

Pou Chen Corporation and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Pou Chen Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Pou Chen Corporation (the "Company") and its subsidiaries (collectively, the "Group") as of June 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews and the reports of other auditors (refer to the other matter paragraph), nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2023 and 2022, its consolidated financial performance for the three months ended June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

The Group's investments in Ruen Chen Investment Holding Co., Ltd., Nan Shan Life Insurance Co., Ltd. and Elitegroup Computer Systems Co., Ltd. were accounted for by using the equity method based on its financial statements which were reviewed by other auditors. Our conclusion, insofar as it relates to the Group's investments in Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd., is based solely on the review reports of other auditors. As of June 30, 2023 and 2022, the carrying amounts of investments in Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd. were \$44,817,826 thousand and \$1,104,394 thousand, respectively, representing 13.78% and 0.36%, respectively, of the Group's consolidated total assets. For the three months ended June 30, 2023 and 2022, the amounts of profit of the associates were \$2,715,110 thousand and \$3,904,904 thousand, respectively, representing 53.05% and 52.67%, respectively, of the income which the Group recognized before income tax, and for the six months ended June 30, 2023 and 2022, the amounts of profit of the associates were \$2,740,520 thousand and \$6,532,458 thousand, respectively, representing 34.34% and 46.08%, respectively, of the income which the Group recognized before income tax. As of June 30, 2023, the carrying amount of the investments in Elitegroup Computer Systems Co., Ltd. was \$1,622,399 thousand, representing 0.50% of the Group's consolidated total assets. For the three months ended June 30, 2023, the amount of profit of the associates was \$62,473 thousand, representing 1.22% of the income which the Group recognized before income tax, and for the six months ended June 30, 2023, the amount of profit of the associates was \$63,244 thousand, representing 0.79% of the income which the Group recognized before income tax.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 14, 2023

Notice to Readers

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

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

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023		December 31, 2022 (Retrospectively Adjusted)		June 30, 2022 (Retrospectively Adjusted)		January 1, 2022 (Retrospectively Adjusted)	
	Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS								
Cash and cash equivalents (Note 6)	\$ 35,373,774	11	\$ 39,317,629	12	\$ 36,766,848	12	\$ 28,450,346	8
Financial assets at fair value through profit or loss - current (Note 7)	1,368,864	1	2,783,815	1	5,220,328	2	3,341,742	1
Financial assets at fair value through other comprehensive income - current (Note 8)	21,986,536	7	17,501,573	5	19,865,261	6	20,035,436	5
Financial assets at amortized cost - current (Note 9)	6,209,767	2	1,901,597	1	3,234,489	1	8,630,004	2
Notes receivable (Note 10)	43	-	39	-	38	-	54	-
Accounts receivable (Notes 10 and 34)	29,744,577	9	28,711,291	9	34,936,755	11	26,539,565	7
Other receivables (Note 10)	7,055,621	2	4,462,211	1	5,262,028	2	3,771,410	1
Inventories - manufacturing and retailing (Note 11)	39,059,832	12	50,014,348	15	54,627,442	18	57,084,097	16
Inventories - construction (Note 11)	3,694,401	1	3,703,765	1	3,702,185	1	3,718,519	1
Non-current assets held for sale (Note 12)	-	-	-	-	123,962	-	-	-
Other current assets (Note 13)	10,619,367	3	11,000,965	4	13,564,471	4	11,323,500	3
Total current assets	155,112,782	48	159,397,233	49	177,303,807	57	162,894,673	44
NON-CURRENT ASSETS								
Financial assets at fair value through profit or loss - non-current (Note 7)	951,484	-	761,033	-	719,969	-	747,994	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	728,736	-	840,456	-	837,324	-	958,593	-
Financial assets at amortized cost - non-current (Notes 9 and 35)	2,870,549	1	3,099,525	1	1,754,802	1	3,158,906	1
Investments accounted for using the equity method (Note 15)	65,359,808	20	56,873,101	17	21,428,155	7	96,210,213	26
Property, plant and equipment (Note 16)	59,919,428	18	64,012,887	20	64,532,042	21	62,786,453	17
Right-of-use assets (Note 17)	16,871,287	5	18,087,170	5	16,480,434	5	20,066,402	5
Investment properties (Note 18)	5,725,279	2	5,806,082	2	5,579,058	2	2,918,076	1
Goodwill (Note 19)	8,458,276	3	8,452,023	3	8,248,334	3	7,774,185	2
Other intangible assets (Note 20)	1,915,765	1	1,816,164	1	1,648,830	1	1,607,270	1
Deferred tax assets (Notes 3, 4 and 28)	5,875,464	2	6,188,604	2	6,591,334	2	6,533,317	2
Other non-current assets (Note 13)	1,402,515	-	1,555,526	-	4,432,682	1	4,207,465	1
Total non-current assets	170,078,591	52	167,492,571	51	132,252,964	43	206,968,874	56
TOTAL	\$ 325,191,373	100	\$ 326,889,804	100	\$ 309,556,771	100	\$ 369,863,547	100
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Short-term borrowings (Note 21)	\$ 22,601,894	7	\$ 20,611,809	6	\$ 34,791,809	11	\$ 25,552,433	7
Short-term bills payable (Note 21)	2,117,789	1	1,580,101	-	1,465,714	1	2,563,093	1
Financial liabilities at fair value through profit or loss - current (Note 7)	263,270	-	155,274	-	159,663	-	78,720	-
Notes payable (Note 22)	4,942	-	3,994	-	5,468	-	5,785	-
Accounts payable (Notes 22 and 34)	11,868,082	3	12,536,177	4	14,596,634	5	17,406,222	5
Other payables (Note 23)	20,787,725	6	21,540,287	7	22,494,266	7	20,547,217	5
Current tax liabilities (Notes 4 and 28)	2,503,389	1	3,581,025	1	2,658,888	1	1,776,193	-
Liabilities directly associated with non-current assets held for sale (Note 12)	-	-	-	-	57,360	-	-	-
Lease liabilities - current (Note 17)	2,946,844	1	3,486,555	1	3,956,174	1	4,323,157	1
Current portion of long-term borrowings (Note 21)	9,621,984	3	11,923,464	4	12,145,361	4	9,791,986	3
Other current liabilities	5,885,224	2	6,010,519	2	6,621,142	2	6,764,167	2
Total current liabilities	78,601,143	24	81,429,205	25	98,952,479	32	88,808,973	24
NON-CURRENT LIABILITIES								
Financial liabilities at fair value through profit or loss - non-current (Note 7)	-	-	-	-	-	-	232,011	-
Long-term borrowings (Note 21)	41,376,174	13	50,002,184	15	54,511,364	18	56,387,335	15
Deferred tax liabilities (Notes 3, 4 and 28)	3,054,833	1	3,317,797	1	3,608,155	1	3,879,108	1
Lease liabilities - non-current (Note 17)	5,965,152	2	6,713,172	2	7,453,490	2	8,357,819	3
Long-term payables (Note 23)	156,542	-	155,166	-	151,999	-	170,621	-
Net defined benefit liabilities (Note 4)	3,325,749	1	3,061,851	1	4,729,596	2	4,482,434	1
Other non-current liabilities	68,774	-	82,951	-	73,125	-	48,494	-
Total non-current liabilities	53,947,224	17	63,333,121	19	70,527,729	23	73,557,822	20
Total liabilities	132,548,367	41	144,762,326	44	169,480,208	55	162,366,795	44
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)								
Share capital								
Ordinary shares	29,467,872	9	29,467,872	9	29,467,872	10	29,467,872	8
Capital surplus	4,421,195	1	4,420,389	1	4,420,394	1	4,419,400	1
Retained earnings								
Legal reserve	19,300,806	6	17,986,740	6	17,986,740	6	16,547,491	4
Special reserve	57,646,766	18	-	-	-	-	-	-
Unappropriated earnings	18,167,079	5	76,460,614	23	73,019,195	23	69,179,387	19
Total retained earnings	95,114,651	29	94,447,354	29	91,005,935	29	85,726,878	23
Other equity	(10,826,531)	(3)	(21,323,594)	(6)	(58,148,989)	(19)	19,818,804	6
Total equity attributable to owners of the Company	118,177,187	36	107,012,021	33	66,745,212	21	139,432,954	38
NON-CONTROLLING INTERESTS	74,465,819	23	75,115,457	23	73,331,351	24	68,063,798	18
Total equity	192,643,006	59	182,127,478	56	140,076,563	45	207,496,752	56
TOTAL	\$ 325,191,373	100	\$ 326,889,804	100	\$ 309,556,771	100	\$ 369,863,547	100

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

(With Deloitte & Touche review report dated August 14, 2023)

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 June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 34)	\$ 63,095,229	100	\$ 68,337,874	100	\$ 127,462,022	100	\$ 135,601,235	100
OPERATING COSTS (Notes 24, 27 and 34)	<u>48,097,346</u>	<u>76</u>	<u>52,574,103</u>	<u>77</u>	<u>97,025,401</u>	<u>76</u>	<u>103,652,850</u>	<u>77</u>
GROSS PROFIT	<u>14,997,883</u>	<u>24</u>	<u>15,763,771</u>	<u>23</u>	<u>30,436,621</u>	<u>24</u>	<u>31,948,385</u>	<u>23</u>
OPERATING EXPENSES (Notes 24 and 27)								
Selling and marketing expenses	7,124,404	11	7,330,896	10	14,477,901	11	15,469,934	11
General and administrative expenses	4,830,189	8	4,612,124	7	9,611,300	8	8,751,379	7
Research and development expenses	<u>1,250,537</u>	<u>2</u>	<u>1,430,741</u>	<u>2</u>	<u>2,525,478</u>	<u>2</u>	<u>2,763,918</u>	<u>2</u>
Total operating expenses	<u>13,205,130</u>	<u>21</u>	<u>13,373,761</u>	<u>19</u>	<u>26,614,679</u>	<u>21</u>	<u>26,985,231</u>	<u>20</u>
INCOME FROM OPERATIONS	<u>1,792,753</u>	<u>3</u>	<u>2,390,010</u>	<u>4</u>	<u>3,821,942</u>	<u>3</u>	<u>4,963,154</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 27)	375,068	-	191,714	-	744,985	-	345,556	-
Other income (Note 27)	486,168	1	751,530	1	1,237,852	1	1,351,040	1
Other gains and (losses) (Note 27)	22,029	-	193,769	-	205,217	-	1,040,218	1
Net loss on derecognition of financial assets at amortized cost	-	-	(10,061)	-	(74,409)	-	(13,610)	-
Finance costs (Note 27)	(808,539)	(1)	(552,723)	(1)	(1,649,045)	(1)	(989,126)	(1)
Share of profit of associates and joint ventures (Note 15)	<u>3,250,621</u>	<u>5</u>	<u>4,449,612</u>	<u>7</u>	<u>3,694,078</u>	<u>3</u>	<u>7,478,210</u>	<u>6</u>
Total non-operating income and expenses	<u>3,325,347</u>	<u>5</u>	<u>5,023,841</u>	<u>7</u>	<u>4,158,678</u>	<u>3</u>	<u>9,212,288</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	5,118,100	8	7,413,851	11	7,980,620	6	14,175,442	10
INCOME TAX EXPENSE (Notes 4 and 28)	<u>932,969</u>	<u>2</u>	<u>1,342,641</u>	<u>2</u>	<u>1,610,506</u>	<u>1</u>	<u>2,031,445</u>	<u>1</u>
NET PROFIT	<u>4,185,131</u>	<u>6</u>	<u>6,071,210</u>	<u>9</u>	<u>6,370,114</u>	<u>5</u>	<u>12,143,997</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	2,818,519	4	(4,313,864)	(6)	4,367,042	3	(359,070)	-
Share of other comprehensive (loss) income of associates and joint ventures	(217,005)	-	(238,505)	(1)	(306,598)	-	(39,167)	-

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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 June 30				For the Six Months Ended June 30				
	2023		2022		2023		2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
Items that may be reclassified subsequently to profit or loss:									
Exchange differences on translation of the financial statements of foreign operations	\$ 1,572,006	3	\$ 3,834,478	6	\$ 505,874	1	\$ 8,916,198	6	
Share of other comprehensive income (loss) of associates and joint ventures	<u>717,779</u>	<u>1</u>	<u>(46,314,394)</u>	<u>(68)</u>	<u>5,551,584</u>	<u>4</u>	<u>(82,977,786)</u>	<u>(61)</u>	
Other comprehensive income (loss) for the period, net of income tax	<u>4,891,299</u>	<u>8</u>	<u>(47,032,285)</u>	<u>(69)</u>	<u>10,117,902</u>	<u>8</u>	<u>(74,459,825)</u>	<u>(55)</u>	
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 9,076,430</u>	<u>14</u>	<u>\$ (40,961,075)</u>	<u>(60)</u>	<u>\$ 16,488,016</u>	<u>13</u>	<u>\$ (62,315,828)</u>	<u>(46)</u>	
NET INCOME ATTRIBUTABLE TO:									
Owners of the Company	\$ 3,506,699	5	\$ 5,060,710	7	\$ 4,498,054	4	\$ 9,699,238	7	
Non-controlling interests	<u>678,432</u>	<u>1</u>	<u>1,010,500</u>	<u>2</u>	<u>1,872,060</u>	<u>1</u>	<u>2,444,759</u>	<u>2</u>	
	<u>\$ 4,185,131</u>	<u>6</u>	<u>\$ 6,071,210</u>	<u>9</u>	<u>\$ 6,370,114</u>	<u>5</u>	<u>\$ 12,143,997</u>	<u>9</u>	
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:									
Owners of the Company	\$ 8,344,878	13	\$ (43,077,665)	(63)	\$ 14,995,183	12	\$ (68,268,555)	(50)	
Non-controlling interests	<u>731,552</u>	<u>1</u>	<u>2,116,590</u>	<u>3</u>	<u>1,492,833</u>	<u>1</u>	<u>5,952,727</u>	<u>4</u>	
	<u>\$ 9,076,430</u>	<u>14</u>	<u>\$ (40,961,075)</u>	<u>(60)</u>	<u>\$ 16,488,016</u>	<u>13</u>	<u>\$ (62,315,828)</u>	<u>(46)</u>	
EARNINGS PER SHARE (Note 29)									
Basic	<u>\$ 1.19</u>		<u>\$ 1.72</u>		<u>\$ 1.53</u>		<u>\$ 3.29</u>		
Diluted	<u>\$ 1.18</u>		<u>\$ 1.71</u>		<u>\$ 1.52</u>		<u>\$ 3.28</u>		

