to:			
Owners of the Company	\$ 66,494,920	\$ 64,845,591	\$ 62,209,895
Non-controlling interests of Yue Yuen	63,240,454	61,675,136	59,157,641
Non-controlling interests of Yue Yuen's subsidiaries	<u>15,087,136</u>	<u>14,438,044</u>	<u>14,295,970</u>
	<u>\$ 144,822,510</u>	<u>\$ 140,958,771</u>	<u>\$ 135,663,506</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2024</b>	<b>2023</b>
Operating revenue		<u>\$ 63,009,905</u>	<u>\$ 64,055,821</u>
Net income		\$ 3,452,148	\$ 1,968,387
Other comprehensive (loss) income		<u>(949,320)</u>	<u>257,902</u>
Total comprehensive income		<u>\$ 2,502,828</u>	<u>\$ 2,226,289</u>
Net income attributable to:			
Owners of the Company		\$ 1,597,626	\$ 776,754
Non-controlling interests of Yue Yuen		1,518,626	736,134
Non-controlling interests of Yue Yuen's subsidiaries		<u>335,896</u>	<u>455,499</u>
		<u>\$ 3,452,148</u>	<u>\$ 1,968,387</u>
Total comprehensive income attributable to:			
Owners of the Company		\$ 1,245,768	\$ 848,197
Non-controlling interests of Yue Yuen		1,182,182	804,447
Non-controlling interests of Yue Yuen's subsidiaries		<u>74,878</u>	<u>573,645</u>
		<u>\$ 2,502,828</u>	<u>\$ 2,226,289</u>
Net cash inflow (outflow) from:			
Operating activities		\$ 1,784,175	\$ 6,765,376
Investing activities		327,091	(1,123,976)
Financing activities		<u>(1,738,485)</u>	<u>(6,668,992)</u>
Net cash inflow (outflow)		<u>\$ 372,781</u>	<u>\$ (1,027,592)</u>

## 15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in associates	\$ 65,623,032	\$ 61,502,235	\$ 56,184,844
Investments in joint ventures	<u>5,381,511</u>	<u>5,396,794</u>	<u>5,369,038</u>
	<u>\$ 71,004,543</u>	<u>\$ 66,899,029</u>	<u>\$ 61,553,882</u>

### a. Investments in associates

	March 31, 2024	December 31, 2023	March 31, 2023
Material associate			
Ruen Chen Investment Holding Co., Ltd.	\$ 51,367,651	\$ 47,687,183	\$ 40,715,096
Associates that are not individually material	<u>14,255,381</u>	<u>13,815,052</u>	<u>15,469,748</u>
	<u>\$ 65,623,032</u>	<u>\$ 61,502,235</u>	<u>\$ 56,184,844</u>

### 1) Material associate

Name of Associate	<u>Proportion of Ownership and Voting Rights (%)</u>		
	March 31, 2024	December 31, 2023	March 31, 2023
Ruen Chen Investment Holding Co., Ltd.	20	20	20

- a) As of October 18, 2023, the Company purchasing 10,000 thousand issued ordinary shares with \$10 per share with the amount of \$100,000 thousand.
- b) The summarized financial information below represents amounts shown in the material associate's financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

#### Ruen Chen Investment Holding Co., Ltd.

Name of Associate	March 31, 2024	December 31, 2023	March 31, 2023
Assets	\$ 5,524,398,875	\$ 5,373,009,122	\$ 5,289,536,395
Liabilities	(5,232,394,858)	(5,101,450,286)	(5,056,536,427)
Non-controlling interests	<u>(34,869,202)</u>	<u>(32,826,359)</u>	<u>(29,127,926)</u>
Owners of Ruen Chen	<u>\$ 257,134,815</u>	<u>\$ 238,732,477</u>	<u>\$ 203,872,042</u>
Proportion of the Group's interest	20%	20%	20%
Equity attributable to the Group	\$ 51,426,963	\$ 47,746,495	\$ 40,774,408
Other adjustments	<u>(59,312)</u>	<u>(59,312)</u>	<u>(59,312)</u>
Carrying amount	<u>\$ 51,367,651</u>	<u>\$ 47,687,183</u>	<u>\$ 40,715,096</u>

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating revenue	<u>\$ 133,192,160</u>	<u>\$ 113,114,997</u>
Net income	\$ 13,290,602	\$ 150,968
Other comprehensive income	<u>7,272,680</u>	<u>26,648,397</u>
Total comprehensive income	<u>\$ 20,563,282</u>	<u>\$ 26,799,365</u>

2) Associates that are not individually material

Name of Associate	<b>Proportion of Ownership and Voting Rights (%)</b>		
	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
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
Brandblack Inc.	31.25	31.25	31.25
Full Pearl International Ltd.	-	-	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.	15.47	17.23	17.59
Nan Shan Life Insurance Co., Ltd.	0.18	0.18	0.18

- a) The Group holds less than 20% interest in Elitegroup Computer Systems Co., Ltd. However, the Group has the power to appoint two out of the nine directors of Elitegroup Computer Systems Co., Ltd. Therefore, the Group is able to exercise significant influence over Elitegroup Computer Systems Co., Ltd. In November 2023, the Group disposed of partial shares of Elitegroup Computer Systems Co., Ltd. in the public market. The total of 80,785 thousand shares was disposed which amounted to \$2,453,577 thousand. After the transaction, the shareholding ratio of the Group at Elitegroup Computer Systems Co., Ltd. dropped from 14.53% to 0.04%. In addition, the directors who originally occupied two seats were naturally dismissed due to the disposal of shares, resulting in the loss of significant impact. The Group retained the remaining 0.04% interest as financial assets at FVTPL whose fair value at the date of disposal was \$6,939 thousand.
- b) In September 2023, the Group resolved to dispose of its associate, Full Pearl International Ltd., of all shares to unrelated parties. The carrying amount of the investment was zero as of September 30, 2023, and the transaction was completed on October 30, 2023 with an amount of RMB42,500 thousand.

- 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 Resins Chemical Co., Ltd. Therefore, the Group is able to exercise significant influence over Nan Pao Resins Chemical Co., Ltd. The Group sold part of the Company's equity in the open market in the first quarter of 2024 and disposed of a total of 2,122 thousand shares for \$663,668 thousand, resulting in a gain on disposal of \$396,056 thousand.
- d) The Group holds less than 20% interest in Nan Shan Life Insurance Co., Ltd. However, the Group exercises significant influence over Ruen Chen Investment Holding Co., Ltd., which is the parent company of Nan Shan Life Insurance Co., Ltd. Therefore, Nan Shan Life Insurance Co., Ltd. is classified as an associate of the Group.
- e) The summarized financial information below represents amounts shown in the financial statements of associates that are not individually material which were prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
The Group's share of:		
Net income	\$ 351,074	\$ 305,833
Other comprehensive loss	<u>(185,247)</u>	<u>(44,681)</u>
Total comprehensive income	<u>\$ 165,827</u>	<u>\$ 261,152</u>

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

Name of Associate	March 31, 2024	December 31, 2023	March 31, 2023
Eagle Nice (International) Holdings Limited	<u>\$ 3,642,773</u>	<u>\$ 3,192,482</u>	<u>\$ 3,202,523</u>
Prosperous Industrial (Holdings) Ltd.	<u>\$ 659,467</u>	<u>\$ 683,497</u>	<u>\$ 723,361</u>
San Fang Chemical Industry Co., Ltd.	<u>\$ 5,269,449</u>	<u>\$ 4,617,565</u>	<u>\$ 3,722,552</u>
Elitegroup Computer Systems Co., Ltd.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,843,113</u>
Nan Pao Resins Chemical Co., Ltd.	<u>\$ 5,784,967</u>	<u>\$ 5,860,380</u>	<u>\$ 3,060,359</u>

- 4) For the information of the associate's business location and business item, please refer to Table 9 Information on investees of Note 38 to the consolidated financial statements.

b. Investments in joint ventures

	March 31, 2024	December 31, 2023	March 31, 2023
Joint ventures that are not individually material	<u>\$ 5,381,511</u>	<u>\$ 5,396,794</u>	<u>\$ 5,369,038</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, 2024	December 31, 2023	March 31, 2023
Cohen Enterprises Inc.	50.00	50.00	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
Top Units Developments Limited	49.00	49.00	49.00
Twinways Investments Limited	50.00	50.00	50.00
Zhong Ao Multiplex Management Group Limited	46.82	46.82	46.82

- 1) Please refer to Table 9 “Information on Investees” of Note 38 to the consolidated financial statements for business location and business item of the joint ventures that are not individually material.
- 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 IFRS Accounting Standards adjusted by the Group for equity accounting purposes:

	For the Three Months Ended March 31	
	2024	2023
The Group’s share of:		
Net income	\$ 182,651	\$ 112,680
Other comprehensive (loss) income	<u>(32,958)</u>	<u>16,110</u>
Total comprehensive income	<u>\$ 149,693</u>	<u>\$ 128,790</u>

## 16. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2024	December 31, 2023	March 31, 2023
Land	\$ 2,701,100	\$ 2,701,318	\$ 2,704,015
Buildings and improvements	41,690,494	40,594,670	41,603,482
Machinery and equipment	10,251,933	10,520,064	11,828,823
Transportation equipment	201,452	203,628	227,990
Office equipment	1,769,802	1,808,861	2,075,862
Other equipment	58,664	62,718	63,104
Construction in progress	<u>2,060,372</u>	<u>1,881,010</u>	<u>1,526,172</u>
	<u>\$ 58,733,817</u>	<u>\$ 57,772,269</u>	<u>\$ 60,029,448</u>

- a. Except for depreciation expenses and reclassification to non-current assets held for sale, the Group had neither significant disposal nor impairment of property, plant and equipment during the three months ended March 31, 2024 and 2023.
- 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	20-55 years
Elevators	15 years
Machinery and equipment	5-10 years
Transportation equipment	5 years
Office equipment	3-7 years
Other equipment	3-10 years

- c. The Group has land with a carrying amount of \$56,102 thousand. Due to certain restrictions under the land regulations, ownership of the land has been temporarily transferred to 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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Carrying amount</u>			
Land	\$ 9,210,687	\$ 8,808,406	\$ 8,315,083
Buildings and improvements	7,103,821	7,613,540	9,040,558
Machinery and equipment	16,160	15,707	2,518
Transportation equipment	5,032	2,624	4,619
Other equipment	<u>2,652</u>	<u>2,862</u>	<u>3,490</u>
	<u>\$ 16,338,352</u>	<u>\$ 16,443,139</u>	<u>\$ 17,366,268</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2024</b>	<b>2023</b>
Additions to right-of-use assets		<u>\$ 258,525</u>	<u>\$ 934,974</u>
Depreciation charge for right-of-use assets			
Land		\$ 60,554	\$ 61,535
Buildings and improvements		850,543	1,033,837
Machinery and equipment		206	660
Transportation equipment		722	671
Other equipment		<u>210</u>	<u>209</u>
		<u>\$ 912,235</u>	<u>\$ 1,096,912</u>

b. Lease liabilities

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Carrying amount</u>			
Current	\$ 2,564,818	\$ 2,765,479	\$ 3,175,500
Non-current	<u>5,244,243</u>	<u>5,529,176</u>	<u>6,362,696</u>
	<u>\$ 7,809,061</u>	<u>\$ 8,294,655</u>	<u>\$ 9,538,196</u>

Range of discounts rates for lease liabilities was as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Land	1.10%-7.47%	1.10%-7.47%	1.10%-7.47%
Buildings and improvements	1.10%-10.75%	0.90%-7.91%	0.90%-7.47%
Machinery and equipment	5.59%	0.85%-5.59%	0.85%-0.90%
Transportation equipment	3.83%-4.25%	3.98%-4.25%	3.90%-4.25%
Other equipment	1.25%-1.34%	1.25%-1.34%	1.25%-1.34%

c. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 68,215</u>	<u>\$ 60,500</u>
Expenses relating to low-value asset leases	<u>\$ 1,826</u>	<u>\$ 645</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,500,882</u>	<u>\$ 1,560,711</u>
Total cash outflow for leases	<u>\$ 2,498,892</u>	<u>\$ 2,730,799</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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Investment properties	<u>\$ 5,796,777</u>	<u>\$ 6,034,953</u>	<u>\$ 5,710,700</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, 2024 and 2023.
- 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, 2023 and 2022 were \$13,033,458 thousand and \$12,967,385 thousand, respectively. The fair value of investment properties which did not changed significantly for during the three months ended March 31, 2024 and 2023.