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

(With Deloitte & Touche review report dated August 14, 2023)

(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										
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Others			
BALANCE AT JANUARY 1, 2022	\$ 29,467,872	\$ 4,419,400	\$ 16,547,491	\$ -	\$ 69,179,387	\$ (7,414,850)	\$ 14,613,616	\$ 12,620,038	\$ 139,432,954	\$ 68,063,798	\$ 207,496,752
Appropriation of 2022 earnings (Note 25)											
Legal reserve	-	-	1,439,249	-	(1,439,249)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,420,181)	-	-	-	(4,420,181)	-	(4,420,181)
	-	-	1,439,249	-	(5,859,430)	-	-	-	(4,420,181)	-	(4,420,181)
Net profit for the six months ended June 30, 2022	-	-	-	-	9,699,238	-	-	-	9,699,238	2,444,759	12,143,997
Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	4,950,408	(55,958,854)	(26,959,347)	(77,967,793)	3,507,968	(74,459,825)
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	9,699,238	4,950,408	(55,958,854)	(26,959,347)	(68,268,555)	5,952,727	(62,315,828)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Note 25)	-	(238)	-	-	-	-	-	-	(238)	-	(238)
Unclaimed dividends by shareholders	-	1,232	-	-	-	-	-	-	1,232	-	1,232
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(685,174)	(685,174)
Changes in equity for the six months ended June 30, 2022	-	994	1,439,249	-	3,839,808	4,950,408	(55,958,854)	(26,959,347)	(72,687,742)	5,267,553	(67,420,189)
BALANCE AT JUNE 30, 2022	\$ 29,467,872	\$ 4,420,394	\$ 17,986,740	\$ -	\$ 73,019,195	\$ (2,464,442)	\$ (41,345,238)	\$ (14,339,309)	\$ 66,745,212	\$ 73,331,351	\$ 140,076,563
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
Appropriation of 2023 earnings (Note 25)											
Legal reserve	-	-	1,314,066	-	(1,314,066)	-	-	-	-	-	-
Special reserve	-	-	-	57,646,766	(57,646,766)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,830,823)	-	-	-	(3,830,823)	-	(3,830,823)
	-	-	1,314,066	57,646,766	(62,791,655)	-	-	-	(3,830,823)	-	(3,830,823)
Net profit for the six months ended June 30, 2023	-	-	-	-	4,498,054	-	-	-	4,498,054	1,872,060	6,370,114
Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	592,226	4,602,866	5,302,037	10,497,129	(379,227)	10,117,902
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	4,498,054	592,226	4,602,866	5,302,037	14,995,183	1,492,833	16,488,016
Disposal of investments accounted for using the equity method	-	(316)	-	-	3	-	(3)	-	(316)	-	(316)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates (Note 25)	-	-	-	-	63	-	(63)	-	-	-	-
Unclaimed dividends by shareholders	-	1,122	-	-	-	-	-	-	1,122	-	1,122
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(2,142,471)	(2,142,471)
Changes in equity for the six months ended June 30, 2023	-	806	1,314,066	57,646,766	(58,293,535)	592,226	4,602,800	5,302,037	11,165,166	(649,638)	10,515,528
BALANCE AT JUNE 30, 2023	\$ 29,467,872	\$ 4,421,195	\$ 19,300,806	\$ 57,646,766	\$ 18,167,079	\$ 318,332	\$ 1,081,957	\$ (12,226,820)	\$ 118,177,187	\$ 74,465,819	\$ 192,643,006

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

(With Deloitte & Touche review report dated August 14, 2023)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 7,980,620	\$ 14,175,442
Adjustments for:		
Depreciation expense	6,852,096	7,642,097
Amortization expense	63,950	58,352
Expected credit loss recognized on accounts receivable and other receivables	52,466	25,873
Net gain on fair value changes of financial instruments at fair value through profit or loss	(962,296)	(357,906)
Finance costs	1,649,045	989,126
Net loss on derecognition of financial assets at amortized cost	74,409	13,610
Interest income	(744,985)	(345,556)
Compensation cost of employee share options	84,239	96,706
Share of profit of associates and joint ventures	(3,694,078)	(7,478,210)
Net (gain) loss on disposal of property, plant and equipment	(96,385)	29,669
Net gain on disposal of investment properties	(7,857)	-
Net loss on disposal of other assets	-	6,185
Net gain on disposal of associates and joint ventures	(23,096)	(107,010)
Impairment loss of assets	-	28,492
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,294,792	(1,643,723)
Notes receivable	(4)	16
Accounts receivable	(1,061,769)	(8,411,551)
Other receivables	(2,215,751)	(1,743,566)
Inventories	10,989,534	2,427,744
Other current assets	403,286	(2,534,567)
Other operating assets	(26,249)	(15,379)
Notes payable	948	(317)
Accounts payable	(668,095)	(2,790,062)
Other payables	(4,071,135)	(2,149,110)
Other current liabilities	(125,295)	(143,025)
Net defined benefit liabilities	263,898	247,162
Other operating liabilities	(11,369)	5,193
Cash generated from (used in) operations	17,000,919	(1,974,315)
Interest paid	(1,632,146)	(985,297)
Income tax paid	(2,664,651)	(1,110,655)
Net cash generated from (used in) operating activities	<u>12,704,122</u>	<u>(4,070,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	4,609	-

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2023	2022
Purchases of financial assets at amortized cost	\$ (5,064,297)	\$ (4,341,081)
Proceeds from sale of financial assets at amortized cost	859,065	11,712,921
Proceeds from disposal of associates and joint ventures	71,040	415,842
Proceeds from return of capital of associates	-	34,959
Acquisition of property, plant and equipment	(2,494,931)	(3,477,607)
Proceeds from disposal of property, plant and equipment	2,527,548	135,394
Decrease in refundable deposits	86,387	50,699
Decrease in other receivables	-	169,481
Payments for intangible assets	(174,996)	(92,338)
Payments for right-of-use assets	(82,143)	(9,242)
Payments for investment properties	(1,692)	-
Proceeds from disposal of investment properties	12,857	-
Increase in prepayment for equipment and long-term prepayment	(336,102)	(261,447)
Interest received	714,983	405,873
Dividends received	290,344	176,730
Proceeds from right-of-use assets	-	27,367
Net cash (used in) generated from investing activities	<u>(3,587,328)</u>	<u>4,947,551</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,990,085	9,239,376
Proceeds from short-term bills payable	540,500	-
Repayments of short-term bills payable	-	(1,096,500)
Proceeds from long-term borrowings	-	463,568
Repayments of long-term borrowings	(10,948,755)	-
Increase in guarantee deposits	-	816
Decrease in guarantee deposits	(1,432)	-
Repayment of principal portion of lease liabilities	(1,962,349)	(2,508,311)
Changes in non-controlling interests	(2,222,071)	(774,733)
Unclaimed dividends by shareholders	<u>1,122</u>	<u>1,232</u>
Net cash (used in) generated from financing activities	<u>(12,602,900)</u>	<u>5,325,448</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(457,749)</u>	<u>2,145,986</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,943,855)	8,348,718
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>39,317,629</u>	<u>28,450,346</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 35,373,774</u>	<u>\$ 36,799,064</u>

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

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

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets at June 30, 2023 and 2022:

	June 30	
	2023	2022
Cash and cash equivalents in consolidated balance sheets	\$ 35,373,774	\$ 36,766,848
Cash and cash equivalents included in a disposal group held for sale	<u>-</u>	<u>32,216</u>
Cash and cash equivalents in consolidated statements of cash flow	<u>\$ 35,373,774</u>	<u>\$ 36,799,064</u>

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

(With Deloitte & Touche review report dated August 14, 2023)

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 dollar, 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 August 14, 2023.

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

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

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

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

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

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

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

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

Refer to Note 4 for related accounting policy information.

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

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

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

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

Had the Group applied the original IAS 12 in June 30, 2023, the following adjustments should be made to reflect the line items and balances under the amendments to IAS 12.

Impact on assets, liabilities and equity for the current year

	June 30, 2023
Increase in deferred tax assets	\$ <u>2,030,110</u>
Increase in assets	\$ <u>2,030,110</u>
Increase in deferred tax liabilities	\$ <u>2,030,110</u>
Increase in liabilities	\$ <u>2,030,110</u>

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

Impact on assets, liabilities and equity for the prior year

	As Originally Stated	Adjustments Arising from Initial Application	Restated
<u>December 31, 2022</u>			
Deferred tax assets	\$ <u>3,828,203</u>	\$ <u>2,360,401</u>	\$ <u>6,188,604</u>
Total effect on assets	\$ <u>3,828,203</u>	\$ <u>2,360,401</u>	\$ <u>6,188,604</u>
Deferred tax liabilities	\$ <u>957,396</u>	\$ <u>2,360,401</u>	\$ <u>3,317,797</u>
Total effect on liabilities	\$ <u>957,396</u>	\$ <u>2,360,401</u>	\$ <u>3,317,797</u>
<u>June 30, 2022</u>			
Deferred tax assets	\$ <u>3,931,929</u>	\$ <u>2,659,405</u>	\$ <u>6,591,334</u>
Total effect on assets	\$ <u>3,931,929</u>	\$ <u>2,659,405</u>	\$ <u>6,591,334</u>
Deferred tax liabilities	\$ <u>948,750</u>	\$ <u>2,659,405</u>	\$ <u>3,608,155</u>
Total effect on liabilities	\$ <u>948,750</u>	\$ <u>2,659,405</u>	\$ <u>3,608,155</u>
<u>January 1, 2022</u>			
Deferred tax assets	\$ <u>3,560,596</u>	\$ <u>2,972,721</u>	\$ <u>6,533,317</u>
Total effect on assets	\$ <u>3,560,596</u>	\$ <u>2,972,721</u>	\$ <u>6,533,317</u>
Deferred tax liabilities	\$ <u>906,387</u>	\$ <u>2,972,721</u>	\$ <u>3,879,108</u>
Total effect on liabilities	\$ <u>906,387</u>	\$ <u>2,972,721</u>	\$ <u>3,879,108</u>

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

<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
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

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

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

Note 3: The requirement that the Group applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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

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

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

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

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

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

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

- 3) Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group’s exposure to Pillar Two income taxes.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

Refer to Note 14 to the consolidated financial statements, Table 10 “Information on Investees” and Table 11 “Information on investments in mainland China” of Note 38 to the consolidated financial statements for detailed information on subsidiaries, including the percentages of ownership and main businesses.

d. Other material accounting policies

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

1) Retirement benefits

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

2) Other long-term employee benefits

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

3) Income tax expense

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

4) Deferred tax

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 15,032	\$ 20,301	\$ 21,907
Checking accounts and demand deposits	17,279,792	15,422,738	15,013,068
Cash equivalents (investments with original maturities of less than three months or less)			
Time deposits	16,319,914	23,869,790	21,720,876
Repurchase agreements collateralized by bonds	<u>1,759,036</u>	<u>4,800</u>	<u>10,997</u>
	<u>\$ 35,373,774</u>	<u>\$ 39,317,629</u>	<u>\$ 36,766,848</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets at FVTPL</u>			
Financial assets mandatorily as at FVTPL			
Hybrid financial assets			
Structured deposits (a)	\$ -	\$ 2,254,267	\$ 4,582,314
Derivative financial assets (not under hedge accounting)			
Interest rate swap contracts (b)	44,899	214,874	188,724
Forward exchange contracts (c)	62,407	17,718	-
			(Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
Exchange rate option contracts (d)	\$ 5,276	\$ -	\$ -
Exchange rate swap contracts (e)	628,970	127,907	241,642
Non-derivative financial assets			
Mutual funds	<u>1,578,796</u>	<u>930,082</u>	<u>927,617</u>
	<u>\$ 2,320,348</u>	<u>\$ 3,544,848</u>	<u>\$ 5,940,297</u>
Current	\$ 1,368,864	\$ 2,783,815	\$ 5,220,328
Non-current	<u>951,484</u>	<u>761,033</u>	<u>719,969</u>
	<u>\$ 2,320,348</u>	<u>\$ 3,544,848</u>	<u>\$ 5,940,297</u>
<u>Financial liabilities at FVTPL</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Interest rate swap contracts (b)	\$ -	\$ -	\$ 444
Forward exchange contracts (c)	-	57,479	75,326
Exchange rate option contracts (d)	149,559	60,252	18,535
Exchange rate swap contracts (e)	<u>113,711</u>	<u>37,543</u>	<u>65,358</u>
	<u>\$ 263,270</u>	<u>\$ 155,274</u>	<u>\$ 159,663</u>
Current	<u>\$ 263,270</u>	<u>\$ 155,274</u>	<u>\$ 159,663</u> (Concluded)

a. Structured deposits

Yue Yuen entered into a 5-year, USD structured time deposit contract with a bank in October 2017. The structured time deposit contract includes an embedded derivative instrument that is not closely related to the host contract. The entire contract is assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9. The above USD structured time deposit contract was redeemed on maturity in September 2022. As of June 30, 2022, the Group classified as “financial assets at FVTPL - current”.

Wealthplus entered into a 12-month, USD structured time deposit contract with a bank in January 2022. The structured time deposit contract includes an embedded derivative instrument that is not closely related to the host contract. The entire contract is assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9. The above USD structured time deposit contract was redeemed on maturity in January 2023. As of December 31, 2022 and June 30, 2022, the Group classified as “financial assets at FVTPL - current”.

Yue Yuen entered into several 12-month, dual currency structured time deposit contract with a bank in 2022 and 2021. The structured time deposit contract includes a time deposit contract and foreign currency options. When the maturity date comes, Yue Yuen decides the redeemed currency according to the FX rate. The above dual-currency structured time deposits were redeemed on maturity. As of December 31, 2022 and June 30, 2022, the Group classified as “financial assets at FVTPL - current”.

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

June 30, 2023

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 100,000	2023.07	3.335	5.91523
US\$ 150,000	2023.07	3.340	5.97271

December 31, 2022

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

June 30, 2022

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 100,000	2023.07	3.335	2.14371
US\$ 150,000	2023.07	3.340	1.93886
US\$ 100,000	2022.08	2.600	2.59671
US\$ 50,000	2022.08	1.930	1.84671
US\$ 50,000	2022.08	1.930	1.84671
US\$ 50,000	2023.03	0.720	2.15443
US\$ 50,000	2023.03	0.710	2.15443
US\$ 50,000	2023.03	0.648	2.15443
US\$ 50,000	2023.03	0.548	2.15443
US\$ 50,000	2023.03	0.515	2.15443
US\$ 50,000	2023.03	0.485	2.15443

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

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

June 30, 2023

Notional Amount (In Thousands)	Forward Exchange Rates
US\$ 24,440	Sell US\$/Buy IDR at 15,720 to 15,800
NT\$ 1,398,012	Sell NT\$/Buy US\$ at 30.599 to 30.643

December 31, 2022

**Notional Amount
(In Thousands)**

US\$ 95,320
RMB 126,210

Forward Exchange Rates

Sell US\$/Buy IDR at 14,540 to 15,800
Sell RMB/Buy US\$ at 6.928 to 6.995

June 30, 2022

**Notional Amount
(In Thousands)**

US\$ 93,875

Forward Exchange Rates

Sell US\$/Buy IDR at 14,540 to 14,680

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

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

June 30, 2023

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 36,000	Put	Sell	2023.07-2024.03	US\$:RMB 6.7500
US\$ 18,000	Put	Sell	2023.07-2024.03	US\$:RMB 6.7500
US\$ 26,000	Put	Sell	2023.07-2024.07	US\$:RMB 7.0200
US\$ 26,000	Put	Sell	2023.07-2024.07	US\$:RMB 7.0150
US\$ 26,000	Put	Sell	2023.07-2024.07	US\$:RMB 7.0000
US\$ 40,000	Put	Sell	2023.07-2025.02	US\$:RMB 7.0030
US\$ 40,000	Put	Sell	2023.07-2025.02	US\$:RMB 7.0030
US\$ 40,000	Put	Sell	2023.07-2025.02	US\$:RMB 7.0000
US\$ 380,000	Put	Sell	2023.07-2023.08	US\$:NT\$ 31.2000
US\$ 45,000	Call	Sell	2023.11-2024.11	US\$:HK\$ 7.7440
US\$ 32,000	Call	Sell	2023.10-2025.04	US\$:HK\$ 7.7210
US\$ 32,000	Call	Sell	2023.10-2025.04	US\$:HK\$ 7.7210
US\$ 17,598	Put	Sell	2023.09-2024.02	US\$:IDR 15,450
US\$ 17,598	Put	Sell	2023.09-2024.02	US\$:IDR 15,100
US\$ 9,000	Call	Sell	2023.07-2023.09	US\$:RMB 6.7500
RMB 1,078,000	Call	Sell	2023.10-2024.03	US\$:RMB 6.5000
US\$ 50,000	Put	Sell	2023.07	US\$:NT\$ 31.2000
US\$ 39,000	Put	Sell	2023.07-2024.07	US\$:RMB 7.0000

December 31, 2022

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

June 30, 2022

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 76,000	Put	Sell	2022.09-2024.03	US\$:RMB 6.7500
US\$ 38,000	Put	Sell	2022.09-2024.03	US\$:RMB 6.7500

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

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

June 30, 2023

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 4,000	2023.08	US\$:NT\$ 29.2680
US\$ 10,200	2023.08	US\$:NT\$ 29.3800
US\$ 1,330	2023.08	US\$:NT\$ 29.3800
US\$ 10,200	2023.08	US\$:NT\$ 29.3800
US\$ 10,000	2023.09	US\$:NT\$ 30.2100
US\$ 2,000	2023.09	US\$:NT\$ 30.2100
US\$ 5,300	2023.11	US\$:NT\$ 30.9580
US\$ 80,300	2023.12	US\$:NT\$ 29.5100
US\$ 16,700	2023.12	US\$:NT\$ 29.5520
US\$ 43,000	2024.01	US\$:NT\$ 28.6400
US\$ 43,000	2024.02	US\$:NT\$ 29.1300
US\$ 3,000	2023.08	US\$:NT\$ 29.7220
US\$ 1,700	2023.08	US\$:NT\$ 29.8670
US\$ 2,000	2023.08	US\$:NT\$ 29.8670
US\$ 3,000	2023.09	US\$:NT\$ 29.7810
US\$ 8,500	2023.12	US\$:NT\$ 29.6490
US\$ 4,200	2023.09	US\$:NT\$ 29.8920
US\$ 1,000	2023.09	US\$:NT\$ 29.8920
US\$ 28,000	2023.09	US\$:NT\$ 29.7550
US\$ 121,000	2023.09	US\$:NT\$ 29.7690

(Continued)

Notional Amount (In Thousands)		Maturity Date	Exchange Rate	
US\$	15,000	2023.09	US\$:NT\$	29.7670
US\$	17,500	2023.09	US\$:NT\$	29.7690
US\$	20,400	2023.09	US\$:NT\$	29.7690
US\$	55,000	2023.09	US\$:NT\$	29.7690
US\$	6,600	2023.09	US\$:NT\$	29.7690
US\$	3,000	2023.09	US\$:NT\$	29.7690
US\$	2,500	2023.09	US\$:NT\$	29.7000
US\$	700	2023.10	US\$:NT\$	29.8440
US\$	59,000	2023.07	US\$:NT\$	30.9670
US\$	36,000	2023.07	US\$:NT\$	30.9550
US\$	21,000	2023.07	US\$:NT\$	30.9630
US\$	20,000	2023.07	US\$:NT\$	30.9907
US\$	8,200	2023.07	US\$:NT\$	30.9778
US\$	16,900	2023.07	US\$:NT\$	30.9420
US\$	20,000	2023.07	US\$:NT\$	30.9810
US\$	12,600	2023.07	US\$:NT\$	30.9778
US\$	20,000	2023.07	US\$:NT\$	30.9842
US\$	11,900	2023.07	US\$:NT\$	30.9550
RMB	26,700	2023.09	RMB:NT\$	4.3280
RMB	280,000	2023.10	RMB:NT\$	4.3636
RMB	280,000	2023.10	RMB:NT\$	4.3653
RMB	280,000	2023.09	RMB:NT\$	4.3719
RMB	100,000	2023.12	RMB:NT\$	4.3173
RMB	42,860	2024.03	RMB:NT\$	4.3282
RMB	900	2024.03	RMB:NT\$	4.3282
RMB	138,000	2024.03	RMB:NT\$	4.3583
US\$	6,000	2023.08	US\$:NT\$	29.3530

(Concluded)

December 31, 2022

Notional Amount (In Thousands)		Maturity Date	Exchange Rate	
US\$	30,000	2023.03	US\$:NT\$	28.1070
US\$	4,000	2023.08	US\$:NT\$	29.2680
US\$	10,200	2023.08	US\$:NT\$	29.3800
US\$	1,330	2023.08	US\$:NT\$	29.3800
US\$	10,200	2023.08	US\$:NT\$	29.3800
US\$	10,000	2023.09	US\$:NT\$	30.2100
US\$	2,000	2023.09	US\$:NT\$	30.2100
US\$	700	2023.04	US\$:NT\$	31.1800
US\$	5,300	2023.11	US\$:NT\$	30.9580
US\$	3,000	2023.02	US\$:NT\$	30.7930
US\$	2,000	2023.02	US\$:NT\$	30.7070
US\$	8,500	2023.03	US\$:NT\$	30.3430
US\$	80,300	2023.12	US\$:NT\$	29.5100
US\$	4,200	2023.03	US\$:NT\$	30.4330
US\$	55,000	2023.02	US\$:NT\$	30.5470

(Continued)

Notional Amount (In Thousands)		Maturity Date	Exchange Rate	
US\$	121,000	2023.03	US\$:NT\$	30.3920
US\$	15,000	2023.03	US\$:NT\$	30.3920
US\$	20,400	2023.03	US\$:NT\$	30.3920
US\$	17,500	2023.03	US\$:NT\$	30.3920
US\$	55,000	2023.03	US\$:NT\$	30.3920
US\$	6,600	2023.03	US\$:NT\$	30.3920
US\$	3,000	2023.03	US\$:NT\$	30.3920
US\$	16,700	2023.12	US\$:NT\$	29.5520
US\$	59,000	2023.06	US\$:NT\$	30.0850
US\$	36,000	2023.06	US\$:NT\$	30.0850
US\$	21,000	2023.06	US\$:NT\$	30.0850
US\$	72,600	2023.06	US\$:NT\$	30.0850
US\$	7,000	2023.06	US\$:NT\$	30.0850
US\$	31,900	2023.06	US\$:NT\$	30.0850
US\$	16,900	2023.06	US\$:NT\$	30.0850
US\$	28,200	2023.06	US\$:NT\$	30.0850
US\$	7,500	2023.06	US\$:NT\$	30.0850
US\$	5,000	2023.06	US\$:NT\$	30.0850
RMB	42,860	2023.03	RMB:NT\$	4.3433
RMB	900	2023.03	RMB:NT\$	4.3433
RMB	26,700	2023.09	RMB:NT\$	4.3280
RMB	280,000	2023.10	RMB:NT\$	4.3636
RMB	280,000	2023.10	RMB:NT\$	4.3653
RMB	280,000	2023.09	RMB:NT\$	4.3719
RMB	100,000	2023.12	RMB:NT\$	4.3173
RMB	21,036	2023.03	US\$:RMB	6.4606
RMB	21,040	2023.04	US\$:RMB	6.4524
US\$	6,000	2023.08	US\$:NT\$	29.3530

(Concluded)

June 30, 2022

Notional Amount (In Thousands)		Maturity Date	Exchange Rate	
US\$	55,000	2022.12	US\$:NT\$	27.6630
US\$	15,000	2022.09	US\$:NT\$	28.0240
US\$	2,000	2022.09	US\$:NT\$	28.2270
US\$	30,000	2023.03	US\$:NT\$	28.1070
US\$	10,200	2022.08	US\$:NT\$	29.3960
US\$	121,000	2022.12	US\$:NT\$	29.3050
US\$	16,600	2022.12	US\$:NT\$	29.3050
US\$	55,000	2022.12	US\$:NT\$	29.3050
US\$	20,400	2022.12	US\$:NT\$	29.3050
US\$	3,000	2022.12	US\$:NT\$	29.3050
US\$	17,500	2022.12	US\$:NT\$	29.3050
US\$	15,000	2022.12	US\$:NT\$	29.3050
US\$	43,000	2022.12	US\$:NT\$	29.3100
US\$	36,000	2022.12	US\$:NT\$	29.3105

(Continued)

Notional Amount (In Thousands)		Maturity Date	Exchange Rate	
US\$	7,500	2022.12	US\$:NT\$	29.3100
US\$	7,000	2022.12	US\$:NT\$	29.3100
US\$	5,000	2022.12	US\$:NT\$	29.3100
US\$	31,900	2022.12	US\$:NT\$	29.3100
US\$	21,000	2022.12	US\$:NT\$	29.3090
US\$	72,600	2022.12	US\$:NT\$	29.3100
US\$	16,900	2022.12	US\$:NT\$	29.3100
US\$	16,000	2022.12	US\$:NT\$	29.3100
RMB	42,860	2023.03	RMB:NT\$	4.3433
RMB	900	2023.03	RMB:NT\$	4.3433
RMB	14,000	2022.08	US\$:RMB	6.4005
RMB	200,000	2022.09	US\$:RMB	6.4385
RMB	100,000	2022.09	US\$:RMB	6.4377
RMB	21,036	2023.03	US\$:RMB	6.4606
RMB	21,040	2023.04	US\$:RMB	6.4524
RMB	100,080	2022.07	US\$:RMB	6.6838
RMB	113,943	2022.09	US\$:RMB	6.7691
RMB	112,200	2022.09	US\$:RMB	6.7692
RMB	4,390	2022.09	US\$:RMB	6.7692
RMB	229,320	2022.09	US\$:RMB	6.7251
RMB	150,980	2022.09	US\$:RMB	6.7280
RMB	34,930	2022.09	US\$:RMB	6.6978
US\$	6,000	2022.07	US\$:NT\$	29.2200

(Concluded)

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2023	December 31, 2022	June 30, 2022
Domestic investments			
Listed shares	\$ 22,504,661	\$ 18,042,399	\$ 20,520,270
Unlisted shares	74,149	66,792	66,631
Foreign investments			
Unlisted shares	<u>136,462</u>	<u>232,838</u>	<u>115,684</u>
	<u>\$ 22,715,272</u>	<u>\$ 18,342,029</u>	<u>\$ 20,702,585</u>
Current	\$ 21,986,536	\$ 17,501,573	\$ 19,865,261
Non-current	<u>728,736</u>	<u>840,456</u>	<u>837,324</u>
	<u>\$ 22,715,272</u>	<u>\$ 18,342,029</u>	<u>\$ 20,702,585</u>

These investments in equity instruments are not held for trading. Instead, they 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

	June 30, 2023	December 31, 2022	June 30, 2022
Domestic investments			
Time deposits with original maturities of more than three months	\$ 4,949,316	\$ 2,162,814	\$ 3,168,407
Restricted deposits of repatriated offshore funds	2,053	18,419	97,121
Foreign investments			
Bonds	2,817,953	2,819,889	1,606,954
Time deposits with original maturities of more than three months	1,310,994	-	-
Structured products	<u>-</u>	<u>-</u>	<u>116,809</u>
	<u>\$ 9,080,316</u>	<u>\$ 5,001,122</u>	<u>\$ 4,989,291</u>
Current	\$ 6,209,767	\$ 1,901,597	\$ 3,234,489
Non-current	<u>2,870,549</u>	<u>3,099,525</u>	<u>1,754,802</u>
	<u>\$ 9,080,316</u>	<u>\$ 5,001,122</u>	<u>\$ 4,989,291</u>

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

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Notes receivable</u>			
Notes receivable - operating	\$ <u>43</u>	\$ <u>39</u>	\$ <u>38</u>
	<u>\$ 43</u>	<u>\$ 39</u>	<u>\$ 38</u>
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 30,495,051	\$ 29,435,832	\$ 35,147,054
Less: Allowance for impairment loss	<u>(750,474)</u>	<u>(724,541)</u>	<u>(210,299)</u>
	<u>\$ 29,744,577</u>	<u>\$ 28,711,291</u>	<u>\$ 34,936,755</u>
<u>Other receivables</u>			
Tax refund receivables	\$ 3,758,556	\$ 2,985,457	\$ 2,686,482
Others	3,321,385	1,477,613	2,576,405
Less: Allowance for impairment loss	<u>(24,320)</u>	<u>(859)</u>	<u>(859)</u>
	<u>\$ 7,055,621</u>	<u>\$ 4,462,211</u>	<u>\$ 5,262,028</u>

a. Notes receivable

The notes receivable balances at June 30, 2023, December 31, 2022 and June 30, 2022 were not past due.