## 19. GOODWILL

The Group's goodwill was tested as of December 31, 2023 and 2022, and the Group's management team evaluated that goodwill as of March 31, 2024 and 2023, has not changed significantly and was not impaired.

## 20. OTHER INTANGIBLE ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Computer software	\$ 1,809,286	\$ 1,798,068	\$ 1,571,800
Non-compete agreements	225,408	227,248	264,702
Trademarks	62	65	72
Patents	<u>305</u>	<u>311</u>	<u>328</u>
	<u>\$ 2,035,061</u>	<u>\$ 2,025,692</u>	<u>\$ 1,836,902</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, 2024 and 2023.
- 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, 2024	December 31, 2023	March 31, 2023
<u>Unsecured borrowings</u>			
Credit borrowings	<u>\$ 27,378,916</u>	<u>\$ 26,665,698</u>	<u>\$ 25,340,441</u>

The ranges of effective interest rate on bank borrowings were 1.61%-6.23%, 1.61%-6.38% and 1.00%-7.91% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

- b. Short-term bills payable

March 31, 2024

	Properties	Annual Interest Rate	Amount
Commercial papers	Unsecured	1.40%-1.72%	\$ 1,983,500
Less: Unamortized discount on bills payable			<u>(1,305)</u>
			<u>\$ 1,982,195</u>



December 31, 2023

	<b>Properties</b>	<b>Annual Interest Rate</b>	<b>Amount</b>
Commercial papers	Unsecured	1.45%-1.70%	\$ 1,892,500
Less: Unamortized discount on bills payable			<u>(734)</u>
			<u>\$ 1,891,766</u>

March 31, 2023

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

c. Long-term borrowings

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Unsecured borrowings</u>			
Bank loans	\$ 43,024,469	\$ 41,292,068	\$ 50,124,265
Less: Expenses for long-term borrowings	(17,664)	(29,722)	(40,225)
Less: Current portion	<u>(6,070,692)</u>	<u>(13,210,895)</u>	<u>(5,410,626)</u>
	<u>\$ 36,936,113</u>	<u>\$ 28,051,451</u>	<u>\$ 44,673,414</u>

Maturity dates and ranges of annual interest rates:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Maturity date</u>			
Long-term borrowings	2025.04.15- 2029.03.11	2025.01.03- 2027.05.03	2024.04.15- 2026.11.29
Current portion of long-term borrowings	2024.04.15- 2025.01.15	2024.01.15- 2024.12.20	2023.04.15- 2024.03.15
<u>Ranges of interest rate</u>	0.95%-6.19%	0.95%-6.23%	0.94%-5.93%

## 22. NOTES PAYABLE AND ACCOUNTS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes payable</u>			
Operating	\$ 8,560	\$ 2,297	\$ 1,271
Non-operating	<u>4,419</u>	<u>1,311</u>	<u>4,534</u>
	<u>\$ 12,979</u>	<u>\$ 3,608</u>	<u>\$ 5,805</u>
Accounts payable (included related parties)	<u>\$ 18,002,052</u>	<u>\$ 14,246,431</u>	<u>\$ 14,220,499</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, 2024	December 31, 2023	March 31, 2023
Payables for salaries	\$ 7,446,344	\$ 9,600,928	\$ 8,509,698
Payables for purchase of property, plant and equipment	649,208	972,672	892,894
Compensation due to directors	145,196	134,446	132,233
Compensation of employees	548,702	468,604	503,514
Interest payables	174,968	122,976	203,736
Payables for annual leave	810,217	953,707	936,686
Payables for dividends	2,247,122	-	2,133,512
Others	<u>5,726,890</u>	<u>5,489,583</u>	<u>7,024,651</u>
	<u>\$ 17,748,647</u>	<u>\$ 17,742,916</u>	<u>\$ 20,336,924</u>
Current	\$ 17,537,290	\$ 17,587,766	\$ 20,182,589
Non-current	<u>211,357</u>	<u>155,150</u>	<u>154,335</u>
	<u>\$ 17,748,647</u>	<u>\$ 17,742,916</u>	<u>\$ 20,336,924</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, 2024 and 2023 were calculated using the respective annual, actuarially determined pension cost discount rates as of December 31, 2023 and 2022 and recognized in the following line items in their respective periods:

	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Operating costs	\$ 127,845	\$ 112,153
Selling and marketing expenses	688	610
General and administrative expenses	13,964	12,904
Research and development expenses	<u>795</u>	<u>1,082</u>
	<u>\$ 143,292</u>	<u>\$ 126,749</u>

## 25. EQUITY

### a. Share capital

	March 31, 2024	December 31, 2023	March 31, 2023
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, 2024	December 31, 2023	March 31, 2023
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	117,194	109,637	109,637
<u>May only be used to offset a deficit</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	121,958	121,958	133,171
Others	<u>32,479</u>	<u>30,760</u>	<u>30,770</u>
	<u>\$ 4,419,568</u>	<u>\$ 4,410,292</u>	<u>\$ 4,421,515</u>

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 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, please 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 in their meeting for approval. The ratio of distribution shall be no less than 30% of the net profit 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.

The appropriations of earnings for 2023 and 2022 were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For Year 2023</b>	<b>For Year 2022</b>
Legal reserve	<u>\$ 1,043,304</u>	<u>\$ 1,314,066</u>
Special reserve	<u>\$ (2,528,881)</u>	<u>\$ 57,646,766</u>
Cash dividends	<u>\$ 3,241,466</u>	<u>\$ 3,830,823</u>
Dividends per share (NT\$)	<u>\$ 1.10</u>	<u>\$ 1.30</u>

The above 2023 and 2022 appropriations for cash dividends were resolved by the Company's board of directors on April 15, 2024 and April 26, 2023, respectively; the other proposed appropriations for 2022 were resolved by the shareholders in their meeting on June 15, 2023. The other proposed appropriations for 2023 will be resolved by the shareholders at their meeting to be held on May 31, 2024.

d. Special reserve

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 57,646,766	\$ -
Appropriations of special reserve	<u>-</u>	<u>-</u>
Balance at March 31	<u>\$ 57,646,766</u>	<u>\$ -</u>

The Group's associate, Nan Shan Life Insurance Co., Ltd., is an insurance company, and on October 1, 2022, Nan Shan Life Insurance Co., Ltd. reclassified the financial assets at fair value through other comprehensive income to financial assets at amortized cost. In accordance with Rule No. 11104942741 issued by the Insurance Bureau of the FSC, Nan Shan Life Insurance Co., Ltd. shall appropriate its earnings as a special reserve. When distributing the distributable retained earnings, the Group shall appropriate as a special reserve the amount of changes in the fair value of the financial assets reclassified by Nan Shan Life Insurance Co., Ltd. based on the Group's shareholding percentage of Nan Shan Life Insurance Co., Ltd. If there is a reversal in the changes in the fair value of the financial assets reclassified by Nan Shan Life Insurance Co., Ltd. subsequently, the appropriated special reserve may be reversed based on the Group's shareholding percentage of Nan Shan Life Insurance Co., Ltd. and is thereafter distributed. The balance of the special reserve appropriated or reversed by the Group shall not exceed the carrying amount of the Group's investment in Nan Shan Life Insurance Co., Ltd. Therefore, the Company appropriated a special reserve of \$36,323,172 thousand in accordance with the above provision and appropriated a special reserve of \$21,323,594 thousand due to debits to other equity items. A total special reserve of \$57,646,766 thousand was resolved by the shareholders in their meeting on June 15, 2023.

e. Other equity item

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

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (741,919)	\$ (273,894)
Exchange differences on translation of the financial statements of foreign operations	3,706,690	(644,358)
Share of exchange differences of associates and joint ventures accounted for using the equity method	<u>(97,492)</u>	<u>17,331</u>
Balance at March 31	<u>\$ 2,867,279</u>	<u>\$ (900,921)</u>

2) Unrealized gain or loss on financial assets at FVTOCI

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 2,433,063	\$ (3,520,843)
Unrealized gain from equity instruments	840,968	1,521,728
Disposal of associates accounted for using the equity method	(17,346)	-
Share of (loss) gain from associates and joint ventures accounted for using the equity method	<u>(527,360)</u>	<u>942,823</u>
Balance at March 31	<u>\$ 2,729,325</u>	<u>\$ (1,056,292)</u>

3) Others

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (10,429,515)	\$ (17,528,857)
Share of gain from associates and joint ventures accounted for using the equity method	<u>1,835,512</u>	<u>3,821,426</u>
Balance at March 31	<u>\$ (8,594,003)</u>	<u>\$ (13,707,431)</u>

f. Non-controlling interests

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 76,473,917	\$ 75,115,457
Share of non-controlling interests		
Net income	1,854,200	1,193,628
Exchange differences on translation of the financial statements of foreign operations	2,663,186	(403,359)
Unrealized loss on financial assets at FVTOCI	(14,932)	(29,063)
Others	36	75
Changes in non-controlling interests	<u>(2,275,516)</u>	<u>(2,104,454)</u>
Balance at March 31	<u>\$ 78,700,891</u>	<u>\$ 73,772,284</u>

**26. REVENUE**

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Sales revenue	\$ 63,029,474	\$ 64,128,554
Revenue from entertainment and resort	162,156	143,942
Others	<u>97,244</u>	<u>94,297</u>
	<u>\$ 63,288,874</u>	<u>\$ 64,366,793</u>

**27. NET PROFIT FROM CONTINUING OPERATIONS**

Net profit from continuing operations consists of the following:

a. Interest income

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest income		
Cash in bank	\$ 500,451	\$ 325,796
Repurchase agreements collateralized by bonds	121	2
Financial assets at amortized cost	58,072	44,099
Others	<u>21</u>	<u>20</u>
	<u>\$ 558,665</u>	<u>\$ 369,917</u>

b. Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Rental income from operating lease	\$ 208,420	\$ 213,275
Others	<u>278,337</u>	<u>538,409</u>
	<u>\$ 486,757</u>	<u>\$ 751,684</u>

c. Other gains and losses

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Net loss on disposal of property, plant and equipment	\$ (3,287)	\$ (53,511)
Net gain on disposal of investment properties	-	7,879
Net foreign exchange gain (loss)	256,049	(134,409)
Net gain on disposal of associates (Note 15)	396,056	-
Net gain on financial instruments at FVTPL	222,685	441,461
Impairment loss of assets	(206,391)	-
Gain on modification of lease	276,579	-
Others	<u>(76,475)</u>	<u>(78,232)</u>
	<u>\$ 865,216</u>	<u>\$ 183,188</u>

d. Finance costs

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on bank borrowings	\$ 609,199	\$ 727,630
Lease liabilities	82,948	101,234
Interest on short-term bills payable	18,064	11,603
Other interest expense	<u>36</u>	<u>39</u>
	<u>\$ 710,247</u>	<u>\$ 840,506</u>

e. Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Property, plant and equipment	\$ 2,103,725	\$ 2,350,060
Right-of-use assets	912,235	1,096,912
Investment properties	35,712	39,689
Other intangible assets	<u>34,277</u>	<u>30,294</u>
	<u>\$ 3,085,949</u>	<u>\$ 3,516,955</u>

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
An analysis of depreciation by function		
Operating costs	\$ 1,296,315	\$ 1,367,158
Operating expenses	1,723,187	2,083,218
Non-operating expenses	<u>32,170</u>	<u>36,285</u>
	<u>\$ 3,051,672</u>	<u>\$ 3,486,661</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 34,277</u>	<u>\$ 30,294</u>

(Concluded)

f. Direct operating expenses from investment properties

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Generate rental income	<u>\$ 13,357</u>	<u>\$ 13,716</u>

g. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term benefits	\$ 14,652,547	\$ 15,010,901
Post-employment benefits		
Defined contribution plans	1,581,710	2,023,214
Defined benefit plans	<u>143,292</u>	<u>126,749</u>
	1,725,002	2,149,963
Share-based payments		
Equity-settled	23,617	31,672
Termination benefits	<u>942</u>	<u>3,443</u>
	<u>\$ 16,402,108</u>	<u>\$ 17,195,979</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 11,039,727	\$ 11,272,445
Operating expenses	<u>5,362,381</u>	<u>5,923,534</u>
	<u>\$ 16,402,108</u>	<u>\$ 17,195,979</u>

As of March 31, 2024 and 2023, there were 275,921 and 299,198 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 at rates of 1%-5% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. 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.