b. Accounts receivable

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

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade 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

June 30, 2023

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 18,639,728	\$ 10,898,702	\$ 956,621	\$ 30,495,051
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(561)</u>	<u>(749,913)</u>	<u>(750,474)</u>
Amortized cost	<u>\$ 18,639,728</u>	<u>\$ 10,898,141</u>	<u>\$ 206,708</u>	<u>\$ 29,744,577</u>

December 31, 2022

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

June 30, 2022

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 27,684,358	\$ 6,659,661	\$ 803,035	\$ 35,147,054
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(4,488)</u>	<u>(205,811)</u>	<u>(210,299)</u>
Amortized cost	<u>\$ 27,684,358</u>	<u>\$ 6,655,173</u>	<u>\$ 597,224</u>	<u>\$ 34,936,755</u>

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

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ 724,541	\$ 202,341
Add: Impairment losses recognized on receivable	28,483	2,384
Less: Net remeasurement of loss allowance	(5,450)	(3,388)
Foreign exchange gains and losses	<u>2,900</u>	<u>8,962</u>
Balance at June 30	<u>\$ 750,474</u>	<u>\$ 210,299</u>

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

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ 859	\$ 859
Add: Impairment losses recognized on receivable	23,983	23,489
Less: Net remeasurement of loss allowance	(859)	(23,489)
Foreign exchange gains and losses	<u>337</u>	<u>-</u>
Balance at June 30	<u>\$ 24,320</u>	<u>\$ 859</u>

11. INVENTORIES

	June 30, 2023	December 31, 2022	June 30, 2022
Inventories - manufacturing and retail	\$ 39,059,832	\$ 50,014,348	\$ 54,627,442
Inventories - construction	<u>3,694,401</u>	<u>3,703,765</u>	<u>3,702,185</u>
	<u>\$ 42,754,233</u>	<u>\$ 53,718,113</u>	<u>\$ 58,329,627</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Raw materials	\$ 7,313,543	\$ 9,267,060	\$ 11,158,562
Work in progress	4,947,428	5,073,217	6,866,563
Finished goods and merchandise	<u>26,798,861</u>	<u>35,674,071</u>	<u>36,602,317</u>
	<u>\$ 39,059,832</u>	<u>\$ 50,014,348</u>	<u>\$ 54,627,442</u>

For the three months ended June 30, 2023 and 2022, the cost of manufacturing and retail inventories recognized as cost of goods sold was \$48,090,869 thousand and \$52,574,103 thousand, respectively, and for the six months ended June 30, 2023 and 2022, the cost of manufacturing and retail inventories recognized as cost of goods sold was \$96,987,501 thousand and \$103,652,850 thousand, respectively.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Land and buildings held for development	\$ 3,537,997	\$ 3,537,396	\$ 3,536,684
Land and buildings held for sale	45,512	55,477	54,609
Land held for construction sites	<u>110,892</u>	<u>110,892</u>	<u>110,892</u>
	<u>\$ 3,694,401</u>	<u>\$ 3,703,765</u>	<u>\$ 3,702,185</u>

The cost of construction inventories recognized as cost of goods sold for the three months ended June 30, 2023 and for the six months ended June 30, 2023 was \$6,477 thousand and \$37,900 thousand, respectively.

12. NON-CURRENT ASSETS HELD FOR SALE

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Disposal groups classified as held for sale</u>			
Cash and cash equivalents	\$ -	\$ -	\$ 32,216
Accounts receivable and other receivables	-	-	52,783
Inventories	-	-	28,353
Other assets	<u>-</u>	<u>-</u>	<u>10,610</u>
Total disposal groups classified as held for sale	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,962</u>
Liabilities associated directly with non-current assets held for sale			
Accounts payable and other payables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,360</u>

The Group resolved to dispose of its subsidiaries in the first half of 2022 and reclassified the remaining assets as “non-current assets held for sale”. The carrying amount of the assets and liabilities were \$123,962 thousand (RMB27,918 thousand) and \$57,360 thousand (RMB12,918 thousand) as of June 30, 2022, respectively.

13. OTHER ASSETS

	June 30, 2023	December 31, 2022	June 30, 2022
Prepayments	\$ 9,138,786	\$ 9,380,804	\$ 11,813,162
Refundable deposits	560,430	646,817	692,966
Defined benefit assets	43,754	43,754	43,754
Prepayments for equipment and long-term prepayment	731,229	824,102	3,638,407
Others	<u>1,547,683</u>	<u>1,661,014</u>	<u>1,808,864</u>
	<u>\$ 12,021,882</u>	<u>\$ 12,556,491</u>	<u>\$ 17,997,153</u>

(Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
Current	\$ 10,619,367	\$ 11,000,965	\$ 13,564,471
Non-current	<u>1,402,515</u>	<u>1,555,526</u>	<u>4,432,682</u>
	<u>\$ 12,021,882</u>	<u>\$ 12,556,491</u>	<u>\$ 17,997,153</u> (Concluded)

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			June 30, 2023	December 31, 2022	June 30, 2022
Wealthplus Holdings Limited (“Wealthplus”)	British Virgin Islands	Investing in footwear, electronics and peripheral products	100.00	100.00	100.00
Win Fortune Investments Limited	British Virgin Islands	Investing activities	100.00	100.00	100.00
Windsor Entertainment Co., Ltd.	ROC	Entertainment and resort operations	100.00	100.00	100.00
Pou Shine Investments Co., Ltd.	ROC	Investing activities	100.00	100.00	100.00
Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	100.00	100.00	100.00
Pro Arch International Development Enterprise Inc.	ROC	Design and manufacture of footwear products	100.00	100.00	100.00
Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	99.81	99.81	99.81
Barits Development Corporation	ROC	Import and export of shoe related materials and investing activities	99.62	99.62	99.62

The information of Wealthplus’ major subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			June 30, 2023	December 31, 2022	June 30, 2022
Yue Yuen Industrial (Holdings) Limited	Bermuda	Manufacture and sale of athletic and casual footwear and sports apparel	50.04	50.04	50.04
Pou Sheng International (Holdings) Limited	Bermuda	Retail of sporting goods and brand licensing business	31.30	31.30	31.30
Tetor Ventures Ltd.	British Virgin Islands	Investment holding	100.00	100.00	100.00
Allied Charm Holdings Limited	British Virgin Islands	Investment holding	100.00	100.00	100.00

Win Fortune Investments Limited (“Win Fortune”) invested in Yue Yuen (as at June 30, 2023, December 31, 2022 and June 30, 2022, the ownership percentage was 1.07%). Investing 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 (%)		
			June 30, 2023	December 31, 2022	June 30, 2022
Pearl Dove International Limited	British Virgin Islands	Investment holdings	100.00	100.00	100.00

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

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			June 30, 2023	December 31, 2022	June 30, 2022
Song Ming Investments Co., Ltd.	ROC	Investing activities	100.00	100.00	100.00
Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	100.00	100.00	100.00
Yue Hong Realty Development Co., Ltd.	ROC	Development of real estate	100.00	100.00	100.00
Wang Yi Construction Co., Ltd.	ROC	Construction	89.75	89.75	89.75
Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	75.00	75.00	75.00

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%)		
	June 30, 2023	December 31, 2022	June 30, 2022
Yue Yuen Industrial (Holdings) Limited	48.89	48.89	48.89
Pou Sheng International (Holdings) Limited	37.45	37.45	37.45

Refer to Table 10 “Information on Investees” of Note 38 to the consolidated financial statements for business location and business item of the material associates.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended June 30		For the Six Months Ended June 30		June 30, 2023	December 31, 2022	June 30, 2022
	2023	2022	2023	2022			
Yue Yuen Industrial (Holdings) Limited	\$ 484,655	\$ 1,222,014	\$ 1,220,789	\$ 2,418,824	\$ 60,089,485	\$ 61,002,763	\$ 58,877,861
Pou Sheng International (Holdings) Limited	134,826	(149,337)	498,593	17,199	14,248,948	14,166,369	14,205,595

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:

	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 116,808,987	\$ 127,247,648	\$ 135,962,095
Non-current assets	108,964,573	111,986,475	113,340,027
Current liabilities	(50,631,588)	(61,422,845)	(70,403,507)
Non-current liabilities	<u>(37,828,156)</u>	<u>(38,859,113)</u>	<u>(43,969,313)</u>
Equity	<u>\$ 137,313,816</u>	<u>\$ 138,952,165</u>	<u>\$ 134,929,302</u>
Equity attributable to:			
Owners of the Company	\$ 63,192,180	\$ 64,140,313	\$ 61,907,010
Non-controlling interests of Yue Yuen	60,089,485	61,002,763	58,877,861
Non-controlling interests of Yue Yuen’s subsidiaries	<u>14,032,151</u>	<u>13,809,089</u>	<u>14,144,431</u>
	<u>\$ 137,313,816</u>	<u>\$ 138,952,165</u>	<u>\$ 134,929,302</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 62,869,163</u>	<u>\$ 68,200,784</u>	<u>\$ 126,924,984</u>	<u>\$ 135,228,750</u>
Net income	\$ 1,165,139	\$ 2,305,744	\$ 3,133,526	\$ 4,980,745
Other comprehensive loss	<u>(2,584,318)</u>	<u>(2,469,360)</u>	<u>(2,326,416)</u>	<u>(2,468,884)</u>
Total comprehensive (loss) income	<u>\$ (1,419,179)</u>	<u>\$ (163,616)</u>	<u>\$ 807,110</u>	<u>\$ 2,511,861</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Net income (loss)				
attributable to:				
Owners of the Company	\$ 487,656	\$ 1,295,187	\$ 1,264,410	\$ 2,536,073
Non-controlling interests of Yue Yuen	484,655	1,222,014	1,220,789	2,418,824
Non-controlling interests of Yue Yuen's subsidiaries	<u>192,828</u>	<u>(211,457)</u>	<u>648,327</u>	<u>25,848</u>
	<u>\$ 1,165,139</u>	<u>\$ 2,305,744</u>	<u>\$ 3,133,526</u>	<u>\$ 4,980,745</u>
Total comprehensive (loss) income attributable to:				
Owners of the Company	\$ (421,427)	\$ 418,190	\$ 426,770	\$ 1,642,118
Non-controlling interests of Yue Yuen	(384,604)	383,434	419,843	1,564,029
Non-controlling interests of Yue Yuen's subsidiaries	<u>(613,148)</u>	<u>(965,240)</u>	<u>(39,503)</u>	<u>(694,286)</u>
	<u>\$ (1,419,179)</u>	<u>\$ (163,616)</u>	<u>\$ 807,110</u>	<u>\$ 2,511,861</u> (Concluded)

	For the Six Months Ended June 30	
	2023	2022
Net cash inflow (outflow) from:		
Operating activities	\$ 12,982,989	\$ 233,632
Investing activities	(574,879)	(1,914,070)
Financing activities	<u>(13,605,457)</u>	<u>1,684,744</u>
Net cash (outflow) inflow	<u>\$ (1,197,347)</u>	<u>\$ 4,306</u>
Dividends paid to:		
Non-controlling interests of Yue Yuen	<u>\$ 2,169,741</u>	<u>\$ 587,305</u>
Non-controlling interests of Yue Yuen's subsidiaries	<u>\$ -</u>	<u>\$ 120,412</u>

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2023	December 31, 2022	June 30, 2022
Investments in associates	\$ 59,879,560	\$ 51,237,635	\$ 15,969,162
Investments in joint ventures	<u>5,480,248</u>	<u>5,635,466</u>	<u>5,458,993</u>
	<u>\$ 65,359,808</u>	<u>\$ 56,873,101</u>	<u>\$ 21,428,155</u>

a. Investments in associates

	June 30, 2023	December 31, 2022	June 30, 2022
Material associate			
Ruen Chen Investment Holding Co., Ltd.	\$ 44,323,737	\$ 35,917,433	\$ 1,058,474
Associates that are not individually material	<u>15,555,823</u>	<u>15,320,202</u>	<u>14,910,688</u>
	<u>\$ 59,879,560</u>	<u>\$ 51,237,635</u>	<u>\$ 15,969,162</u>

1) Material associate

Name of Associate	Proportion of Ownership and Voting Rights		
	June 30, 2023	December 31, 2022	June 30, 2022
Ruen Chen Investment Holding Co., Ltd.	20%	20%	20%

- a) Due to the inflation and rising interest rates, many countries around the globe have suffered from great economic output fluctuations. In the first half of 2022, there was an increase in the other comprehensive loss of Ruen Chen Investment Holding Co., Ltd. As its subsidiary, Nan Shan Life Insurance Company Ltd. recognized the loss on valuation of bonds and shares. Therefore, there was a decrease of \$81,825,953 thousand in the Group's other equity, since the Group recognized the other comprehensive loss of the share of profit of associates of Ruen Chen Investment Holding Co., Ltd.
- b) As of December 6, 2022, the Company purchasing 8,000 thousand issued ordinary shares with \$10 per share with the amount of \$80,000 thousand.
- c) Refer to Table 10 "Information on Investees" of Note 38 to the consolidated financial statements for business location and business item of the material associates.
- d) The summarized financial information below represents amounts shown in the material associate's financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

Ruen Chen Investment Holding Co., Ltd.

Name of Associate	June 30, 2023	December 31, 2022	June 30, 2022
Assets	\$ 5,399,522,690	\$ 5,264,490,661	\$ 5,049,940,293
Liabilities	(5,146,476,420)	(5,058,171,956)	(5,044,025,404)
Non-controlling interests	<u>(31,131,024)</u>	<u>(26,434,978)</u>	<u>(5,725,958)</u>
Owners of Ruen Chen Investment Holding Co., Ltd.	<u>\$ 221,915,246</u>	<u>\$ 179,883,727</u>	<u>\$ 188,931</u>
Proportion of the Group's interest	20%	20%	20%
Equity attributable to the Group	\$ 44,383,049	\$ 35,976,745	\$ 37,786
Other adjustments	<u>(59,312)</u>	<u>(59,312)</u>	<u>1,020,688</u>
Carrying amount	<u>\$ 44,323,737</u>	<u>\$ 35,917,433</u>	<u>\$ 1,058,474</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 133,266,743</u>	<u>\$ 127,053,231</u>	<u>\$ 246,381,740</u>	<u>\$ 260,422,712</u>
Net income	\$ 15,017,356	\$ 21,587,191	\$ 15,168,324	\$ 36,115,172
Other comprehensive income (loss)	<u>5,145,930</u>	<u>(254,940,956)</u>	<u>31,794,327</u>	<u>(456,873,873)</u>
Total comprehensive income (loss)	<u>\$ 20,163,286</u>	<u>\$(233,353,765)</u>	<u>\$ 46,962,651</u>	<u>\$(420,758,701)</u>

2) Associates that are not individually material

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	June 30, 2023	December 31, 2022	June 30, 2022
Eagle Nice (International) Holdings Limited	35.97	35.97	35.97
San Fang Chemical Industry Co., Ltd.	44.72	44.72	44.72
Elitegroup Computer Systems Co., Ltd.	14.12	14.53	14.53
Brandblack Inc.	31.25	31.25	31.25
Full Pearl International Ltd.	40.04	40.04	40.04
Just Lucky Investments Limited	38.30	38.30	38.30
Natural Options Limited	38.30	38.30	38.30
Oftenrich Holdings Limited	45.00	45.00	45.00
Pou Ming Paper Products Manufacturing Co., Ltd.	20.00	20.00	20.00
Prosperlink Limited	38.00	38.00	38.00
Prosperous Industrial (Holdings) Ltd.	22.50	22.50	22.50
Rise Bloom International Limited	38.00	38.00	38.00
Venture Well Holdings Ltd.	31.55	31.55	31.55
Nan Pao Resins Chemical Co., Ltd.	17.59	17.59	17.59
Nan Shan Life Insurance Co., Ltd.	0.18	0.18	0.18

- a) Refer to Table 10 “Information on Investees” of Note 38 to the consolidated financial statements for location of incorporation and main business of the above associates that are not individually material.
- b) The Group holds less than 20% interest of Elitegroup Computer Systems Co., Ltd. However, the Group has the power to appoint two out of the nine directors of Elitegroup Computer. Therefore, the Group is able to exercise significant influence over Elitegroup Computer.
- c) The Group holds less than 20% interest of Nan Pao Resins Chemical Co., Ltd. However, the Group has the power to appoint one out of the seven directors of Nan Pao. Therefore, the Group is able to exercise significant influence over Nan Pao.
- d) The Group holds less than 20% interest of Nan Shan Life Insurance 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 the amounts shown in the financial statements of associates that are not individually material which were prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
The Group's share of:				
Net income	\$ 467,403	\$ 458,716	\$ 773,236	\$ 818,880
Other comprehensive loss	<u>(62,522)</u>	<u>(764,632)</u>	<u>(107,203)</u>	<u>(1,064,074)</u>
Total comprehensive income (loss)	<u>\$ 404,881</u>	<u>\$ (305,916)</u>	<u>\$ 666,033</u>	<u>\$ (245,194)</u>

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

Name of Associate	June 30, 2023	December 31, 2022	June 30, 2022
Eagle Nice (International) Holdings Limited	<u>\$ 3,349,416</u>	<u>\$ 3,060,951</u>	<u>\$ 2,989,040</u>
Prosperous Industrial (Holdings) Ltd.	<u>\$ 841,169</u>	<u>\$ 674,543</u>	<u>\$ 906,767</u>
San Fang Chemical Industry Co., Ltd.	<u>\$ 4,623,732</u>	<u>\$ 3,644,575</u>	<u>\$ 3,564,155</u>
Elitegroup Computer Systems Co., Ltd.	<u>\$ 2,495,676</u>	<u>\$ 1,668,928</u>	<u>\$ 1,717,538</u>
Nan Pao Resins Chemical Co., Ltd.	<u>\$ 3,486,847</u>	<u>\$ 2,818,333</u>	<u>\$ 2,806,986</u>

b. Investments in joint ventures

	June 30, 2023	December 31, 2022	June 30, 2022
Joint ventures that are not individually material	<u>\$ 5,480,248</u>	<u>\$ 5,635,466</u>	<u>\$ 5,458,993</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 (%)		
	June 30, 2023	December 31, 2022	June 30, 2022
Cohen Enterprises Inc.	50.00	50.00	50.00
Great Skill Industrial Limited	-	-	50.00
Hangzhou Baohong Sports Goods Company Limited	50.00	50.00	50.00
Hua Jian Industrial Holding Co., Limited	22.41	22.41	22.41
Jilin Xinfangwei Sports Goods Company Limited	50.00	50.00	50.00
Jumbo Power Enterprises Limited	50.00	50.00	50.00
Ka Yuen Rubber Factory Limited	50.00	50.00	50.00
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 (Formerly known as Zhong Ao Multiplex Management Limited)	46.82	46.82	46.82

- 1) Refer to Table 10 “Information on Investees” of Note 38 to the consolidated financial statements for business location and business item of the material associates.
- 2) The summarized financial information below represents amounts shown in the financial statements of joint ventures that are not individually material which were prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes:

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
The Group’s share of:				
Net income	\$ 96,211	\$ 126,196	\$ 208,891	\$ 194,173
Other comprehensive loss	<u>(106,547)</u>	<u>(127,481)</u>	<u>(90,437)</u>	<u>(125,269)</u>
Total comprehensive (loss) income	<u>\$ (10,336)</u>	<u>\$ (1,285)</u>	<u>\$ 118,454</u>	<u>\$ 68,904</u>

16. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2023	December 31, 2022	June 30, 2022
Land	\$ 2,701,664	\$ 2,704,364	\$ 2,703,992
Buildings and improvements	42,196,436	44,816,292	44,235,264
Machinery and equipment	11,330,490	12,561,789	13,387,657
Transportation equipment	216,197	248,025	256,819
Office equipment	2,031,448	2,152,588	2,120,660
Other equipment	64,141	66,335	69,166
Construction in progress	<u>1,379,052</u>	<u>1,463,494</u>	<u>1,758,484</u>
	<u>\$ 59,919,428</u>	<u>\$ 64,012,887</u>	<u>\$ 64,532,042</u>

- a. The Group sold property to non-related parties for disposal proceeds of \$2,352,000 thousand and gain on disposal of \$303,692 thousand recognized during the six months ended June 30, 2023.
- b. Except for the above description and depreciation expenses recognized, the Group had neither significant disposal nor impairment of property, plant and equipment during the three months ended June 30, 2023 and 2022 and the six months ended June 30, 2023 and 2022.
- c. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

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

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

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2023	December 31, 2022	June 30, 2022	
<u>Carrying amount</u>				
Land	\$ 8,473,277	\$ 8,342,652	\$ 5,564,062	
Buildings and improvements	8,388,794	9,734,519	10,904,471	
Machinery and equipment	1,899	3,206	4,487	
Transportation equipment	4,037	3,094	3,296	
Other equipment	<u>3,280</u>	<u>3,699</u>	<u>4,118</u>	
	<u>\$ 16,871,287</u>	<u>\$ 18,087,170</u>	<u>\$ 16,480,434</u>	
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Additions to right-of-use assets	<u>\$ 652,876</u>	<u>\$ 918,578</u>	<u>\$ 1,587,850</u>	<u>\$ 1,291,587</u>
Depreciation charge for right-of-use assets				
Land	\$ 58,970	\$ 40,560	\$ 120,505	\$ 78,080
Buildings and improvements	986,210	1,269,192	2,020,047	2,538,175
Machinery and equipment	666	1,011	1,326	2,150
Transportation equipment	678	802	1,349	1,589
Other equipment	<u>210</u>	<u>210</u>	<u>419</u>	<u>419</u>
	<u>\$ 1,046,734</u>	<u>\$ 1,311,775</u>	<u>\$ 2,143,646</u>	<u>\$ 2,620,413</u>

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Carrying amount</u>			
Current	\$ 2,946,844	\$ 3,486,555	\$ 3,956,174
Non-current	<u>5,965,152</u>	<u>6,713,172</u>	<u>7,453,490</u>
	<u>\$ 8,911,996</u>	<u>\$ 10,199,727</u>	<u>\$ 11,409,664</u>

Range of discount rates for lease liabilities was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Land	1.10%-7.47%	1.10%-3.07%	1.10%-3.07%
Buildings and improvements	0.90%-7.91%	0.90%-6.25%	0.90%-6.25%
Machinery and equipment	0.85%-0.90%	0.85%-3.07%	0.85%-3.07%
Transportation equipment	3.98%-4.25%	4.08%-4.50%	4.25%-4.50%
Other equipment	1.25%-1.34%	1.25%-1.34%	1.25%-1.34%

c. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	<u>\$ 63,165</u>	<u>\$ 140,388</u>	<u>\$ 123,665</u>	<u>\$ 292,995</u>
Expenses relating to low-value asset leases	<u>\$ 1,656</u>	<u>\$ 458</u>	<u>\$ 2,301</u>	<u>\$ 1,731</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,422,950</u>	<u>\$ 982,535</u>	<u>\$ 2,983,661</u>	<u>\$ 2,473,138</u>
Total cash outflow for leases			<u>\$ 5,272,942</u>	<u>\$ 5,536,168</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

	June 30, 2023	December 31, 2022	June 30, 2022
Investment properties	<u>\$ 5,725,279</u>	<u>\$ 5,806,082</u>	<u>\$ 5,579,058</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 June 30, 2023 and 2022 and the six months ended June 30, 2023 and 2022.
- b. The investment properties are depreciated using the straight-line method over 30-55 years.
- c. The fair values of the Group's investment properties as of December 31, 2022 and 2021 were \$12,967,385 thousand and \$5,573,665 thousand, respectively. The Group's management team evaluated except for the reclassification of the fair values of the investment properties were adjusted to \$11,145,621 thousand (the fair values as of December 31, 2021 were adopted), after the carrying amount has increased because of the reclassification. The fair values of the investment properties did not change significantly for during the six months ended June 30, 2023 and 2022.

19. GOODWILL

The Group's goodwill was tested as of December 31, 2022 and 2021, and the Group's management team evaluated that goodwill as of June 30, 2023 and 2022, has not changed significantly and was not impaired.

20. OTHER INTANGIBLE ASSETS

	June 30, 2023	December 31, 2022	June 30, 2022
Computer software	\$ 1,669,242	\$ 1,541,637	\$ 1,355,316
Non-compete agreements	246,131	274,117	293,247
Trademarks	70	75	80
Patents	<u>322</u>	<u>335</u>	<u>187</u>
	<u>\$ 1,915,765</u>	<u>\$ 1,816,164</u>	<u>\$ 1,648,830</u>

- a. Except for amortization recognized, the Group had neither significant disposal nor impairment of other intangible assets during the three months ended June 30, 2023 and 2022 and the six months ended June 30, 2023 and 2022.
- b. The abovementioned items of other intangible assets are amortized on a straight-line basis over their estimated useful life as follows:

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

21. BORROWINGS

- a. Short-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Unsecured borrowings</u>			
Credit borrowings	<u>\$ 22,601,894</u>	<u>\$ 20,611,809</u>	<u>\$ 34,791,809</u>

The ranges of effective interest rate on bank borrowings were 1.55%-6.08%, 1.00%-7.47% and 0.55%-4.40% per annum as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

b. Short-term bills payable

June 30, 2023

	Properties	Annual Interest Rate	Amount
Commercial papers	NA	1.42%-1.66%	\$ 2,121,500
Less: Unamortized discount on bills payable			<u>(3,711)</u>
			<u>\$ 2,117,789</u>

December 31, 2022

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

June 30, 2022

	Properties	Annual Interest Rate	Amount
Commercial papers	NA	0.77%-1.04%	\$ 1,467,500
Less: Unamortized discount on bills payable			<u>(1,786)</u>
			<u>\$ 1,465,714</u>

c. Long-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Unsecured borrowings</u>			
Bank loans	\$ 51,032,816	\$ 61,981,571	\$ 66,729,777
Less: Expenses for long-term borrowings	(34,658)	(55,923)	(73,052)
Less: Current portion	<u>(9,621,984)</u>	<u>(11,923,464)</u>	<u>(12,145,361)</u>
	<u>\$ 41,376,174</u>	<u>\$ 50,002,184</u>	<u>\$ 54,511,364</u>

Maturity dates and ranges of annual interest rates:

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Maturity date</u>			
Long-term borrowings	2024.07.15- 2026.11.29	2024.01.15- 2026.11.29	2023.07.15- 2026.11.29
Current portion of long-term borrowings	2023.07.15- 2024.06.20	2023.01.15- 2023.12.20	2022.07.15- 2023.06.20
<u>Ranges of interest rate</u>	0.94%-6.11%	0.94%-5.54%	0.67%-2.98%

22. NOTES PAYABLE AND ACCOUNTS PAYABLE

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Notes payable</u>			
Operating	\$ 1,330	\$ 2,671	\$ 2,171
Non-operating	<u>3,612</u>	<u>1,323</u>	<u>3,297</u>
	<u>\$ 4,942</u>	<u>\$ 3,994</u>	<u>\$ 5,468</u>
Accounts payable (included related parties)	<u>\$ 11,868,082</u>	<u>\$ 12,536,177</u>	<u>\$ 14,596,634</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

	June 30, 2023	December 31, 2022	June 30, 2022
Payables for salaries	\$ 8,223,242	\$ 11,006,308	\$ 8,805,031
Payables for dividends	3,835,463	-	4,427,328
Payables for purchase of property, plant and equipment	869,434	1,297,784	1,063,892
Payables for annual leave	821,555	1,015,231	972,570
Compensation due to directors	173,657	178,867	232,306
Compensation of employees	563,882	483,415	624,736
Interest payables	203,884	292,424	156,456
Others	<u>6,253,150</u>	<u>7,421,424</u>	<u>6,363,946</u>
	<u>\$ 20,944,267</u>	<u>\$ 21,695,453</u>	<u>\$ 22,646,265</u>
Current	\$ 20,787,725	\$ 21,540,287	\$ 22,494,266
Non-current	<u>156,542</u>	<u>155,166</u>	<u>151,999</u>
	<u>\$ 20,944,267</u>	<u>\$ 21,695,453</u>	<u>\$ 22,646,265</u>

24. RETIREMENT BENEFIT PLANS

Employee benefits expenses in respect of the Group's defined benefit retirement plans during the three months ended June 30, 2023 and 2022 and during the six months ended June 30, 2023 and 2022 were calculated using the respective annual, actuarially determined pension cost discount rates as of December 31, 2022 and 2021 and recognized in the following line items in their respective periods:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Operating costs	\$ 114,982	\$ 137,261	\$ 227,135	\$ 269,725
Selling and marketing expenses	637	643	1,247	1,266
General and administrative expenses	13,035	16,429	25,939	25,556
Research and development expenses	<u>1,082</u>	<u>1,030</u>	<u>2,164</u>	<u>2,067</u>
	<u>\$ 129,736</u>	<u>\$ 155,363</u>	<u>\$ 256,485</u>	<u>\$ 298,614</u>