The compensation of employees and remuneration of directors for the three months ended March 31, 2024 and 2023 were as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	1.6%	1.6%
Remuneration of directors	0.8%	0.8%

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	<u>\$ 80,282</u>	<u>\$ 20,305</u>
Remuneration of directors	<u>\$ 40,140</u>	<u>\$ 10,152</u>

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 and will be adjusted in the following year.

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 14, 2024 and March 16, 2023, respectively, were as follows:

	<b>For the Year Ended December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Cash</b>	<b>Shares</b>	<b>Cash</b>	<b>Shares</b>
Compensation of employees	\$ 189,119	\$ -	\$ 221,811	\$ -
Remuneration of directors	94,560	-	110,906	-

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on compensation of employees and remuneration of directors resolved by the Company's board of directors in 2024 and 2023 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:

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current period	\$ 1,457,113	\$ 869,839
Adjustments for prior year's income tax	<u>-</u>	<u>4,836</u>
	<u>1,457,113</u>	<u>874,675</u>
Deferred tax		
In respect of the current period	<u>(64,959)</u>	<u>(197,138)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,392,154</u>	<u>\$ 677,537</u>

### b. Income tax recognized in other comprehensive income

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Deferred tax		
In respect of the current period	<u>\$ 60</u>	<u>\$ -</u>
Income tax recognized in other comprehensive income	<u>\$ 60</u>	<u>\$ -</u>

### c. Income tax assessments

All the Company's income tax returns as of 2021 have been assessed by the tax authorities.

## 29. EARNINGS PER SHARE

The basic earnings per share and diluted earnings per share were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Net income (in thousand dollars)</u>		
Earnings used in the computation of earnings per share	<u>\$ 4,652,640</u>	<u>\$ 991,355</u>

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<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>3,392</u>	<u>2,052</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>2,950,179</u>	<u>2,948,839</u>
<u>Earnings per share (in dollars)</u>		
Basic earnings per share	<u>\$ 1.58</u>	<u>\$ 0.34</u>
Diluted earnings per share	<u>\$ 1.58</u>	<u>\$ 0.34</u>
		(Concluded)

The Company may settle the compensation paid to employees by cash or shares; therefore, the Company assumes the entire amount of the compensation will be settled in shares and the resulting potential shares will be 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, 2024 and 2023 was as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
	<b>Number of Shares (In Thousands)</b>	<b>Number of Shares (In Thousands)</b>
Balance at January 1	1,705	1,470
Options granted	1,307	1,331
Options cancelled	<u>-</u>	<u>(46)</u>
Balance at March 31	<u>3,012</u>	<u>2,755</u>

Yue Yuen recognized \$21,699 thousand and \$28,480 thousand in compensation costs for the three months ended March 31, 2024 and 2023, respectively.

b. Information about Pou Sheng's employee share options

Information about the granted employee share options during the three months ended March 31, 2024 and 2023 was as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
	<b>Number of Shares (In Thousands)</b>	<b>Number of Shares (In Thousands)</b>
Balance at January 1	5,227	8,163
Options cancelled	(21)	(99)
Options exercised	<u>(3,507)</u>	<u>(378)</u>
Balance at March 31	<u><u>1,699</u></u>	<u><u>7,686</u></u>

Pou Sheng recognized \$1,918 thousand and \$3,192 thousand in compensation costs for the three months ended March 31, 2024 and 2023, 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

Except those listed in the table below, 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.

March 31, 2024

	<b>Carrying Amount</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<u>Financial assets</u>					
Financial assets at amortized cost					
Corporate bonds	<u>\$ 2,634,683</u>	<u>\$ -</u>	<u>\$ 2,570,375</u>	<u>\$ -</u>	<u>\$ 2,570,375</u>

December 31, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Corporate bonds	\$ 2,636,501	\$ -	\$ 2,565,508	\$ -	\$ 2,565,508

March 31, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Corporate bonds	\$ 2,799,081	\$ -	\$ 2,626,557	\$ -	\$ 2,626,557

- 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, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 184,413	\$ -	\$ 184,413
Mutual funds	1,614,455	-	986,983	2,601,438
	\$ 1,614,455	\$ 184,413	\$ 986,983	\$ 2,785,851
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 24,556,244	\$ -	\$ -	\$ 24,556,244
Domestic unlisted shares	-	-	72,496	72,496
Foreign unlisted shares	-	-	140,758	140,758
	\$ 24,556,244	\$ -	\$ 213,254	\$ 24,769,498
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 160,259	\$ -	\$ 160,259

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 176,759	\$ -	\$ 176,759
Domestic listed share	7,286	-	-	7,286
Mutual funds	<u>862,152</u>	<u>-</u>	<u>789,191</u>	<u>1,651,343</u>
	<u>\$ 869,438</u>	<u>\$ 176,759</u>	<u>\$ 789,191</u>	<u>\$ 1,835,388</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 23,299,045	\$ -	\$ -	\$ 23,299,045
Domestic unlisted shares	-	-	73,608	73,608
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>135,741</u>	<u>135,741</u>
	<u>\$ 23,299,045</u>	<u>\$ -</u>	<u>\$ 209,349</u>	<u>\$ 23,508,394</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 329,470</u>	<u>\$ -</u>	<u>\$ 329,470</u>

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>

- 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, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily at FVTPL	\$ 2,785,851	\$ 1,835,388	\$ 1,306,482
Financial assets at amortized cost (Note 1)	92,171,616	86,195,573	77,857,620
Financial assets at FVTOCI	24,769,498	23,508,394	19,883,058
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	160,259	329,470	38,937
Financial liabilities at amortized cost (Note 2)	108,181,753	101,864,752	111,974,708

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, lease liabilities, 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 that 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.

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
USD	\$ 9,056	\$ 35,351
RMB	(44,317)	(82,089)
HKD	(26,266)	(23,742)
VND	37,716	5,710
IDR	(13,499)	550

#### 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:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Cash flow interest rate risk			
Financial liabilities	\$ 71,132,105	\$ 65,888,744	\$ 69,732,934

### 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, the Group's income before income tax would have increased by \$177,830 thousand and \$174,332 thousand during the three months ended March 31, 2024 and 2023, 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, 2024 and 2023 would have decreased by \$26,014 thousand and \$9,248 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, 2024 and 2023 would have decreased by \$245,752 thousand and \$196,000 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group'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 have 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 may be required to pay.

#### March 31, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 22,722,159	\$ 7,318,445	\$ 5,518,223	\$ 100,575	\$ 154,435
Lease liabilities	218,586	810,558	1,803,239	4,685,365	1,198,912
Floating interest rate liabilities	15,710,845	8,318,712	8,669,827	38,432,721	-
Fixed interest rate liabilities	1,500,000	-	2,398,012	-	-
Financial guarantee contracts	<u>1,542,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 41,693,990</u>	<u>\$ 16,447,715</u>	<u>\$ 18,389,301</u>	<u>\$ 43,218,661</u>	<u>\$ 1,353,347</u>

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 17,511,401	\$ 6,351,405	\$ 7,979,642	\$ 144,305	\$ 58,189
Lease liabilities	226,092	918,716	1,908,224	4,938,277	1,259,028
Floating interest rate liabilities	13,532,982	10,605,481	14,141,389	27,608,892	-
Fixed interest rate liabilities	119,197	2,110,865	2,500,000	1,430,000	-
Financial guarantee contracts	<u>1,479,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 32,869,655</u>	<u>\$ 19,986,467</u>	<u>\$ 26,529,255</u>	<u>\$ 34,121,474</u>	<u>\$ 1,317,217</u>

March 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<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>

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, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Forward exchange contracts	\$ 20,708	\$ 50,803	\$ 69,385	\$ -	\$ -
Exchange rate option contracts	<u>-</u>	<u>-</u>	<u>19,363</u>	<u>-</u>	<u>-</u>
	<u>\$ 20,708</u>	<u>\$ 50,803</u>	<u>\$ 88,748</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Forward exchange contracts	\$ 75,663	\$ 3,347	\$ 20,802	\$ -	\$ -
Exchange rate option contracts	-	8,486	10,934	-	-
Exchange rate swap contracts	<u>-</u>	<u>154,792</u>	<u>55,446</u>	<u>-</u>	<u>-</u>
	<u>\$ 75,663</u>	<u>\$ 166,625</u>	<u>\$ 87,182</u>	<u>\$ -</u>	<u>\$ -</u>

March 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
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>

#### 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 name and categories

<u>Name</u>	<u>Related Party Category</u>
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	
		2024	2023
Sales	Associates	\$ 18,680	\$ 28,024
	Joint ventures	97,587	98,368
	Other related party	<u>41,008</u>	<u>41,307</u>
		<u>\$ 157,275</u>	<u>\$ 167,699</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	
		2024	2023
Purchases	Associates	\$ 822,478	\$ 821,579
	Joint ventures	<u>990,379</u>	<u>1,223,141</u>
		<u>\$ 1,812,857</u>	<u>\$ 2,044,720</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, 2024	December 31, 2023	March 31, 2023
Accounts receivable	Associates	\$ 15,808	\$ 19,703	\$ 18,790
	Joint ventures	40,672	40,383	13,241
	Other related party	<u>21,814</u>	<u>4,637</u>	<u>20,663</u>
		<u>\$ 78,294</u>	<u>\$ 64,723</u>	<u>\$ 52,694</u>

No bad debt expense was recognized for the three months ended March 31, 2024 and 2023 for the amounts owed by related parties.

e. Payables to related parties

Account Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable	Associates	\$ 720,744	\$ 611,861	\$ 750,007
	Joint ventures	<u>1,120,975</u>	<u>900,229</u>	<u>1,146,488</u>
		<u>\$ 1,841,719</u>	<u>\$ 1,512,090</u>	<u>\$ 1,896,495</u>

f. Financing provided

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

g. Endorsements/guarantees provided

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

h. Compensation of key management personnel

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits	<u>\$ 81,458</u>	<u>\$ 51,518</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:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Financial assets at amortized cost	<u>\$ 47,498</u>	<u>\$ 52,384</u>	<u>\$ 59,430</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)

<b>Foreign Currency</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
USD	\$ 1,416	\$ 1,545	\$ 1,255
VND	14,685,381	14,685,381	9,185,381

b. The Company entered into project agreements with the Taiwan Small & Medium Enterprise Counseling Foundation. According to the project agreements, the Company has to provide promissory notes and the bank’s guaranteed letter to Taiwan Small & Medium Enterprise Counseling Foundation as a guarantee.

c. The Group entered into a memorandum of cooperation with the government of Tamil Nadu, India, on April 17, 2023. According to the memorandum, the Group will invest approximately INR23 billion (approximately US\$276 million) in two stages during the 12-year investment period from 2023 to 2035 to set up a production base in the Special Economic Zone of Tamil Nadu.