25. EQUITY

a. Share capital

	June 30, 2023	December 31, 2022	June 30, 2022
Number of shares authorized (in thousands)	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
Amount of shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>2,946,787</u>	<u>2,946,787</u>	<u>2,946,787</u>
Amount of shares issued	<u>\$ 29,467,872</u>	<u>\$ 29,467,872</u>	<u>\$ 29,467,872</u>

b. Capital surplus

	June 30, 2023	December 31, 2022	June 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)			
Recognized from issuance of ordinary shares	\$ 848,603	\$ 848,603	\$ 848,603
Recognized from conversion of bonds	1,447,492	1,447,492	1,447,492
Recognized from treasury share transactions	1,824,608	1,824,608	1,824,608
Recognized from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	109,637	109,637	109,637

(Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
<u>May be used to offset a deficit only</u>			
Recognized from the changes in ownership to subsidiaries (Note 2)	\$ 27,234	\$ 27,234	\$ 27,234
Recognized from the share of changes in net assets of associates and joint ventures	132,855	133,171	133,172
Others	<u>30,766</u>	<u>29,644</u>	<u>29,648</u>
	<u>\$ 4,421,195</u>	<u>\$ 4,420,389</u>	<u>\$ 4,420,394</u> (Concluded)

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

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

c. Retained earnings and dividend policy

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

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

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

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

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

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

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

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

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2022	For Year 2021	For Year 2022	For Year 2021
Legal reserve	\$ 1,314,066	\$ 1,439,249	\$ -	\$ -
Special reserve	57,646,766	-	-	-
Cash dividends	3,830,823	4,420,181	1.30	1.50

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

d. Other equity item

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

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ (273,894)	\$ (7,414,850)
Exchange differences on translation of the financial statements of foreign operations	662,920	5,122,964
Share of exchange differences of associates and joint ventures accounted for using the equity method	<u>(70,694)</u>	<u>(172,556)</u>
Balance at June 30	<u>\$ 318,332</u>	<u>\$ (2,464,442)</u>

2) Unrealized gain or loss on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ (3,520,843)	\$ 14,613,616
Unrealized gain (loss) from equity instruments	4,338,504	(258,637)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(63)	-
Disposal of associates accounted for using the equity method	(3)	-
Share of gain (loss) from associates and joint ventures accounted for using the equity method	<u>264,362</u>	<u>(55,700,217)</u>
Balance at June 30	<u>\$ 1,081,957</u>	<u>\$ (41,345,238)</u>

3) Others

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ (17,528,857)	\$ 12,620,038
Share of gain (loss) from associates and joint ventures accounted for using the equity method	<u>5,302,037</u>	<u>(26,959,347)</u>
Balance at June 30	<u>\$ (12,226,820)</u>	<u>\$ (14,339,309)</u>

e. Non-controlling interests

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ 75,115,457	\$ 68,063,798
Share of non-controlling interests		
Net income	1,872,060	2,444,759
Exchange differences on translation of the financial statements of foreign operations	(229,920)	3,596,219
Unrealized loss on financial assets at FVTOCI	(149,410)	(87,726)
Others	103	(525)
Changes in non-controlling interests	<u>(2,142,471)</u>	<u>(685,174)</u>
Balance at June 30	<u>\$ 74,465,819</u>	<u>\$ 73,331,351</u>

26. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Sales revenue	\$ 62,909,337	\$ 68,211,475	\$ 127,037,891	\$ 135,261,809
Revenue from entertainment and resorts	129,034	75,399	272,976	207,307
Others	<u>56,858</u>	<u>51,000</u>	<u>151,155</u>	<u>132,119</u>
	<u>\$ 63,095,229</u>	<u>\$ 68,337,874</u>	<u>\$ 127,462,022</u>	<u>\$ 135,601,235</u>

27. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consists of the following:

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Interest income				
Cash in bank	\$ 313,879	\$ 150,400	\$ 639,675	\$ 258,139
Financial assets at amortized cost	61,167	41,005	105,266	86,283
Repurchase agreements collateralized by bonds	3	299	5	1,112
Others	<u>19</u>	<u>10</u>	<u>39</u>	<u>22</u>
	<u>\$ 375,068</u>	<u>\$ 191,714</u>	<u>\$ 744,985</u>	<u>\$ 345,556</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Rental income from operating lease	\$ 204,080	\$ 212,028	\$ 417,355	\$ 402,077
Others	<u>282,088</u>	<u>539,502</u>	<u>820,497</u>	<u>948,963</u>
	<u>\$ 486,168</u>	<u>\$ 751,530</u>	<u>\$ 1,237,852</u>	<u>\$ 1,351,040</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Net gain (loss) on disposal of property, plant and equipment	\$ 149,896	\$ (31,654)	\$ 96,385	\$ (29,669)
Net (loss) gain on disposal of investment properties	(22)	-	7,857	-
Net foreign exchange (loss) gain	(583,240)	655,970	(717,649)	773,055
Net gain on disposal of associates and joint ventures	23,096	107,010	23,096	107,010
Net gain (loss) on fair value of financial instruments at FVTPL	520,835	(418,747)	962,296	357,906
Impairment loss recognized	-	(28,492)	-	(28,492)
Others	<u>(88,536)</u>	<u>(90,318)</u>	<u>(166,768)</u>	<u>(139,592)</u>
	<u>\$ 22,029</u>	<u>\$ 193,769</u>	<u>\$ 205,217</u>	<u>\$ 1,040,218</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Interest on bank borrowings	\$ 697,332	\$ 418,645	\$ 1,424,962	\$ 719,617
Lease liabilities	99,732	128,473	200,966	259,993
Interest on short-term bills payable	11,454	5,595	23,057	9,485
Other interest expense	<u>21</u>	<u>10</u>	<u>60</u>	<u>31</u>
	<u>\$ 808,539</u>	<u>\$ 552,723</u>	<u>\$ 1,649,045</u>	<u>\$ 989,126</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 2,277,356	\$ 2,508,589	\$ 4,627,416	\$ 4,935,832
Right-of-use assets	1,046,734	1,311,775	2,143,646	2,620,413
Investment properties	41,345	36,323	81,034	85,852
Other intangible assets	33,656	28,825	63,950	57,628
Long-term prepayments	<u>-</u>	<u>349</u>	<u>-</u>	<u>724</u>
	<u>\$ 3,399,091</u>	<u>\$ 3,885,861</u>	<u>\$ 6,916,046</u>	<u>\$ 7,700,449</u>
An analysis of depreciation by function				
Operating costs	\$ 1,416,753	\$ 1,434,274	\$ 2,783,911	\$ 2,859,360
Operating expenses	1,910,775	2,403,619	3,993,993	4,752,351
Non-operating expenses	<u>37,907</u>	<u>18,794</u>	<u>74,192</u>	<u>30,386</u>
	<u>\$ 3,365,435</u>	<u>\$ 3,856,687</u>	<u>\$ 6,852,096</u>	<u>\$ 7,642,097</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 33,656</u>	<u>\$ 29,174</u>	<u>\$ 63,950</u>	<u>\$ 58,352</u>

f. Direct operating expenses from investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Generated rental income	<u>\$ 12,731</u>	<u>\$ 11,924</u>	<u>\$ 26,447</u>	<u>\$ 22,166</u>

g. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Short-term benefits	\$ 14,723,361	\$ 16,061,987	\$ 29,734,262	\$ 31,615,136
Post-employment benefits				
Defined contribution plans	2,173,474	1,908,286	4,196,688	3,528,040
Defined benefit plans	<u>129,736</u>	<u>155,363</u>	<u>256,485</u>	<u>298,614</u>
	2,303,210	2,063,649	4,453,173	3,826,654
Share-based payments				
Equity-settled	52,567	64,065	84,239	96,706
Termination benefits	<u>4,405</u>	<u>1,211</u>	<u>7,848</u>	<u>1,300</u>
	<u>\$ 17,083,543</u>	<u>\$ 18,190,912</u>	<u>\$ 34,279,522</u>	<u>\$ 35,539,796</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 11,228,249	\$ 12,386,912	\$ 22,500,694	\$ 24,168,014
Operating expenses	<u>5,855,294</u>	<u>5,804,000</u>	<u>11,778,828</u>	<u>11,371,782</u>
	<u>\$ 17,083,543</u>	<u>\$ 18,190,912</u>	<u>\$ 34,279,522</u>	<u>\$ 35,539,796</u>

As of June 30, 2023 and 2022, there were 280,888 and 326,011 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 six months ended June 30, 2023 and 2022 were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2023	2022
Compensation of employees	1.6%	1.6%
Remuneration of directors	0.8%	0.8%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Compensation of employees	<u>\$ 60,356</u>	<u>\$ 93,356</u>	<u>\$ 80,661</u>	<u>\$ 169,645</u>
Remuneration of directors	<u>\$ 30,178</u>	<u>\$ 46,679</u>	<u>\$ 40,330</u>	<u>\$ 84,822</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.

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

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

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

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

28. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 685,651	\$ 1,131,760	\$ 1,555,490	\$ 1,946,063
Income tax expense of unappropriated earnings	-	424,635	-	424,635
Adjustments for prior year's income tax	4	(9,731)	4,840	(9,731)
	<u>685,655</u>	<u>1,546,664</u>	<u>1,560,330</u>	<u>2,360,967</u>
Deferred tax				
In respect of the current period	<u>247,314</u>	<u>(204,023)</u>	<u>50,176</u>	<u>(329,522)</u>
Income tax expense recognized in profit or loss	<u>\$ 932,969</u>	<u>\$ 1,342,641</u>	<u>\$ 1,610,506</u>	<u>\$ 2,031,445</u>

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

b. Income tax assessments

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

29. EARNINGS PER SHARE

The basic earnings per share and diluted earnings per share for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
<u>Net income (in thousand dollars)</u>				
Earnings used in the computation of earnings per share	<u>\$ 3,506,699</u>	<u>\$ 5,060,710</u>	<u>\$ 4,498,054</u>	<u>\$ 9,699,238</u>
<u>Weighted average number of shares outstanding (in thousand shares)</u>				
Weighted average number of ordinary shares used in the computation of basic earnings per share	2,946,787	2,946,787	2,946,787	2,946,787
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>1,916</u>	<u>3,165</u>	<u>3,962</u>	<u>7,302</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>2,948,703</u>	<u>2,949,952</u>	<u>2,950,749</u>	<u>2,954,089</u>
<u>Earnings per share (in dollars)</u>				
Basic earnings per share	<u>\$ 1.19</u>	<u>\$ 1.72</u>	<u>\$ 1.53</u>	<u>\$ 3.29</u>
Diluted earnings per share	<u>\$ 1.18</u>	<u>\$ 1.71</u>	<u>\$ 1.52</u>	<u>\$ 3.28</u>

Since the Company may settle the compensation paid to employees by cash or shares, the Company assumes that 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 six months ended June 30, 2023 and 2022 was as follows:

	For the Six Months Ended June 30	
	2023	2022
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	1,470	1,740
Options granted	2,935	1,184
Options cancelled	(46)	(180)
Options exercised	<u>(2,609)</u>	<u>(1,184)</u>
Balance at June 30	<u>1,750</u>	<u>1,560</u>

Yue Yuen recognized \$77,823 thousand and \$85,204 thousand in compensation costs for the six months ended June 30, 2023 and 2022, respectively.

b. Information about Pou Sheng's employee share options

Information about the granted employee share options during the six months ended June 30, 2023 and 2022 was as follows:

	For the Six Months Ended June 30	
	2023	2022
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	8,163	15,968
Options cancelled	(126)	(444)
Options exercised	<u>(378)</u>	<u>(5,464)</u>
Balance at June 30	<u>7,659</u>	<u>10,060</u>

Pou Sheng recognized \$6,416 thousand and \$11,502 thousand in compensation costs for the six months ended June 30, 2023 and 2022, respectively.

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

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

32. CAPITAL MANAGEMENT

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

33. FINANCIAL INSTRUMENTS

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

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

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

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

1) The fair value hierarchy is as follows:

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 741,552	\$ -	\$ 741,552
Mutual funds	<u>743,174</u>	<u>-</u>	<u>835,622</u>	<u>1,578,796</u>
	<u>\$ 743,174</u>	<u>\$ 741,552</u>	<u>\$ 835,622</u>	<u>\$ 2,320,348</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 22,504,661	\$ -	\$ -	\$ 22,504,661
Domestic unlisted shares	-	-	74,149	74,149
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>136,462</u>	<u>136,462</u>
	<u>\$ 22,504,661</u>	<u>\$ -</u>	<u>\$ 210,611</u>	<u>\$ 22,715,272</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 263,270</u>	<u>\$ -</u>	<u>\$ 263,270</u>

December 31, 2022

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

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 430,366	\$ -	\$ 430,366
Structured deposits	-	4,582,314	-	4,582,314
Mutual funds	<u>346,148</u>	<u>-</u>	<u>581,469</u>	<u>927,617</u>
	<u>\$ 346,148</u>	<u>\$ 5,012,680</u>	<u>\$ 581,469</u>	<u>\$ 5,940,297</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 20,520,270	\$ -	\$ -	\$ 20,520,270
Domestic unlisted shares	-	-	66,631	66,631
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>115,684</u>	<u>115,684</u>
	<u>\$ 20,520,270</u>	<u>\$ -</u>	<u>\$ 182,315</u>	<u>\$ 20,702,585</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 159,663</u>	<u>\$ -</u>	<u>\$ 159,663</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 additions, disposals, and 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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily at FVTPL	\$ 2,320,348	\$ 3,544,848	\$ 5,940,297
Financial assets at amortized cost (Note 1)	81,814,761	78,139,109	82,647,926
Financial assets at FVTOCI	22,715,272	18,342,029	20,702,585
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	263,270	155,274	159,663
Financial liabilities at amortized cost (Note 2)	108,582,758	118,402,239	140,200,513

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 which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	For the Six Months Ended June 30	
	2023	2022
USD	\$ 43,588	\$ 8,954
RMB	(61,601)	(65,151)
HKD	433	(1,987)
VND	5,440	(19,705)
IDR	2,439	503

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:

	June 30, 2023	December 31, 2022	June 30, 2022
Cash flow interest rate risk			
Financial liabilities	\$ 69,634,786	\$ 75,530,185	\$ 77,897,745

Sensitivity analysis

The sensitivity analysis below was based on the Group's floating rate liabilities. The analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole period. If there had been a 1% increase in interest rates, it would have caused the Group to increase its cash outflow by \$348,174 thousand and \$389,489 thousand during the six months ended June 30, 2023 and 2022, respectively.

c) Other price risk

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

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had declined by 1%, income before income tax for the six months ended June 30, 2023 and 2022 would have decreased by \$15,788 thousand and \$9,276 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income for the six months ended June 30, 2023 and 2022 would have decreased by \$225,236 thousand and \$205,392 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

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

2) Credit risk

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

3) Liquidity risk

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

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

The tables 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 can be required to pay.

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 15,657,130	\$ 10,464,048	\$ 6,540,523	\$ 144,203	\$ 59,013
Lease liabilities	257,352	913,906	2,078,063	5,336,762	1,290,192
Floating interest rate liabilities	12,452,520	8,162,472	9,511,793	39,508,001	-
Fixed interest rate liabilities	569,691	2,950,787	2,500,000	2,430,000	-
Financial guarantee contracts	<u>1,495,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,431,941</u>	<u>\$ 22,491,213</u>	<u>\$ 20,630,379</u>	<u>\$ 47,418,966</u>	<u>\$ 1,349,205</u>

December 31, 2022

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

June 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 18,717,060	\$ 11,528,769	\$ 6,851,678	\$ 130,381	\$ 58,377
Lease liabilities	365,735	1,211,138	2,782,731	6,553,212	1,753,361
Floating interest rate liabilities	13,652,779	3,401,408	11,233,991	49,609,567	-
Fixed interest rate liabilities	9,685,174	5,848,843	5,355,539	5,805,000	-
Financial guarantee contracts	<u>1,433,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 43,854,652</u>	<u>\$ 21,990,158</u>	<u>\$ 26,223,939</u>	<u>\$ 62,098,160</u>	<u>\$ 1,811,738</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.

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Exchange rate option contracts	\$ 48,452	\$ 7,474	\$ 93,633	\$ -	\$ -
Exchange rate swap contracts	<u>-</u>	<u>30,173</u>	<u>83,538</u>	<u>-</u>	<u>-</u>
	<u>\$ 48,452</u>	<u>\$ 37,647</u>	<u>\$ 177,171</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

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

June 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	\$ -	\$ 444	\$ -	\$ -	\$ -
Forward exchange contracts	2,431	55,919	16,976	-	-
Exchange rate option contracts	-	-	-	18,535	-
Exchange rate swap contracts	<u>956</u>	<u>57,796</u>	<u>6,606</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,387</u>	<u>\$ 114,159</u>	<u>\$ 23,582</u>	<u>\$ 18,535</u>	<u>\$ -</u>

34. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party names and categories

<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	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2023	2022	2023	2022
Sales	Associates	\$ 24,026	\$ 70,933	\$ 52,050	\$ 117,253
	Joint ventures	92,278	143,818	190,646	215,233
	Other related party	<u>33,714</u>	<u>-</u>	<u>75,021</u>	<u>-</u>
		<u>\$ 150,018</u>	<u>\$ 214,751</u>	<u>\$ 317,717</u>	<u>\$ 332,486</u>

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

c. Purchases

Account	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2023	2022	2023	2022
Purchases	Associates	\$ 736,935	\$ 846,133	\$ 1,558,514	\$ 1,594,953
	Joint ventures	<u>1,020,706</u>	<u>1,292,467</u>	<u>2,243,847</u>	<u>2,502,305</u>
		<u>\$ 1,757,641</u>	<u>\$ 2,138,600</u>	<u>\$ 3,802,361</u>	<u>\$ 4,097,258</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

Amount Item	Related Party Category	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable	Associates	\$ 24,655	\$ 21,439	\$ 31,101
	Joint ventures	28,652	10,686	16,805
	Other related party	<u>16,787</u>	<u>-</u>	<u>-</u>
		<u>\$ 70,094</u>	<u>\$ 32,125</u>	<u>\$ 47,906</u>

No bad debt expense was recognized for the six months ended June 30, 2023 and 2022 for the amounts owed by related parties.

e. Payables to related parties

Amount Item	Related Party Category	June 30, 2023	December 31, 2022	June 30, 2022
Accounts payable	Associates	\$ 605,274	\$ 575,581	\$ 620,808
	Joint ventures	<u>849,023</u>	<u>1,011,328</u>	<u>1,060,867</u>
		<u>\$ 1,454,297</u>	<u>\$ 1,586,909</u>	<u>\$ 1,681,675</u>

f. Financing provided

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

g. Endorsements/guarantees provided

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

h. Compensation of key management personnel

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 68,643	\$ 93,142	\$ 120,161	\$ 177,853
Post-retirement benefits	<u>13,500</u>	<u>13,260</u>	<u>13,500</u>	<u>13,260</u>
	<u>\$ 82,143</u>	<u>\$ 106,402</u>	<u>\$ 133,661</u>	<u>\$ 191,113</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:

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets at amortized cost	<u>\$ 52,596</u>	<u>\$ 59,292</u>	<u>\$ 59,044</u>

36. SIGNIFICANT COMMITMENTS AND UNRECOGNIZED LIABILITIES

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

(Unit: In Thousands of Foreign Currencies)

Foreign Currencies	June 30, 2023	December 31, 2022	June 30, 2022
USD	\$ 1,456	\$ 1,491	\$ 1,911
VND	9,185,381	9,185,381	9,185,381

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

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 entities in the Group and the exchange rates between the foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

June 30, 2023

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 43,222	31.140	\$ 1,345,944
NTD	1,652,886	1	1,652,886
RMB	2,621,021	4.282	11,223,213
HKD	13,551	3.974	53,853
VND	310,438,168	0.00131	406,674
IDR	129,829,808	0.00208	270,046
Non-monetary items			
USD	19,954	31.140	621,381
NTD	634,695	1	634,695
RMB	438,723	4.282	1,878,613
<u>Financial liabilities</u>			
Monetary items			
USD	183,245	30.140	5,706,245
NTD	2,464,761	1	2,464,761
RMB	1,182,452	4.282	5,063,259
HKD	24,422	3.974	97,055
VND	854,445,802	0.00131	1,119,324
IDR	251,779,327	0.00208	523,701
Non-monetary items			
USD	3,698	31.140	115,143

December 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 65,989	30.710	\$ 2,026,513
NTD	292,083	1	292,083
RMB	2,944,840	4.408	12,980,856
HKD	65,125	3.938	256,462
VND	609,899,225	0.00129	786,770
IDR	258,398,485	0.00198	511,629
Non-monetary items			
USD	4,647	30.710	142,719
NTD	1,089,222	1	1,089,222
RMB	411,326	4.408	1,813,123

Financial liabilities

Monetary items			
USD	182,273	30.710	5,597,601
NTD	1,445,804	1	1,445,804
RMB	1,046,122	4.408	4,611,305
HKD	5,762	3.938	22,692
VND	937,428,682	0.00129	1,209,283
IDR	144,059,091	0.00198	285,237
Non-monetary items			
USD	790	30.710	24,249

June 30, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 55,184	29.720	\$ 1,640,075
NTD	176,329	1	176,329
RMB	1,587,308	4.439	7,046,058
HKD	61,864	3.788	234,339
VND	3,182,291,270	0.00126	4,009,687
IDR	143,841,919	0.00198	284,807
Non-monetary items			
USD	9,679	29.720	287,648
NTD	837,361	1	837,361
RMB	379,753	4.439	1,685,722
			(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 85,301	29.720	\$ 2,535,155
NTD	1,530,527	1	1,530,527
RMB	119,522	4.439	530,560
HKD	9,394	3.788	35,583
VND	1,211,765,873	0.00126	1,526,825
IDR	168,987,879	0.00198	334,596
			(Concluded)

For the three months ended June 30, 2023 and 2022 and the six months ended June 30, 2023 and 2022, net foreign exchange (losses) gains were \$(583,240) thousand, \$655,970 thousand, \$(717,649) thousand and \$773,055 thousand, respectively. It is impractical to disclose net foreign exchange gains 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 (Table 6)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 8)
- 9) Trading in derivative instruments (Note 33)
- 10) Intercompany relationships and significant intercompany transactions (Table 9)
- 11) Information on investees (Table 10)

- 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 11)
 - 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 12)

39. SEGMENT INFORMATION

- a. Information about reportable segments

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

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

- b. Segment revenue and results

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

For the six months ended June 30, 2023

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 78,698,828</u>	<u>\$ 48,282,586</u>	<u>\$ 480,608</u>	<u>\$ 127,462,022</u>
Segment income	<u>\$ 9,803,415</u>	<u>\$ 3,318,398</u>	<u>\$ 311,429</u>	\$ 13,433,242
Administrative costs and remuneration of directors				(9,611,300)
Interest income				744,985
Rental income				417,355
Other income				820,497
Net gain on disposal of property, plant and equipment				96,385
Net gain on disposal of investment properties				7,857
Net foreign exchange loss				(717,649)
Net gain on disposal of associate				23,096
Net gain on financial instruments at FVTPL				962,296

(Continued)

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Other loss				\$ (166,768)
Net loss on derecognition of financial assets at amortized cost				(74,409)
Finance costs				(1,649,045)
Share of profit of associates and joint ventures				<u>3,694,078</u>
Income before income tax				<u>\$ 7,980,620</u> (Concluded)

For the six months ended June 30, 2022

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 91,670,665</u>	<u>\$ 43,537,857</u>	<u>\$ 392,713</u>	<u>\$ 135,601,235</u>
Segment income	<u>\$ 11,577,686</u>	<u>\$ 1,859,500</u>	<u>\$ 277,347</u>	\$ 13,714,533
Administrative costs and remuneration of directors				(8,751,379)
Interest income				345,556
Rental income				402,077
Other income				948,963
Net loss on disposal of property, plant and equipment				(29,669)
Net foreign exchange gain				773,055
Net gain on disposal of joint ventures				107,010
Net gain on financial instruments at FVTPL				357,906
Impairment loss of assets				(28,492)
Other loss				(139,592)
Net loss on derecognition of financial assets at amortized cost				(13,610)
Finance costs				(989,126)
Share of profit of associates and joint ventures				<u>7,478,210</u>
Income before income tax				<u>\$ 14,175,442</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 gain (loss) on disposal of property, plant and equipment, net gain on disposal of investment property, net foreign exchange (loss) gain, net gain on disposal of associates and joint ventures, gain on financial instruments, impairment loss of assets, 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.

No. (Note 1)	Financing Company	Borrowing Company	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note
													Item	Value			
11	Dongguan Yusheng Shoe Industry Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited Shanggao Yisen Industry Co., Ltd. Yichun Yisen Industry Co., Ltd. Dongguan Yu Xiang Shoes Material Co., Ltd.	Accounts receivable from related parties	Yes	\$ 1,111,250 (RMB 250,000,000)	\$ 1,070,500 (RMB 250,000,000)	\$ 599,480 (RMB 140,000,000)	2.59	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,626,113	\$ 1,626,113	
			Accounts receivable from related parties	Yes	66,675 (RMB 15,000,000)	64,230 (RMB 15,000,000)	64,230 (RMB 15,000,000)	2.56	2	-	Operating capital	-	-	-	1,626,113	1,626,113	
			Accounts receivable from related parties	Yes	111,125 (RMB 25,000,000)	107,050 (RMB 25,000,000)	107,050 (RMB 25,000,000)	2.56	2	-	Operating capital	-	-	-	1,626,113	1,626,113	
			Accounts receivable from related parties	Yes	133,350 (RMB 30,000,000)	128,460 (RMB 30,000,000)	64,230 (RMB 15,000,000)	2.56	2	-	Operating capital	-	-	-	1,626,113	1,626,113	
12	Rui Jin Pou Yuen Footwear Development Co., Ltd.	Yu Xing (Jishui) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	28,443 (RMB 6,400,000)	27,405 (RMB 6,400,000)	27,405 (RMB 6,400,000)	2.56-3.33	2	-	Operating capital	-	-	-	238,051	238,051	
13	Yiyang Yujing Shoes Industrial Co., Ltd.	Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	31,115 (RMB 7,000,000)	29,974 (RMB 7,000,000)	-	3.33	2	-	Operating capital	-	-	-	143,502	143,502	
14	Yichun Yisen Industry Co., Ltd.	Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	22,225 (RMB 5,000,000)	21,410 (RMB 5,000,000)	21,410 (RMB 5,000,000)	3.33	2	-	Operating capital	-	-	-	549,718	549,718	
15	Shanggao Yisen Industry Co., Ltd.	Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	88,900 (RMB 20,000,000)	85,640 (RMB 20,000,000)	-	2.59	2	-	Operating capital	-	-	-	1,399,618	1,399,618	
16	Yue Yuen (Anfu) Footwear Co., Ltd.	Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	444,500 (RMB 100,000,000)	428,200 (RMB 100,000,000)	-	2.59	2	-	Operating capital	-	-	-	1,933,084	1,933,084	
17	Pouyuen Vietnam Company Limited	Powerknit Vietnam Company Limited	Accounts receivable from related parties	Yes	304,567 (US\$ 10,140,416)	-	-	-	2	-	Operating capital	-	-	-	6,003,418	6,003,418	
18	Precious Full Investments Limited	Bangladesh Pou Hung Industrial Limited	Accounts receivable from related parties	Yes	707,501 (US\$ 22,720,000)	707,501 (US\$ 22,720,000)	707,501 (US\$ 22,720,000)	-	2	-	Operating capital	-	-	-	5,359,997	5,359,997	
19	Pt. Hardases Abadi Indonesia	Pt. Nikomas Gemilang	Accounts receivable from related parties	Yes	304,800 (US\$ 10,000,000)	-	-	-	2	-	Operating capital	-	-	-	1,094,043	1,094,043	
20	Wealthplus Holdings Limited	Pou Chen Corporation	Accounts receivable from related parties	Yes	14,439,661 (US\$ 268,000,000) (RMB 1,078,000,000) (NT\$ 1,398,011,764)	11,712,628 (US\$ 183,000,000) (RMB 1,078,000,000) (NT\$ 1,398,011,764)	11,712,628 (US\$ 183,000,000) (RMB 1,078,000,000) (NT\$ 1,398,011,764)	-	2	-	Operating capital	-	-	-	164,913,334	164,913,334	
21	Pou Sheng (China) Investment Group Co., Ltd. (formerly known as Pou Sheng (China) Investment Co., Ltd.)	Qingdao Pou-Sheng International Sport Products Co., Ltd.	Loans receivable	Yes	1,337,637 (RMB 300,930,700)	1,288,585 (RMB 300,930,700)	125,629 (RMB 29,338,925)	3.65	2	-	Operating capital	-	-	-	2,061,737	2,061,737	