### 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 Group entities 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, 2024

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 44,917	32.000	\$ 1,437,343
NTD	198,944	1	198,944
RMB	2,439,211	4.408	10,752,040
HKD	664,935	4.089	2,718,918
VND	337,289,764	0.00127	428,358
IDR	818,459,113	0.00203	1,661,472
Non-monetary items			
USD	4,817	32.000	155,867
NTD	121,504	1	121,504
RMB	213,212	4.408	939,839
VND	50,116,535	0.00127	63,648
<u>Financial liabilities</u>			
Monetary items			
USD	73,208	32.000	2,342,658
NTD	2,491,002	1	2,491,002
RMB	1,433,730	4.408	6,319,884
HKD	22,588	4.089	92,361
VND	4,108,890,551	0.00127	5,218,291
IDR	143,496,059	0.00203	291,297

December 31, 2023

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 44,102	30.705	\$ 1,354,146
NTD	206,153	1	206,153
RMB	1,151,633	4.327	4,983,117
HKD	12,243	3.929	48,101
VND	382,117,600	0.00125	477,647
IDR	136,838,889	0.00198	270,941

(Continued)

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
Non-monetary items			
USD	\$ 4,626	30.705	\$ 142,045
NTD	675,541	1	675,541
RMB	24,538	4.327	106,178
VND	124,736,000	0.00125	155,920

Financial liabilities

Monetary items			
USD	86,263	30.705	2,648,707
NTD	2,139,544	1	2,139,544
RMB	1,551,332	4.327	6,712,614
HKD	22,713	3.929	89,238
VND	970,820,800	0.00125	1,213,526
IDR	146,572,727	0.00198	290,214
Non-monetary items			
USD	6,738	30.705	206,885 (Concluded)

March 31, 2023

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<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

Financial liabilities

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

For the three months ended March 31, 2024 and 2023, net foreign exchange gain were \$256,049 thousand and loss were \$134,409 thousand, respectively. It is impractical to disclose net foreign exchange gain (loss) 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 (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 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 (Notes 7 and 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
- 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, 2024

	<b>Manufacturing of Shoes</b>	<b>Retail of Sporting Goods</b>	<b>Others</b>	<b>Total</b>
Revenue from external customers	<u>\$ 39,458,686</u>	<u>\$ 23,577,603</u>	<u>\$ 252,585</u>	<u>\$ 63,288,874</u>
Segment income	<u>\$ 6,177,691</u>	<u>\$ 1,849,488</u>	<u>\$ 177,295</u>	\$ 8,204,474
Administrative costs and remuneration of directors				(4,414,013)
Interest income				558,665
Rental income				208,420
Other income				278,337
Net loss on disposal of property, plant and equipment				(3,287)
Net foreign exchange gain				256,049
Net gain on disposal of associates				396,056
Net gain on financial assets at FVTPL				222,685
Impairment loss of assets				(206,391)
Gain on modification of lease				276,579
Other loss				(76,475)
Net loss on derecognition of financial assets at amortized cost				(3,516)
Finance costs				(710,247)
Share of profit of associates and joint ventures				<u>2,911,658</u>
Income before income tax				<u>\$ 7,898,994</u>

For the three months ended March 31, 2023

	<b>Manufacturing of Shoes</b>	<b>Retail of Sporting Goods</b>	<b>Others</b>	<b>Total</b>
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>

- 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 on disposal of property, plant and equipment, gain from disposal of investment properties, net foreign exchange gain (loss), disposal of net interest in associated companies, net gain on financial instruments, recognized of impairment loss, gain on modification of lease, 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.

## POU CHEN CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(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	Dong Guan Baoqiao Electronic Technology Co., Ltd.	Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	\$ 87,040 (RMB 20,000,000)	\$ -	\$ -	2.65	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 247,106	\$ 247,106	
2	Dongguan Yuming Electronic Technology Co., Ltd.	Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	44,080 (RMB 10,000,000)	44,080 (RMB 10,000,000)	44,080 (RMB 10,000,000)	2.65	2	-	Operating capital	-	-	-	324,493	324,493	
3	Wang Yi Construction Co., Ltd.	Barits Development Corporation	Accounts receivable from related parties	Yes	22,000	-	-	-	2	-	Operating capital	-	-	-	24,899	24,899	
4	Orisol Asia Limited	Orisol Vietnam Co., Ltd.	Accounts receivable from related parties	Yes	19,200 (US\$ 600,000)	19,200 (US\$ 600,000)	19,200 (US\$ 600,000)	4.5	2	-	Operating capital	-	-	-	559,795	559,795	
5	Prime Asia (S.E. Asia) Leather Corporation	Prime Asia (Vietnam) Co., Ltd.	Accounts receivable from related parties	Yes	566,400 (US\$ 17,700,000)	566,400 (US\$ 17,700,000)	566,400 (US\$ 17,700,000)	1.5	2	-	Operating capital	-	-	-	1,520,220	1,520,220	
6	Yue Yuen Industrial (Holdings) Limited	Pt. Pou Yuen Indonesia	Accounts receivable from related parties	Yes	4,304,000 (US\$ 134,500,000)	4,304,000 (US\$ 134,500,000)	4,304,000 (US\$ 134,500,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pt. Glostar Indonesia	Accounts receivable from related parties	Yes	1,696,000 (US\$ 53,000,000)	1,696,000 (US\$ 53,000,000)	1,696,000 (US\$ 53,000,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pt. Nikomas Gemilang	Accounts receivable from related parties	Yes	3,264,000 (US\$ 102,000,000)	3,264,000 (US\$ 102,000,000)	3,264,000 (US\$ 102,000,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pt. Pou Chen Indonesia	Accounts receivable from related parties	Yes	928,000 (US\$ 29,000,000)	928,000 (US\$ 29,000,000)	928,000 (US\$ 29,000,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Prime Asia (Vietnam) Co., Ltd.	Accounts receivable from related parties	Yes	61,410 (US\$ 2,000,000)	-	-	-	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pouyuen Vietnam Company Limited	Accounts receivable from related parties	Yes	7,859,400 (US\$ 246,000,000)	6,912,000 (US\$ 216,000,000)	6,912,000 (US\$ 216,000,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pou Hung Vietnam Company Limited	Accounts receivable from related parties	Yes	1,585,300 (US\$ 50,000,000)	480,000 (US\$ 15,000,000)	480,000 (US\$ 15,000,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pou Li Vietnam Company Limited	Accounts receivable from related parties	Yes	1,146,540 (US\$ 36,000,000)	736,000 (US\$ 23,000,000)	736,000 (US\$ 23,000,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pou Phong Vietnam Company Limited	Accounts receivable from related parties	Yes	1,040,000 (US\$ 32,500,000)	1,040,000 (US\$ 32,500,000)	1,040,000 (US\$ 32,500,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Yue De Vietnam Company Limited	Accounts receivable from related parties	Yes	1,856,000 (US\$ 58,000,000)	1,856,000 (US\$ 58,000,000)	1,856,000 (US\$ 58,000,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pou Sung Vietnam Company Limited	Accounts receivable from related parties	Yes	5,472,000 (US\$ 171,000,000)	5,472,000 (US\$ 171,000,000)	5,472,000 (US\$ 171,000,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pro Kingtex Industrial Company Limited	Accounts receivable from related parties	Yes	72,640 (US\$ 2,270,000)	72,640 (US\$ 2,270,000)	72,640 (US\$ 2,270,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Precious Full Investments Ltd.	Accounts receivable from related parties	Yes	1,481,594 (US\$ 46,440,000)	1,144,320 (US\$ 35,760,000)	737,920 (US\$ 23,060,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Solar Link International Inc.	Accounts receivable from related parties	Yes	188,992 (US\$ 6,040,000)	167,680 (US\$ 5,240,000)	167,680 (US\$ 5,240,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Ct Tnhh Mtv Dich Vu Thuong Mai Tu Van	Accounts receivable from related parties	Yes	14,211 (US\$ 450,000)	12,800 (US\$ 400,000)	12,800 (US\$ 400,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Xuat Nhap Khau Van Thuan	Accounts receivable from related parties	Yes	742,400 (US\$ 23,200,000)	742,400 (US\$ 23,200,000)	742,400 (US\$ 23,200,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Pt. hardases abadi indonesia	Accounts receivable from related parties	Yes	256,000 (US\$ 8,000,000)	256,000 (US\$ 8,000,000)	256,000 (US\$ 8,000,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	304,152 (US\$ 69,000,000)	304,152 (US\$ 69,000,000)	304,152 (US\$ 69,000,000)	2.42	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	41,920 (US\$ 1,310,000)	41,920 (US\$ 1,310,000)	41,920 (US\$ 1,310,000)	4.5	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	339,416 (RMB 77,000,000)	339,416 (RMB 77,000,000)	198,360 (RMB 77,000,000)	2.42	2	-	Operating capital	-	-	-	54,275,430	54,275,430	
		Dongguan Yu Xiang Shoes Material Co., Ltd.	Accounts receivable from related parties	Yes	704,000 (US\$ 22,000,000)	704,000 (US\$ 22,000,000)	704,000 (US\$ 22,000,000)	3	2	-	Operating capital	-	-	-	3,732,864	3,732,864	
7	Hero Luck Group Ltd.	High Glory Footwear India Private Ltd.	Accounts receivable from related parties	Yes	1,900,800 (US\$ 59,400,000)	1,900,800 (US\$ 59,400,000)	1,900,800 (US\$ 59,400,000)	3	2	-	Operating capital	-	-	-	2,373,465	2,373,465	
8	Pou Chien Enterprise Co., Ltd.	Yue Yuen Industrlal (Holdings) Limited	Accounts receivable from related parties	Yes	300,000	300,000	300,000	1.6	2	-	Operating capital	-	-	-	2,373,465	2,373,465	
		I-Tech. Sporting Enterprise Ltd.	Accounts receivable from related parties	Yes						-	Operating capital	-	-	-			
9	Dongguan Yusheng Shoe Industry Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited	Accounts receivable from related parties	Yes	1,057,920 (RMB 240,000,000)	1,057,920 (RMB 240,000,000)	661,200 (RMB 150,000,000)	2.42	2	-	Operating capital	-	-	-	1,673,962	1,673,962	
		Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	66,120 (RMB 15,000,000)	66,120 (RMB 15,000,000)	66,120 (RMB 15,000,000)	2.42	2	-	Operating capital	-	-	-	1,673,962	1,673,962	
		Dongguan Yu Xiang Shoes Material Co., Ltd.	Accounts receivable from related parties	Yes	350,160 (RMB 80,000,000)	264,480 (RMB 60,000,000)	176,320 (RMB 40,000,000)	2.42	2	-	Operating capital	-	-	-	1,673,962	1,673,962	
10	Rui Jin Pou Yuen Footwear Development Co., Ltd.	Yu Xing (Jishui) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	32,178 (RMB 7,300,000)	32,178 (RMB 7,300,000)	32,178 (RMB 7,300,000)	2.42	2	-	Operating capital	-	-	-	245,055	245,055	
		Yue Yuen (Anfu) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	66,120 (RMB 15,000,000)	66,120 (RMB 15,000,000)	66,120 (RMB 15,000,000)	2.42	2	-	Operating capital	-	-	-	245,055	245,055	
11	Yichun Yisen Industry Co., Ltd.	Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	12,981 (RMB 3,000,000)	-	-	-	2	-	Operating capital	-	-	-	565,894	565,894	
12	Bao Hong (Yangzhou) Shoes Co., Ltd.	Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	185,136 (RMB 42,000,000)	185,136 (RMB 42,000,000)	185,136 (RMB 42,000,000)	2.42	2	-	Operating capital	-	-	-	814,787	814,787	

(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			
13	Pouyuen Vietnam Company Limited	Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	\$ 304,830 (US\$ 9,672,199)	\$ 304,830 (US\$ 9,525,946)	\$ 304,830 (US\$ 9,525,946)	2.50	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 5,601,218	\$ 5,601,218	
14	Pou Sung Vietnam Company Limited	Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	180,645 (US\$ 5,731,832)	180,645 (US\$ 5,645,161)	180,645 (US\$ 5,645,161)	2.50	2	-	Operating capital	-	-	-	4,082,752	4,082,752	
15	Pou Chen Vietnam Enterprise Ltd.	Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	154,839 (US\$ 4,912,999)	154,839 (US\$ 4,838,710)	154,839 (US\$ 4,838,710)	2.50	2	-	Operating capital	-	-	-	1,601,923	1,601,923	
16	Precious Full Investments Limited	Bangladesh Pou Hung Industrial Limited	Accounts receivable from related parties	Yes	727,040 (US\$ 22,720,000)	727,040 (US\$ 22,720,000)	320,000 (US\$ 10,000,000)	-	2	-	Operating capital	-	-	-	5,508,025	5,508,025	
17	Wealthplus Holdings Limited	Pou Chen Corporation	Accounts receivable from related parties	Yes	8,458,842 (RMB 73,000,000) (US\$ 1,390,000,000)	7,854,816 (RMB 73,000,000) (US\$ 1,252,000,000)	7,854,816 (RMB 73,000,000) (US\$ 1,252,000,000)	-	2	-	Operating capital	-	-	-	169,467,780	169,467,780	
18	Pou Sheng (China) Investment Group Co., Ltd.	Qingdao Pou-Sheng International Sport Products Co., Ltd.	Loans receivable	Yes	1,459,377 (RMB 331,074,592)	1,459,377 (RMB 331,074,592)	31,738 (RMB 7,200,000)	3.65	2	-	Operating capital	-	-	-	5,837,507	5,837,507	

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, 2024  
(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	b	\$ 136,609,596	\$ 30,080,000	\$ 30,080,000	\$ -	\$ -	22	\$ 273,219,192	Y	N	N	
		Pro Arch International Development Enterprise Inc.	b	136,609,596	85,201	81,421	81,421	-	-	273,219,192	Y	N	N	
		Barits Development Corporation	b	136,609,596	8,620,000	8,620,000	2,387,500	-	6	273,219,192	Y	N	N	
		Windsor Entertainment Co., Ltd.	b	136,609,596	80,000	80,000	30,000	-	-	273,219,192	Y	N	N	
		Yue Hong Realty Development Co., Ltd.	b	136,609,596	1,100,000	1,100,000	543,500	-	1	273,219,192	Y	N	N	
		Pou Shine Investment Co., Ltd.	b	136,609,596	1,750,000	1,750,000	651,500	-	1	273,219,192	Y	N	N	
		Pou Yuen Technology Co., Ltd.	b	136,609,596	100,000	100,000	-	-	-	273,219,192	Y	N	N	
		Pou Yii Development Co., Ltd.	b	136,609,596	400,000	400,000	94,000	-	-	273,219,192	Y	N	N	
1	Yue Yuen Industrial (Holdings) Limited	Cohen Enterprises Inc.	f	81,413,146	880,000	880,000	336,000	-	1	203,532,864	N	N	N	
		Oftenrich Holdings Limited	f	81,413,146	(US\$ 27,500,000)	(US\$ 27,500,000)	(US\$ 10,500,000)	-	-	203,532,864	N	N	N	
		Pt. Selalu Cinta Indonesia	b	81,413,146	(US\$ 20,700,000)	(US\$ 20,700,000)	(US\$ 148,500)	-	2	203,532,864	N	N	N	
		Orisol Taiwan Limited	b	81,413,146	90,000	90,000	90,000	-	-	203,532,864	N	N	N	
		Prime Asia Leather Corporation	b	81,413,146	1,280,000	1,280,000	585,000	-	1	203,532,864	N	N	N	
		Pou Phong Vietnam Company Ltd.	b	81,413,146	(US\$ 40,000,000)	(US\$ 40,000,000)	-	-	-	203,532,864	N	N	N	
		Pt. KMK Global Sports	b	81,413,146	(US\$ 9,000,000)	(US\$ 9,000,000)	-	-	-	203,532,864	N	N	N	
		Pt. Shoenary Javanesia Inc.	b	81,413,146	2,800,000	2,800,000	601,147	-	2	203,532,864	N	N	N	
		Yue Dean Technology Corporation	b	81,413,146	(US\$ 87,500,000)	(US\$ 87,500,000)	(US\$ 18,785,835)	-	1	203,532,864	N	N	N	
		I-Tech Sporting Enterprises Ltd.	b	81,413,146	1,272,000	1,272,000	1,112,631	-	1	203,532,864	N	N	N	
		Pou Chen (Cambodia) Co., Ltd.	b	81,413,146	(US\$ 39,750,000)	(US\$ 39,750,000)	(US\$ 34,769,705)	-	1	203,532,864	N	N	N	
		Yue Yuen Industrial Limited	b	81,413,146	2,900,000	2,900,000	-	-	2	203,532,864	N	N	N	
			b	81,413,146	1,700,000	1,700,000	590,000	-	1	203,532,864	N	N	N	
			b	81,413,146	1,760,000	1,760,000	-	-	1	203,532,864	N	N	N	
			b	81,413,146	(US\$ 55,000,000)	(US\$ 55,000,000)	-	-	-	203,532,864	N	N	N	
			b	81,413,146	320,000	320,000	306,000	-	-	203,532,864	N	N	N	
			b	81,413,146	(US\$ 10,000,000)	(US\$ 10,000,000)	-	-	-	203,532,864	N	N	N	
2	Pou Sheng International (Holdings) Limited	Shaanxi Pousheng Trading Co., Ltd.	b	75,095,843	6,104,331	6,104,331	-	-	16	150,191,686	N	N	Y	
		Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	75,095,843	(RMB 905,701,422)	(RMB 905,701,422)	-	-	32	150,191,686	N	N	Y	
		Hefei Pouxun Sporting Goods Co., Ltd.	b	75,095,843	(US\$ 66,000,000)	(US\$ 66,000,000)	-	-	-	150,191,686	N	N	Y	
		Henan YYSPTS Sport Products Co., Ltd.	b	75,095,843	(RMB 2,239,723,044)	(RMB 2,239,723,044)	-	-	-	150,191,686	N	N	Y	
		Zhejiang Shengdao Sporting-Goods Co., Ltd.	b	75,095,843	(US\$ 66,000,000)	(US\$ 66,000,000)	-	-	13	150,191,686	N	N	Y	
		Yue Cheng (Kun Shan) Sports Co., Ltd.	b	75,095,843	(RMB 45,362)	(RMB 45,362)	(RMB 5,918)	-	7	150,191,686	N	N	Y	
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	75,095,843	(RMB 10,290,839)	(RMB 10,290,839)	(RMB 1,342,558)	-	-	150,191,686	N	N	Y	
		Bao Sheng Dao Ji (Beijing) Trading Company Ltd.	b	75,095,843	(RMB 33,129)	(RMB 33,129)	(RMB 33,129)	-	12	150,191,686	N	N	Y	
		Pou Yuen Trading Corporation	b	75,095,843	(RMB 7,515,578)	(RMB 7,515,578)	(RMB 7,515,578)	-	1	150,191,686	N	N	N	
		Taiwan Taisong Trading Co., Ltd.	b	75,095,843	(RMB 600,633,258)	(RMB 600,633,258)	-	-	1	150,191,686	N	N	N	
		Guangzhou Pou-Yuen Trading Co., Ltd.	b	75,095,843	(US\$ 66,000,000)	(US\$ 66,000,000)	-	-	6	150,191,686	N	N	Y	
		Pou Sheng (China) Investment Group Co., Ltd.	b	75,095,843	(RMB 478,000)	(RMB 478,000)	(RMB 226,870)	-	23	150,191,686	N	N	Y	
			b	75,095,843	(NTS 350,000)	(NTS 350,000)	-	-	-	150,191,686	N	N	N	
			b	75,095,843	(US\$ 4,000,000)	(US\$ 4,000,000)	-	-	6	150,191,686	N	N	Y	
			b	75,095,843	40,000	40,000	-	-	-	150,191,686	N	N	N	
			b	75,095,843	2,112,000	2,112,000	-	-	6	150,191,686	N	N	Y	
			b	75,095,843	(US\$ 66,000,000)	(US\$ 66,000,000)	-	-	23	150,191,686	N	N	Y	
			b	75,095,843	8,521,232	8,521,232	1,495,557	-	-	150,191,686	N	N	Y	
			b	75,095,843	(RMB 1,454,000,000)	(RMB 1,454,000,000)	(RMB 339,282,500)	-	-	150,191,686	N	N	Y	
			b	75,095,843	(US\$ 66,000,000)	(US\$ 66,000,000)	-	-	-	150,191,686	N	N	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	\$ 75,095,843	\$ 2,132,936 (RMB 4,749,548) (US\$ 66,000,000)	\$ 2,132,936 (RMB 4,749,548) (US\$ 66,000,000)	\$ 8,119 (RMB 1,841,815)	\$ -	6	\$ 150,191,686	N	N	Y		
		Yue-Shen (Taicang) Footwear Co., Ltd.	b	75,095,843	22,040 (RMB 4,999,971) (US\$ 5,000,000)	22,040 (RMB 4,999,971) (US\$ 5,000,000)	-	-	-	150,191,686	N	N	Y		
		PCG Bros Sports Management Co., Ltd.	b	75,095,843	160,000 (RMB 2,490,900,000) (US\$ 66,000,000)	160,000 (RMB 2,490,900,000) (US\$ 66,000,000)	-	-	-	150,191,686	N	N	N		
		Hainan Baoxun Electronic Commerce Co., Ltd.	b	75,095,843	13,091,887 (RMB 2,490,900,000) (US\$ 66,000,000)	13,091,887 (RMB 2,490,900,000) (US\$ 66,000,000)	912,797 (RMB 207,077,273)	-	-	35	150,191,686	N	N	Y	
		Hainan Shengwei Electronic Commerce Co., Ltd.	b	75,095,843	15,985,852 (RMB 3,147,425,675) (US\$ 66,000,000)	15,985,852 (RMB 3,147,425,675) (US\$ 66,000,000)	4,189,025 (RMB 950,323,202)	-	-	43	150,191,686	N	N	Y	
		Dalian YYSPORTS Sport Industrial Development Co., Ltd.	b	75,095,843	19,088 (RMB 4,330,230)	19,088 (RMB 4,330,230)	-	-	-	-	150,191,686	N	N	Y	
3	Pou Sheng (China) Investment Group Co., Ltd.	Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	29,187,537	1,278,320 (RMB 290,000,000)	1,278,320 (RMB 290,000,000)	-	-	9	58,375,073	N	N	Y		
		Hefei Pouxun Sporting Goods Co., Ltd.	b	29,187,537	44,080 (RMB 10,000,000)	44,080 (RMB 10,000,000)	1,305 (RMB 296,027)	-	-	58,375,073	N	N	Y		
		Shaanxi Pousheng Trading Co., Ltd.	b	29,187,537	48,488 (RMB 11,000,000)	48,488 (RMB 11,000,000)	-	-	-	58,375,073	N	N	Y		
		Taicang Yue-Shen Sporting Goods Co., Ltd.	b	29,187,537	28,652 (RMB 6,500,000)	28,652 (RMB 6,500,000)	4,342 (RMB 984,997)	-	-	58,375,073	N	N	Y		
		Henan YYSPORTS Sport Products Co., Ltd.	b	29,187,537	88,160 (RMB 20,000,000)	88,160 (RMB 20,000,000)	-	-	1	58,375,073	N	N	Y		
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	29,187,537	136,648 (RMB 31,000,000)	136,648 (RMB 31,000,000)	-	-	1	58,375,073	N	N	Y		
		Shanghai Shengdao Sports Goods Company Limited	b	29,187,537	881,600 (RMB 200,000,000)	881,600 (RMB 200,000,000)	-	-	6	58,375,073	N	N	Y		
		Shanghai Shengjie Sports Goods Company Limited	b	29,187,537	871,109 (RMB 197,620,000)	871,109 (RMB 197,620,000)	-	-	6	58,375,073	N	N	Y		
		Changsha Shengdao Sports Goods Co.	b	29,187,537	48,488 (RMB 11,000,000)	48,488 (RMB 11,000,000)	-	-	-	58,375,073	N	N	Y		
		Kunshan Bao Kuen Smart Chain Information Technology Co.	b	29,187,537	100,943 (RMB 22,900,000)	100,943 (RMB 22,900,000)	-	-	1	58,375,073	N	N	Y		
		Shanghai Dongzhijie Sporting Goods Development Co., Ltd.	b	29,187,537	4,408 (RMB 1,000,000)	4,408 (RMB 1,000,000)	-	-	-	58,375,073	N	N	Y		

Note 1: The Company is coded as follows:

- The Company is coded "0".
- 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:

- Business relationship.
- A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- A company in which the Company directly and indirectly holds more than 90% of the voting shares.
- 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.
- A company where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- 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)

## POU CHEN CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

MARCH 31, 2024

(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, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Pou Chen Corporation	<u>Ordinary shares</u>							
	Mega Financial Holding Company Ltd.	None	Financial assets at FVTOCI - current	202,221,727	\$ 8,200,091	1.40	\$ 8,200,091	
	Taiwan Paiho Limited	None	Financial assets at FVTOCI - current	615,473	35,390	0.21	35,390	
	Zhiyuan Venture Capital Co., Ltd.	None	Financial assets at FVTOCI - non-current	4,633,929	50,752	10.71	50,752	
	New Loulan Corporation., Ltd.	None	Financial assets at FVTOCI - non-current	100,000	790	4.00	790	
Wealthplus Holdings Limited	<u>Ordinary shares</u>							
	Golden Brands Developments Ltd.	None	Financial assets at FVTOCI - non-current	15,199,445	96,114	5.88	96,114	
					(US\$ 3,003,559)		(US\$ 3,003,559)	
	Great Team Backend Foundry, Inc.	None	Financial assets at FVTOCI - non-current	1,352,511	44,644	7.01	44,644	
					(US\$ 1,395,129)		(US\$ 1,395,129)	
	<u>Bonds</u>							
	Natwest Markets PL	None	Financial assets at amortized cost - current	-	440,960	-	441,855	
					(US\$ 13,780,000)		(US\$ 13,807,973)	
	Groupe BPCE Subordinated Bond	None	Financial assets at amortized cost - current	-	31,616	-	31,499	
					(US\$ 988,008)		(US\$ 984,330)	
	Emirates Nbd Bank Pjsc. Senior Bond	None	Financial assets at amortized cost - non-current	-	141,213	-	143,169	
					(US\$ 4,412,913)		(US\$ 4,474,022)	
	Qatar National Bank Senior Bond	None	Financial assets at amortized cost - non-current	-	224,116	-	227,267	
					(US\$ 7,003,621)		(US\$ 7,102,088)	
	Standard Chartered Perpetual Bond	None	Financial assets at amortized cost - non-current	-	348,520	-	316,000	
					(US\$ 10,891,249)		(US\$ 9,875,000)	
	Barclay & Co., Ltd. Perpetual Bond	None	Financial assets at amortized cost - non-current	-	101,574	-	96,360	
					(US\$ 3,174,171)		(US\$ 3,011,250)	
	Natwest Markets PL Perpetual Bond	None	Financial assets at amortized cost - non-current	-	119,909	-	112,980	
					(US\$ 3,747,156)		(US\$ 3,530,625)	
Deutsche Bank Perpetual Bond	None	Financial assets at amortized cost - non-current	-	125,125	-	120,232		
				(US\$ 3,910,137)		(US\$ 3,757,250)		
Societe Generale Perpetual Bond	None	Financial assets at amortized cost - non-current	-	102,691	-	96,840		
				(US\$ 3,209,103)		(US\$ 3,026,250)		
Swedbank Perpetual Bond	None	Financial assets at amortized cost - non-current	-	97,437	-	95,372		
				(US\$ 3,044,917)		(US\$ 2,980,380)		
Bank Of America Senior Bond	None	Financial assets at amortized cost - non-current	-	309,476	-	302,730		
				(US\$ 9,671,131)		(US\$ 9,460,300)		
The Goldman Sachs Group Inc. Senior Bond	None	Financial assets at amortized cost - non-current	-	315,419	-	309,696		
				(US\$ 9,856,849)		(US\$ 9,678,000)		
HSBC Holdings Senior Bond	None	Financial assets at amortized cost - non-current	-	276,627	-	276,375		
				(US\$ 8,644,589)		(US\$ 8,636,725)		
Win Fortune Investments Limited	<u>Fund</u>							
	Prodigy Strategic Investment Fund XXII Segregated Portfolio	None	Financial assets mandatorily at FVTPL - non-current	32,700	104,676	-	104,676	
					(US\$ 3,271,141)		(US\$ 3,271,141)	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Pou Shine Investment Co., Ltd.	<u>Ordinary shares</u> Taiwan Paiho Limited	None	Financial assets at FVTOCI - current	775,170	\$ 44,572	0.26	\$ 44,572	
	Mega Financial Holding Company Ltd.	None	Financial assets at FVTOCI - current	131,969,613	5,351,368	0.92	5,351,368	
Pou Yuen Technology Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund	None	Financial assets mandatorily at FVTPL - current	146,808	1,879	-	1,879	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.	None	Financial assets at FVTOCI - current	17,971,743	728,754	0.13	728,754	
Barits Development Corporation	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.	None	Financial assets at FVTOCI - current	141,037,977	5,719,090	0.98	5,719,090	
	Shey Yu Co., Ltd.	None	Financial assets at FVTOCI - non-current	32,000	320	1.07	320	
	Environment In Assistant Engineering Corp.	None	Financial assets at FVTOCI - non-current	20,000	-	1.00	-	
Song Ming Investments Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund	None	Financial assets mandatorily at FVTPL - current	2,810,996	35,985	-	35,985	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.	None	Financial assets at FVTOCI - current	52,120,110	2,113,470	0.36	2,113,470	
Pro Arch International Development Enterprise Inc.	<u>Fund</u> Cathay Taiwan Money Market Fund	None	Financial assets mandatorily at FVTPL - current	2,199,305	28,155	-	28,155	
Pou Chin Development Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund	None	Financial assets mandatorily at FVTPL - current	971,642	12,439	-	12,439	
Wang Yi Construction Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund	None	Financial assets mandatorily at FVTPL - current	1,833,792	23,475	-	23,475	
Windsor Entertainment Co., Ltd.	<u>Fund</u> Jih Sun Money Market Fund	None	Financial assets mandatorily at FVTPL - current	626,303	9,585	-	9,585	
	Fuh Hwa You Li Money Market Fund	None	Financial assets mandatorily at FVTPL - current	257,431	3,565	-	3,565	
Pou Yii Development Co., Ltd.	<u>Ordinary shares</u> Taichung International Entertainment Corporation	None	Financial assets at FVTOCI - non-current	3	12,300	0.09	12,300	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.	None	Financial assets at FVTOCI - current	42,261,997	1,713,724	0.29	1,713,724	
Yue Yuen Industrial (Holdings) Limited	<u>Fund</u> Cathay Taiwan Money Market Fund	None	Financial assets mandatorily at FVTPL - current	108,877,306	1,394,696	-	1,394,696	
	BPEA Asia Private Equity	None	Financial assets mandatorily at FVTPL - non-current	-	(US\$ 43,584,242) 986,983	-	(US\$ 43,584,242) 986,983	
					(US\$ 30,843,218)		(US\$ 30,843,218)	
	<u>Ordinary shares</u> Evermore Chemical Industry Co., Ltd.	None	Financial assets at FVTOCI - current	7,041,281	120,483	7.08	120,483	
	Taiwan Paiho Limited	None	Financial assets at FVTOCI - non-current	9,528,228	(US\$ 3,765,093) 548,224	3.20	(US\$ 3,765,093) 548,224	
	Keg Big Dome Sports Co., Ltd.	None	Financial assets at FVTOCI - non-current	-	(US\$ 17,131,992) 8,334	11.76	(US\$ 17,131,992) 8,334	
					(US\$ 260,434)		(US\$ 260,434)	

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 please 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, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Company Name	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Yue Yuen Industrial (Holdings) Limited	Cathay Taiwan Money Market Fund	Financial assets measured at fair value through profit and loss - current	-	None	48,086,529	\$ 616,207 (US\$ 20,068,609)	101,044,050	\$ 1,296,128 (US\$ 39,691,839) (Note 1)	40,253,273	\$ 517,639 (US\$ 16,176,206)	\$ 517,639 (US\$ 16,176,206)	\$ -	108,877,306	\$ 1,394,696 (US\$ 43,584,242)
	Nan Pao Resins Chemical Co., Ltd.	Investments accounted for using the equity method	-	None	20,771,248	2,209,736 (US\$ 71,966,646)	-	169,923 (US\$ 2,180,566) (Note 2)	2,122,000	663,668 (US\$ 20,739,633)	267,612 (US\$ 8,145,752)	396,056 (US\$ 12,593,881)	18,649,248	2,112,047 (US\$ 66,001,460)

Note 1: Include acquisition and valuation adjustments for fair value.

Note 2: Include investment profit (loss) for using the equity method and share of other comprehensive income (loss).

**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, 2024  
(In Thousands of New Taiwan Dollars)**

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	2024.01-2024.03	\$ 2,226,105 (US\$ 69,565,789)	Accumulated payment as of March 31, 2024 \$ 236,996 (US\$ 7,406,140)	-	None	-	-	-	-	Market price	Plant expansion	

**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, 2024**  
**(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, 2024	Sale	\$ (2,139,463)	(98)	D/A 45 days	-	-	\$ 1,292,778	99	
Yue Yuen Industrial (Holdings) Limited	Pou Chen Corporation	The parent company	Purchase	2,139,463 (US\$ 68,031,767)	5	D/A 45 days	-	-	(1,292,778) (US\$ (40,399,313))	(7)	
	Ka Yuen Rubber Factory Limited	Investee accounted for by the equity method	Purchase	423,542 (US\$ 13,468,000)	1	D/A 45 days	-	-	(610,528) (US\$ (19,079,000))	(3)	
	Twinways Investments Limited	Investee accounted for by the equity method	Purchase	358,570 (US\$ 11,402,000)	1	D/A 45 days	-	-	(340,736) (US\$ (10,648,000))	(2)	
	Top Units Developments Ltd.	Investee accounted for by the equity method	Purchase	150,038 (US\$ 4,771,000)	-	D/A 45 days	-	-	(145,952) (US\$ (4,561,000))	(1)	
	San Fang Chemical Industry Co., Ltd.	Investee accounted for by the equity method	Purchase	430,146 (US\$ 13,678,000)	1	D/A 45 days	-	-	(323,392) (US\$ (10,106,000))	(2)	
	Eastlion Industrial Ltd.	Investee accounted for by the equity method	Purchase	349,293 (US\$ 11,107,000)	-	D/A 45 days	-	-	(373,216) (US\$ (11,663,000))	(2)	

**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, 2024**

**(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, 2024	\$ 1,292,778	6	\$ -	-	\$ 810,576	\$ -

**POU CHEN CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(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	\$ 2,139,463	D/A 45 days	3
		Yue Yuen Industrial (Holdings) Limited	a	Accounts receivable	1,292,778	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, 2024. 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, 2024.

## POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(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, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	December 31, 2023	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	\$ 95,864,447 (US\$ 2,995,763,963)	\$ 1,687,089 (US\$ 53,646,934)	\$ 1,690,153 (US\$ 53,744,367)	
	Win Fortune Investments Limited	British Virgin Islands	Investing activities	3,230 (US\$ 100,000)	3,230 (US\$ 100,000)	100,000	100.00	2,428,737 (US\$ 75,898,040)	34,581 (US\$ 1,099,610)	34,646 (US\$ 1,101,700)	
	Windsor Entertainment Co., Ltd.	ROC	Entertainment and resort operations	71,000	71,000	7,100,000	100.00	113,144	8,822	1,898	
	Pou Shine Investment Co., Ltd.	ROC	Investing activities	1,124,667	1,124,667	133,094,460	100.00	4,920,266	9,543	9,543	
	Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	5,000	5,000	-	100.00	8,180	482	482	
	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,117,292	2,117,292	322,719,192	99.49	12,014,188	2,456	2,530	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	966,450	966,450	30,456,252	97.82	820,415	228,372	220,422	
	Pro Arch International Development Enterprise Inc.	ROC	Design and manufacture of footwear products	2,643,184	2,643,184	20,000,000	100.00	253,760	12,457	12,421	
	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	40,320	40,320	7,875,000	15.00	251,768	(1,308)	(196)	
	Wang Yi Construction Co., Ltd.	ROC	Construction	5,356	5,356	367,305	7.82	-	(307)	91	
	Ruen Chen Investment Holding Co., Ltd.	ROC	Investment holding	15,552,000	15,552,000	6,237,400,000	20.00	51,367,651	11,889,666	2,377,933	
	Nan Shan Life Insurance Co., Ltd.	ROC	Sale of life insurance	370	370	10,000	-	384	13,405,872	13	
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	65,713,578 (US\$ 2,053,549,307)	3,116,252 (US\$ 99,092,222)	1,564,075 (US\$ 49,735,285)	
	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	9,810 (US\$ 306,572)	(51) (US\$ (1,634))	(16) (US\$ (516))	
Win Fortune Investments Limited	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	1,410,247 (US\$ 44,070,203)	3,116,252 (US\$ 99,092,222)	33,551 (US\$ 1,066,865)	
Pou Shine Investment Co., Ltd.	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,583	2,583	414,662	0.13	15,386	2,456	3	
	Nan Shan Life Insurance Co., Ltd.	ROC	Sale of life insurance	189,772	189,772	12,811,208	0.09	283,081	13,405,872	12,427	
Barits Development Corporation	Song Ming Investments Co., Ltd.	ROC	Investing activities	1,218,879	1,218,879	120,486,400	100.00	3,346,809	3,699	3,699	
	Wang Yi Construction Co., Ltd.	ROC	Construction	62,787	62,787	4,218,250	89.75	60,014	(307)	(275)	
	Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	200,000	200,000	20,000,000	100.00	198,902	(88)	(88)	
	Yue Hong Realty Development Co., Ltd.	ROC	Development of real estate	240,000	240,000	24,000,000	100.00	122,290	(3,972)	(3,972)	
Song Ming Investments Co., Ltd.	Nan Shan Life Insurance Co., Ltd.	ROC	Sale of life insurance	189,920	189,920	12,821,208	0.09	283,387	13,405,872	12,441	
	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	262,500	262,500	39,375,000	75.00	1,258,839	(1,308)	(981)	
Pou Yuen Technology Co., Ltd.	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	21,240	21,240	619,220	1.99	23,129	228,372	4,542	
	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	243,314 (US\$ 7,603,549)	226,393 (US\$ 7,198,966)	226,393 (US\$ 7,198,966)	
Yue Yuen Industrial (Holdings) Limited	Eagle Nice (International) Holdings Limited	British Cayman Islands	Manufacturing of wearing apparel and clothing accessories	1,297,712 (US\$ 39,972,084)	1,297,712 (US\$ 39,972,084)	192,000,000	35.97	2,728,363 (US\$ 85,261,343)	(18,661) (US\$ (593,397))	(6,712) (US\$ (213,445))	
	Oftenrich Holdings Limited	Bermuda	Manufacturing and sale of footwear	1,339,783 (US\$ 42,210,159)	1,339,783 (US\$ 42,210,159)	5,400	45.00	2,984,108 (US\$ 93,253,363)	(69,197) (US\$ (2,200,362))	(31,139) (US\$ (990,163))	
	Prosperous Industrial (Holdings) Ltd.	British Cayman Islands	Manufacturing and sale of gym bags	583,740 (US\$ 18,000,000)	583,740 (US\$ 18,000,000)	252,000,000	22.50	683,026 (US\$ 22,224,571)	275,517 (US\$ 8,761,049)	61,991 (US\$ 1,971,236)	
	San Fang Chemical Industry Co., Ltd.	ROC	Manufacturing and sale of synthetic leather	2,696,757 (US\$ 83,192,794)	2,696,757 (US\$ 83,192,794)	177,908,075	44.72	5,045,499 (US\$ 157,671,853)	415,888 (US\$ 13,224,620)	185,985 (US\$ 5,914,050)	
	Nan Pao Resins Chemical Co., Ltd.	ROC	Manufacturing and sale of chemical materials	474,739 (US\$ 14,840,228)	528,749 (US\$ 16,528,579)	18,649,248	15.47	2,112,047 (US\$ 66,001,460)	743,258 (US\$ 23,634,507)	114,982 (US\$ 3,656,258)	
	Just Lucky Investments Limited	British Virgin Islands	Property management	26,207 (US\$ 808,130)	26,207 (US\$ 808,130)	808,130	38.30	57,272 (US\$ 1,789,743)	3,656 (US\$ 116,269)	1,400 (US\$ 44,531)	
	Natural Options Limited	British Virgin Islands	Manufacturing of foam	11,144 (US\$ 343,638)	11,144 (US\$ 343,638)	340,870	38.30	7,467 (US\$ 233,341)	(38) (US\$ (1,201))	(14) (US\$ (460))	
	Rise Bloom International Limited	Hong Kong	Processing and sale of foam	24,312 (US\$ 760,000)	24,312 (US\$ 760,000)	760,000	38.00	33,420 (US\$ 1,044,372)	1,106 (US\$ 35,180)	(420) (US\$ (13,369))	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	December 31, 2023	Shares	%	Carrying Amount			
Yue Yuen Industrial (Holdings) Limited	Prosperlink Limited	Samoa	Processing and sale of foam	\$ 17,432 (US\$ 570,000)	\$ 17,432 (US\$ 570,000)	570,000	38.00	\$ 21,564 (US\$ 673,882)	\$ (66) (US\$ (2,089))	\$ (25) (US\$ (794))	
	Pou Ming Paper Products Manufacturing Co., Ltd.	British Virgin Islands	Manufacturing of paper products	66,937 (US\$ 2,163,800)	66,937 (US\$ 2,163,800)	1,000,000	20.00	6,032 (US\$ 188,491)	807 (US\$ 25,662)	161 (US\$ 5,132)	
	Brandblack Inc.	USA	Sale of footwear	68,762 (US\$ 2,275,000)	68,762 (US\$ 2,275,000)	1,135,796	31.25	-	-	-	
Yue Yuen Industrial (Holdings) Limited	Jumbo Power Enterprises Limited	British Virgin Islands	Manufacturing and sale of footwear	259,742 (US\$ 8,000,000)	259,742 (US\$ 8,000,000)	8,000,000	50.00	483,363 (US\$ 15,105,103)	(10,142) (US\$ (322,514))	(5,071) (US\$ (161,257))	
	Ka Yuen Rubber Factory Limited	British Virgin Islands	Manufacturing and sale of rubber sole	371,142 (US\$ 11,500,000)	371,142 (US\$ 11,500,000)	11,500,000	50.00	915,246 (US\$ 28,601,422)	101,966 (US\$ 3,242,366)	50,983 (US\$ 1,621,183)	
	Hua Jian Industrial Holding Co., Limited	British Virgin Islands	Manufacturing and sale of women clothing and footwear	460,031 (US\$ 13,684,113)	460,031 (US\$ 13,684,113)	2,241	22.41	-	-	-	
	Cohen Enterprises Inc.	British Virgin Islands	Manufacturing and sale of footwear leather products	623,276 (US\$ 20,215,015)	623,276 (US\$ 20,215,015)	20,000,000	50.00	522,223 (US\$ 16,319,480)	(35,193) (US\$ (1,119,070))	(17,596) (US\$ (559,535))	
	Twinways Investments Limited	British Virgin Islands	Manufacturing and sale of footwear accessory injection crepe	551,432 (US\$ 17,500,000)	551,432 (US\$ 17,500,000)	17,500,000	50.00	1,202,170 (US\$ 37,567,807)	194,221 (US\$ 6,175,934)	97,110 (US\$ 3,087,967)	
	Top Units Developments Ltd.	British Virgin Islands	Manufacturing of footwear accessories	418,997 (US\$ 14,079,196)	418,997 (US\$ 14,079,196)	5,390,000	49.00	999,536 (US\$ 31,235,503)	136,883 (US\$ 4,352,669)	67,073 (US\$ 2,132,808)	

(Concluded)

## POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Note
					Outward	Inward							
Great Team Backend Foundry, Inc.	Processing and manufacturing of transistors	\$ 2,642,140 (US\$ 88,116,600)	b	\$ -	\$ -	\$ -	\$ -	\$ -	2.10	\$ -	\$ 44,644 (RMB 10,127,978)	\$ -	(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	-	-	-	(RMB (15,406) (3,528,615))	31.97	(RMB (4,925) (1,128,098)) b 1)	245,905 (RMB 55,786,029)	-	-	-
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	-	-	-	(RMB 2,563 587,142)	100.00	(RMB 2,563 587,142) b 1)	334,266 (RMB 75,831,767)	-	-	-
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	-	-	-	(RMB 77,788 17,816,659)	31.97	(RMB 24,869 5,695,986) b 1)	1,179,807 (RMB 267,651,349)	-	-	-
Dongguan Baoqiao Electronic Technology Co., Ltd.	Production and marketing of other optical appliances and instruments	147,645 (US\$ 4,500,000)	b	-	-	-	(RMB 16,575 3,796,368)	100.00	(RMB 16,575 3,796,368) b 2)	269,832 (RMB 61,214,087)	-	-	-
Poushun Paper Products Manufacturing Co., Ltd.	Production and sale of shoe inner boxes, cartons	68,901 (US\$ 2,100,000)	b	-	-	-	(RMB 3,145 720,262)	10.22	(RMB 321 73,611) b 1)	8,390 (RMB 1,903,263)	-	-	-
Pouhong Footwear Industrial Ltd.	Production and operation of casual shoes, sports shoes	49,215 (US\$ 1,500,000)	b	-	-	-	(RMB (175) (39,990))	51.11	(RMB (89) (20,439)) b 1)	21,296 (RMB 4,831,174)	-	-	-
Shanggao Yisen Industry Co., Ltd.	Production and sale of finished shoes, semi-finished products, components and moulds	945,204 (US\$ 30,390,000)	b	-	-	-	(RMB 117,698 26,957,835)	51.11	(RMB 60,155 13,778,149) b 1)	782,253 (RMB 177,462,073)	-	-	-
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	-	-	-	(RMB (17,756) (4,066,898))	51.11	(RMB (9,075) (2,078,592)) b 1)	370,921 (RMB 84,147,155)	-	-	-
Dong Guan Yu Yuen Mold Co., Ltd.	Production and sale of molds for non-metallic products	62,011 (US\$ 1,890,000)	b	-	-	-	(RMB 277 63,447)	51.11	(RMB 142 32,428) b 1)	31,772 (RMB 7,207,840)	-	-	-
Zhong Shan Glory Shoes Ind., Ltd.	Production and operation of various types of leather shoes products	951,490 (US\$ 29,000,000)	b	-	-	-	(RMB 6,146 1,407,772)	23.00	(RMB 1,414 323,788) b 1)	283,675 (RMB 64,354,649)	-	-	-
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	-	-	-	(RMB 59 13,405)	23.00	(RMB 13 3,083) b 1)	5,326 (RMB 1,208,301)	-	-	-
Zhong Ao Multiplex Management Group Limited	Stadium management, wholesale and retail of clothing and footwear accessories	2,055,560 (RMB 431,795,000)	b	-	-	-	(RMB (28,741) (6,583,026))	20.34	(RMB (5,846) (1,338,988)) b 1)	595,240 (RMB 135,036,333)	-	-	-
ShangGao Yisen Ka Yuen Industry Co., Ltd.	Production and sale of footwear products	77,432 (US\$ 2,360,000)	b	-	-	-	(RMB 16,796 3,846,962)	25.56	(RMB 4,293 983,283) b 1)	50,579 (RMB 11,474,424)	-	-	-
Bao Sheng Dao Ji (BeiJing) Trading Company Ltd.	Retail business of sports goods and accessories	1,988,061 (US\$ 65,000,000)	b	-	-	-	(RMB (111,491) (25,536,266))	31.97	(RMB (35,644) (8,163,944)) b 1)	521,765 (RMB 118,367,769)	-	-	-
Qingdao Pou-Sheng International Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	94,800 (RMB 20,000,000)	b	-	-	-	(RMB 143,830 32,943,308)	23.02	(RMB 33,110 7,583,550) b 1)	327,573 (RMB 74,313,348)	-	-	-
Guizhou Pou-Sheng Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	322,886 (US\$ 10,000,000)	b	-	-	-	\$ 8,994 (RMB 2,059,921)	31.97	\$ 2,875 (RMB 658,557) b 1)	138,629 (RMB 31,449,306)	-	-	-

(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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Note
					Outward	Inward							
Nanning Pou-Kung Sport Products Co., Ltd.	Retail business of sports goods and accessories	\$ 42,653 (US\$ 1,300,000)	b	\$ -	\$ -	\$ -	\$ 9,428 (RMB 2,159,318)	31.97	\$ 3,014 (RMB 690,334) b 1)	\$ (28,492) (RMB (6,463,807))	\$ -	-	
Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	Retail business of sports goods and accessories	1,567,250 (US\$ 50,000,000)	b	-	-	-	(53,053) (RMB (12,151,432))	31.97	(16,961) (RMB (3,884,813)) b 1)	1,738,686 (RMB 394,438,648)	-	-	
Yangzhou Baoyi Shoes Manufacturing Co., Ltd.	Vulcanized shoes, sports shoes, casual shoes and other footwear manufacturing, marketing	729,906 (US\$ 22,456,800)	b	-	-	-	703 (RMB 161,011)	25.56	180 (RMB 41,154) b 1)	224,290 (RMB 50,882,520)	-	-	
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	-	-	-	(17,203) (RMB (3,940,129))	31.97	(5,500) (RMB (1,259,659)) b 1)	538,629 (RMB 122,193,574)	-	-	
YYSPO RTS (Chengdu) Business Trading Co., Ltd.	Retail business of sports goods and accessories	689,194 (US\$ 22,400,000)	b	-	-	-	(31,509) (RMB (7,216,885))	31.97	(10,073) (RMB (2,307,238)) b 1)	178,002 (RMB 40,381,501)	-	-	
Fujian Baomin Sporting Goods Co., Ltd.	Retail business of sports goods and accessories	147,645 (US\$ 4,500,000)	b	-	-	-	(119) (RMB (27,262))	28.77	(34) (RMB (7,843)) b 1)	67,253 (RMB 15,256,938)	-	-	
Guangzhou Pou-Yuen Trading Co., Ltd.	Retail business of sports goods and accessories	710,251 (US\$ 23,310,000)	b	-	-	-	(720) (RMB (164,876))	31.97	(230) (RMB (52,711)) b 1)	210,313 (RMB 47,711,548)	-	-	
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	-	-	-	5,253 (RMB 1,203,177)	31.97	1,679 (RMB 384,656) b 1)	801,035 (RMB 181,723,099)	-	-	
Shend Dao (Yang Zhou) Sporting Goods Dev Co., Ltd.	Shopping mall management and property management	2,111,340 (US\$ 66,000,000)	b	-	-	-	(6) (RMB (1,356))	31.97	(2) (RMB (434)) b 1)	720,081 (RMB 163,357,825)	-	-	
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	-	-	-	(70,113) (RMB (16,058,896))	31.97	(22,415) (RMB (5,134,029)) b 1)	1,365,847 (RMB 309,856,497)	-	-	
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	-	-	-	(50,622) (RMB (11,594,530))	31.97	(16,184) (RMB (3,706,771)) b 1)	346,458 (RMB 78,597,611)	-	-	
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	-	-	-	(862) (RMB (197,481))	51.11	(441) (RMB (100,932)) b 1)	121,942 (RMB 27,663,871)	-	-	
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	-	-	-	13,040 (RMB 2,986,663)	51.11	6,665 (RMB 1,526,484) b 1)	652,402 (RMB 148,004,149)	-	-	
Jiangxi Province Yutai Shoe Co., Ltd.	Production and sale of footwear products and semi-finished products	918,125 (US\$ 30,000,000)	b	-	-	-	(4,865) (RMB (1,114,241))	51.11	(2,486) (RMB (569,488)) b 1)	109,928 (RMB 24,938,222)	-	-	
Dongguan Yu Xiang Shoes Material Co., Ltd.	Production and sale of footwear products	295,820 (US\$ 9,500,000)	b	-	-	-	3,136 (RMB 718,297)	51.11	1,603 (RMB 367,121) b 1)	189,358 (RMB 42,957,909)	-	-	
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	-	-	-	(213) (RMB (48,751))	19.42	(41) (RMB (9,467)) b 1)	15,014 (RMB 3,406,180)	-	-	
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	-	-	-	97,656 (RMB 22,367,460)	51.11	49,912 (RMB 11,432,009) b 1)	1,146,327 (RMB 260,056,011)	-	-	

(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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Note
					Outward	Inward							
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	\$ -	\$ -	\$ -	\$ -	\$ (159) (RMB (36,511))	51.11	\$ (81) (RMB (18,661)) b 1)	\$ 3,789 (RMB 859,561)	\$ -	
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	-	-	-	-	-	31.97	- b, 1)	-	-	Cancellation
Dongguan De Chang Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	1,496 (RMB 342,757)	51.11	765 (RMB 175,183) b 1)	13,582 (RMB 3,081,257)	-	
Zhong Shan Bao Song Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	(5,003) (RMB (1,145,880))	51.11	(2,557) (RMB (585,659)) b 1)	9,337 (RMB 2,118,243)	-	
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	-	-	-	-	(3,721) (RMB (852,360))	51.11	(1,902) (RMB (435,641)) b 1)	65,813 (RMB 14,930,383)	-	
Jiangxi Uniscien Consulting Co., Ltd.	Business management consultation, marketing planning and other services	10,442 (US\$ 350,000)	b	-	-	-	-	553 (RMB 126,634)	51.11	283 (RMB 64,723) b 1)	8,149 (RMB 1,848,646)	-	
Yu Xing (Jishui) Footwear Co., Ltd.	Production and sale of sports shoes	183,840 (US\$ 6,400,000)	b	-	-	-	-	(2,407) (RMB (551,300))	51.11	(1,230) (RMB (281,769)) b 1)	32,746 (RMB 7,428,857)	-	
Yang Xin Zhang Yuan Shoe Co., Ltd.	Production and sale of footwear products	61,029 (US\$ 2,100,000)	b	-	-	-	-	(376) (RMB (86,052))	51.11	(192) (RMB (43,981)) b 1)	10,839 (RMB 2,458,851)	-	
YangXin Pou Jia Yuen Shoes Manufacturing Co., Ltd.	Production and sale of rubber soles	87,258 (US\$ 3,000,000)	b	-	-	-	-	(2,602) (RMB (596,058))	25.56	(665) (RMB (152,352)) b 1)	6,102 (RMB 1,384,233)	-	
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	-	-	-	-	500,922 (RMB 114,732,402)	31.97	160,145 (RMB 36,679,949) b 1)	4,736,036 (RMB 1,074,418,400)	-	
Yichun Yisen Industry Co., Ltd.	Production and sale of footwear and mold products	410,130 (US\$ 14,000,000)	b	-	-	-	-	20,002 (RMB 4,581,277)	51.11	10,223 (RMB 2,341,491) b 1)	308,989 (RMB 70,097,222)	-	
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	-	-	-	-	8,661 (RMB 1,983,762)	51.11	4,427 (RMB 1,013,901) b 1)	735,614 (RMB 166,881,670)	-	
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	-	-	-	-	37,880 (RMB 8,676,220)	51.11	19,361 (RMB 4,434,416) b 1)	873,713 (RMB 198,210,800)	-	
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	-	-	-	-	(9,758) (RMB (2,234,897))	51.11	(4,987) (RMB (1,142,256)) b 1)	167,874 (RMB 38,083,845)	-	
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	-	-	-	-	(887) (RMB (203,110))	10.22	(91) (RMB (20,758)) b 1)	4,601 (RMB 1,043,726)	-	
Kun Shan YYSPO RTS 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	-	-	-	-	(69,067) (RMB (15,819,189))	31.97	(22,081) (RMB (5,057,395)) b 1)	(8,557) (RMB (1,941,200))	-	

(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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Note
					Outward	Inward							
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	\$ -	\$ -	\$ -	\$ -	\$ (489) (RMB (111,970))	6.80	\$ (33) (RMB (7,614)) b 1)	\$ 3,288 (RMB 745,938)	\$ -	
Kun Shan Taisong Trading Co., Ltd.	Wholesale and retail of clothing, footwear, glasses and watches	790,110 (US\$ 26,500,000)	b	-	-	-	-	(2,125) (RMB (486,701))	31.97	(679) (RMB (155,598)) b 1)	(211,055) (RMB (47,880,100))	-	
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	-	-	-	-	17 (RMB 3,787)	31.97	5 (RMB 1,211) b 1)	12,009 (RMB 2,724,301)	-	
Yisen (YiFeng) Mould Co., Ltd.	Production and sale of mould products	479,284 (US\$ 14,850,000)	b	-	-	-	-	(7,989) (RMB (1,829,774))	51.11	(4,083) (RMB (935,197)) b 1)	138,932 (RMB 31,518,255)	-	
Zhu Hai Yu Yuan Industrial Co., Ltd.	Processing, production and sale of footwear products	1,408 (RMB 300,000)	b	-	-	-	-	(1,046) (RMB (239,644))	51.11	(535) (RMB (122,482)) b 1)	4,616 (RMB 1,047,135)	-	
Changsha YYSPTS Sport Products Co., Ltd.	Sales of sports goods and equipment	22,825 (RMB 5,000,000)	b	-	-	-	-	(21,705) (RMB (4,971,380))	31.97	(6,939) (RMB (1,589,350)) b 1)	(12,786) (RMB (2,900,688))	-	
Henan YYSPTS Sport Products Co., Ltd.	Retail business of sports goods and accessories	9,130 (RMB 2,000,000)	b	-	-	-	-	20,710 (RMB 4,743,379)	31.97	6,621 (RMB 1,516,458) b 1)	29,922 (RMB 6,788,206)	-	
Shenyang Pou-Yi Trading Co., Ltd.	Retail business of sports goods and accessories	182,600 (RMB 40,000,000)	b	-	-	-	-	(29,948) (RMB (6,859,451))	31.97	(9,574) (RMB (2,192,967)) b 1)	(27,721) (RMB (6,288,882))	-	
Zhejiang Shengdao Sporting-Goods Co., Ltd.	Retail business of sports goods and accessories	228,250 (RMB 50,000,000)	b	-	-	-	-	51,553 (RMB 11,807,734)	31.97	16,481 (RMB 3,774,933) b 1)	295,562 (RMB 67,051,357)	-	
Mudanjiang YYSPTS 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	-	-	-	-	1,931 (RMB 442,295)	31.97	617 (RMB 141,402) b 1)	12,223 (RMB 2,772,898)	-	
Widevision Investment (Shenzhen) Co., Ltd.	Business management consulting, economic information consulting and market management planning	13,833 (RMB 3,000,000)	b	-	-	-	-	405 (RMB 92,836)	100.00	405 (RMB 92,836) b 1)	18,314 (RMB 4,154,678)	-	
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	-	-	-	-	(6,333) (RMB (1,450,606))	31.97	(2,025) (RMB (463,759)) b 1)	(29,315) (RMB (6,650,300))	-	
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	-	-	-	-	(4,124) (RMB (944,627))	25.56	(1,054) (RMB (241,447)) b 1)	25,184 (RMB 5,713,243)	-	
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	-	-	-	-	(9,484) (RMB (2,172,284))	51.11	(4,847) (RMB (1,110,254)) b 1)	279,041 (RMB 63,303,325)	-	
Yifeng Kun Ching Foam Ltd.	Production, sales, processing of plastic foam and foam daily products	8,994 (US\$ 300,000)	b	-	-	-	-	421 (RMB 96,344)	19.42	82 (RMB 18,710) b 1)	3,758 (RMB 852,492)	-	
Zhongshan Hwa Ching Foam Co., Ltd.	Production of foam products	29,980 (US\$ 1,000,000)	b	-	-	-	-	2,551 (RMB 584,200)	19.58	499 (RMB 114,386) b 1)	13,232 (RMB 3,001,808)	-	
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	-	-	-	-	(3,985) (RMB (912,686))	31.97	(1,274) (RMB (291,786)) b 1)	(13,183) (RMB (2,990,729))	-	
Dong Guan Orisol Trading Company Ltd.	Wholesale or repair of shoe-related machinery and parts	27,850 (US\$ 1,000,000)	b	-	-	-	-	2,540 (RMB 581,812)	51.11	1,298 (RMB 297,364) b 1)	17,939 (RMB 4,069,633)	-	

(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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Note
					Outward	Inward							
Shanghai Shengjie Sports Goods Co., Ltd.	Retail business of sports goods and accessories	\$ 67,095 (RMB 15,000,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 32,614 (RMB 7,469,988)	31.97	\$ 10,427 (RMB 2,388,155) b 1)	\$ 80,423 (RMB 18,244,784)	\$ -	
Suzhou Baocheng Sports Goods Trading Co., Ltd.	Retail business of sports goods and accessories	2,204 (RMB 500,000)	b	-	-	-	-	5,006 (RMB 1,146,533)	31.97	1,600 (RMB 366,547) b 1)	4,074 (RMB 924,228)	-	
Fujian Pou Yuan Sporting Goods Co., Ltd.	Retail business of sports goods and accessories	856,400 (RMB 200,000,000)	b	-	-	-	-	16,360 (RMB 3,747,073)	31.97	5,230 (RMB 1,197,939) b 1)	304,472 (RMB 69,072,526)	-	
Xinjiang Shengdao Sporting-Goods Co., Ltd.	Retail business of sports goods and accessories	21,635 (RMB 5,000,000)	b	-	-	-	-	(5,419) (RMB (1,241,237))	31.97	(1,733) (RMB (396,823)) b 1)	3,831 (RMB 869,052)	-	

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
\$ -	\$ 23,548,435 (US\$ 735,888,606)	\$ 81,965,758

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.

(Concluded)

## POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Note
					Outward	Inward							
Kunshan Yuanying Electronics Technology Co., Ltd.	Manufacturing and sale of alloy	\$ 85,936 (US\$ 2,620,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 187,425 (RMB 42,928,251)	100.00	\$ 187,425 (RMB 42,928,251 b 1)	\$ 243,898 (RMB 55,330,843)	\$ -	

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ -	\$ 184,640 (US\$ 5,770,000)	\$ 697,751

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.

**POU CHEN CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
MARCH 31, 2024**

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.