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: The nature of financing is code as follows:

- Business relationship is coded 1.
- 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:

- The maximum amount permitted to a single borrower is listed based on the types of financing reasons as follows:
 - 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.
 - The need for short-term financing: Each of the financing amount shall not exceed 10% of the Company's net worth.
- The total maximum amount permitted to a single borrower is listed based on the types of financing reasons as follows:
 - Business relationship: Each of the financing amount shall not exceed 10% of the Company's net worth.
 - The need for short-term financing: Each of the financing amount shall not exceed 40% of the Company's net worth.
 - 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 SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship (Note 2)											
0	Pou Chen Corporation	Wealthplus Holdings Limited	b	\$ 118,177,187	\$ 28,337,400	\$ 28,337,400	\$ -	\$ -	24	\$ 236,354,374	Y	N	N	
		Pro Arch International Development Enterprise Inc.	b	118,177,187	37,800	28,350	28,350	-	-	236,354,374	Y	N	N	
		Barits Development Corporation	b	118,177,187	8,568,400	8,568,400	2,757,000	-	7	236,354,374	Y	N	N	
		Windsor Entertainment Co., Ltd.	b	118,177,187	80,000	80,000	30,000	-	-	236,354,374	Y	N	N	
		Yue Hong Realty Development Co., Ltd.	b	118,177,187	550,000	550,000	534,000	-	-	236,354,374	Y	N	N	
		Pou Shine Investments Co., Ltd.	b	118,177,187	1,750,000	1,750,000	561,000	-	1	236,354,374	Y	N	N	
		Pou Yuen Technology Co., Ltd.	b	118,177,187	100,000	100,000	-	-	-	236,354,374	Y	N	N	
		Pou Yii Development Co., Ltd.	b	118,177,187	400,000	400,000	114,000	-	-	236,354,374	Y	N	N	
1	Yue Yuen Industrial (Holdings) Limited	Cohen Enterprises Inc.	f	76,187,111	697,350	544,950	233,550	-	-	190,467,779	N	N	N	
		Innovative Track Limited	f	76,187,111	(US\$ 22,500,000) 609,450	(US\$ 17,500,000) 305,700	(US\$ 7,500,000) 250,000	-	-	190,467,779	N	N	N	
		Oftenrich Holdings Limited	f	76,187,111	(NT\$ 300,000,000) (US\$ 10,000,000) 782,973	(NT\$ 150,000,000) (US\$ 5,000,000) 644,598	-	4,624	1	190,467,779	N	N	N	
		Pt. Selalu Cinta Indonesia	b	76,187,111	(US\$ 25,200,000) 2,720,858	(US\$ 20,700,000) 1,772,527	(US\$ 148,500) 1,772,527	-	2	190,467,779	N	N	N	
		Orisol Taiwan Limited	b	76,187,111	(US\$ 87,375,000) 90,000	(US\$ 87,375,000) 90,000	(US\$ 56,921,199) 90,000	-	-	190,467,779	N	N	N	
		Prime Asia Leather Corporation	b	76,187,111	2,325,600	1,868,400	844,300	-	1	190,467,779	N	N	N	
		Prime Asia Leather (Vietnam) Company Limited	b	76,187,111	(US\$ 75,000,000) 622,800	(US\$ 60,000,000) 622,800	-	-	-	190,467,779	N	N	N	
		Pou Chien Enterprise Co., Ltd.	b	76,187,111	(US\$ 20,000,000) 260,000	(US\$ 20,000,000) -	-	-	-	190,467,779	N	N	N	
		Pou Phong Vietnam Company Ltd.	b	76,187,111	280,260	-	-	-	-	190,467,779	N	N	N	
		Pt. KMK Global Sports	b	76,187,111	(US\$ 9,000,000) 2,101,950	(US\$ 9,000,000) 2,101,950	(US\$ 31,177,079) 970,854	-	2	190,467,779	N	N	N	
		Pt. Shoenary Javanesia Inc.	b	76,187,111	(US\$ 67,500,000) 1,237,815	(US\$ 67,500,000) 1,237,815	(US\$ 21,331,522) 664,264	-	1	190,467,779	N	N	N	
		Yue Dean Technology Corporation	b	76,187,111	(US\$ 39,750,000) 3,800,000	(US\$ 39,750,000) 1,900,000	-	-	1	190,467,779	N	N	N	
		I-Tech Sporting Enterprises Ltd.	b	76,187,111	1,800,000	900,000	850,000	-	1	190,467,779	N	N	N	
		Pou Chen (Cambodia) Co., Ltd.	b	76,187,111	2,474,700	1,712,700	-	-	1	190,467,779	N	N	N	
				(US\$ 80,000,000)	(US\$ 55,000,000)									
2	Pou Sheng International (Holdings) Limited	Shaanxi Pousheng Trading Co., Ltd.	b	72,101,926	3,903,088	3,835,327	-	-	11	144,203,852	N	N	Y	
		Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	72,101,926	(RMB 415,713,928) (US\$ 66,000,000) 11,560,737	(RMB 415,713,928) (US\$ 66,000,000) 9,761,151	-	-	27	144,203,852	N	N	Y	
		Hefei Pouxun Sporting Goods Co., Ltd.	b	72,101,926	(RMB 2,149,605,587) (US\$ 66,000,000) 48,110	(RMB 1,799,605,587) (US\$ 66,000,000) 46,346	-	-	-	144,203,852	N	N	Y	
		Henan YYSPO RTS Sport Products Co., Ltd.	b	72,101,926	(RMB 10,823,495) 86,931	(RMB 10,823,495) 83,743	-	-	-	144,203,852	N	N	Y	
		Zhejiang Shengdao Sporting-Goods Co., Ltd.	b	72,101,926	(RMB 19,556,958) 2,512,121	(RMB 19,556,958) 2,495,367	-	-	7	144,203,852	N	N	Y	
		Yue Cheng (Kun Shan) Sports Co., Ltd.	b	72,101,926	(RMB 102,785,478) (US\$ 66,000,000) 3,884,879	(RMB 102,785,478) (US\$ 66,000,000) 2,508,066	-	-	7	144,203,852	N	N	Y	
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	72,101,926	(RMB 885,723,077) 45,605	(RMB 585,723,077) 43,933	-	-	-	144,203,852	N	N	Y	
		Bao Sheng Dao Ji (Beijing) Trading Company Ltd.	b	72,101,926	(RMB 10,259,831) 4,466,793	(RMB 10,259,831) 4,378,361	-	-	12	144,203,852	N	N	Y	
		Pou Yuen Trading Corporation	b	72,101,926	(RMB 542,531,566) (US\$ 66,000,000) 712,480	(RMB 542,531,566) (US\$ 66,000,000) 474,560	297,870	-	1	144,203,852	N	N	N	
		Taiwan Taisong Trading Co., Ltd.	b	72,101,926	(NT\$ 466,000,000) (US\$ 8,000,000) 90,000	(NT\$ 350,000,000) (US\$ 4,000,000) 40,000	40,000	-	-	144,203,852	N	N	N	
		Guangzhou Pou-Yuen Trading Co., Ltd.	b	72,101,926	(US\$ 8,000,000) 2,055,240	(US\$ 4,000,000) 2,055,240	-	-	6	144,203,852	N	N	Y	
		Pou Sheng (China) Investment Group Co., Ltd.	b	72,101,926	(US\$ 66,000,000) 8,597,628	(US\$ 66,000,000) 8,281,268	1,461,372	-	23	144,203,852	N	N	Y	
		Taicang Yue-Shen Sporting Goods Co., Ltd.	b	72,101,926	(RMB 1,472,000,000) (US\$ 66,000,000) 2,091,286	(RMB 1,454,000,000) (US\$ 66,000,000) 2,089,964	(RMB 341,282,500)	-	6	144,203,852	N	N	Y	
				(RMB 8,109,398) (US\$ 66,000,000)	(RMB 8,109,398) (US\$ 66,000,000)									

(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	Yue-Shen (Taicang) Footwear Co., Ltd.	b	\$ 72,101,926	\$ 33,360 (RMB 7,505,112)	\$ 32,137 (RMB 7,505,112)	\$ -	\$ -	-	\$ 144,203,852	N	N	Y	
		PCG Bros Sports Management Co., Ltd.	b	72,101,926	290,700 (NT\$ 135,000) (US\$ 5,000,000)	215,700 (NT\$ 60,000) (US\$ 5,000,000)	116,000	-	1	144,203,852	N	N	N	
		Hainan Baoxun Electronic Commerce Co., Ltd.	b	72,101,926	13,127,291 (RMB 2,490,900,000) (US\$ 66,000,000)	12,721,274 (RMB 2,490,900,000) (US\$ 66,000,000)	-	-	35	144,203,852	N	N	Y	
		Hainan Shengwei Electronic Commerce Co., Ltd.	b	72,101,926	16,045,547 (RMB 3,147,425,675) (US\$ 66,000,000)	15,532,517 (RMB 3,147,425,675) (US\$ 66,000,000)	3,484,712 (RMB 813,804,851)	-	-	43	144,203,852	N	N	Y
3	Pou Sheng (China) Investment Group Co., Ltd.	Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	10,308,684	1,387,009 (RMB 312,220,000)	1,277,834 (RMB 298,420,000)	-	-	25	20,617,368	N	N	Y	
		Hefei Pouxun Sporting Goods Co., Ltd.	b	10,308,684	93,057 (RMB 21,100,000)	71,081 (RMB 16,600,000)	-	-	1	20,617,368	N	N	Y	
		Jiangxi Bao Yuan Trade Co., Ltd.	b	10,308,684	7,912 (RMB 1,780,000)	7,622 (RMB 1,780,000)	-	-	-	20,617,368	N	N	Y	
		Shaanxi Pousheng Trading Co., Ltd.	b	10,308,684	97,658 (RMB 22,000,000)	47,102 (RMB 11,000,000)	-	-	1	20,617,368	N	N	Y	
		Taicang Yue-Shen Sporting Goods Co., Ltd.	b	10,308,684	28,893 (RMB 6,500,000)	27,833 (RMB 6,500,000)	-	-	1	20,617,368	N	N	Y	
		Henan YYSPTS Sport Products Co., Ltd.	b	10,308,684	88,900 (RMB 20,000,000)	85,640 (RMB 20,000,000)	-	-	2	20,617,368	N	N	Y	
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	10,308,684	137,795 (RMB 31,000,000)	132,742 (RMB 31,000,000)	-	-	3	20,617,368	N	N	Y	
		Shenzhen Pou-Yuen Sport Products Co., Ltd.	b	10,308,684	889 (RMB 200,000)	856 (RMB 200,000)	-	-	-	20,617,368	N	N	Y	
		Shanghai Shengdao Sports Goods Company Limited	b	10,308,684	889,000 (RMB 200,000,000)	856,400 (RMB 200,000,000)	-	-	17	20,617,368	N	N	Y	
		Shanghai Shengjie Sports Goods Company Limited	b	10,308,684	878,421 (RMB 197,620,000)	846,209 (RMB 197,620,000)	-	-	16	20,617,368	N	N	Y	
		Changsha Shengdao Sports Goods Co.	b	10,308,684	48,763 (RMB 11,000,000)	47,102 (RMB 11,000,000)	-	-	1	20,617,368	N	N	Y	
		Kunshan Bao Kuen Smart Chain Information Technology Co.	b	10,308,684	101,791 (RMB 22,900,000)	98,058 (RMB 22,900,000)	-	-	2	20,617,368	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 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

JUNE 30, 2023

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	JUNE 30, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Pou Chen Corporation	<u>Ordinary shares</u>							
	Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	196,523,748	\$ 7,507,207	1.41	\$ 7,507,207	
	Taiwan Paiho Limited		Financial assets at FVTOCI - current	615,473	33,482	0.21	33,482	
	Zhiyuan Venture Capital Co., Ltd. New Loulan Corporation., Ltd.		Financial assets at FVTOCI - non-current	4,633,929	53,694	10.71	53,694	
			Financial assets at FVTOCI - non-current	100,000	790	4.00	790	
Wealthplus Holdings Limited	<u>Ordinary shares</u>							
	Golden Brands Developments Ltd.		Financial assets at FVTOCI - non-current	17,086,572	91,091	5.88	91,091	
					(US\$ 2,925,216)		(US\$ 2,925,216)	
	Great Team Backend Foundry, Inc.		Financial assets at FVTOCI - non-current	1,624,353	45,371	6.69	45,371	
					(US\$ 1,456,985)		(US\$ 1,456,985)	
	<u>Bonds</u>							
	Natwest Markets PL		Financial assets at amortized cost - non-current	-	428,486	-	428,486	
					(US\$ 13,760,000)		(US\$ 13,760,000)	
	Emirates Nbd Bank Pjsc. Senior Bond		Financial assets at amortized cost - non-current	-	136,414	-	136,414	
					(US\$ 4,380,675)		(US\$ 4,380,675)	
	Qatar National Bank Senior Bond		Financial assets at amortized cost - non-current	-	217,539	-	217,539	
					(US\$ 6,985,833)		(US\$ 6,985,833)	
	Standard Chartered Perpetual Bond		Financial assets at amortized cost - non-current	-	340,794	-	340,794	
					(US\$ 10,943,928)		(US\$ 10,943,928)	
	Barclay & Co., Ltd. Perpetual Bond		Financial assets at amortized cost - non-current	-	261,043	-	261,043	
					(US\$ 8,382,874)		(US\$ 8,382,874)	
	Natwest Markets PL Perpetual Bond		Financial assets at amortized cost - non-current	-	117,810	-	117,810	
					(US\$ 3,783,249)		(US\$ 3,783,249)	
	Deutsche Bank Perpetual Bond		Financial assets at amortized cost - non-current	-	122,278	-	122,278	
					(US\$ 3,926,726)		(US\$ 3,926,726)	
Societe Generale Perpetual Bond		Financial assets at amortized cost - non-current	-	100,858	-	100,858		
				(US\$ 3,238,865)		(US\$ 3,238,865)		
Swedbank Perpetual Bond		Financial assets at amortized cost - non-current	-	94,873	-	94,873		
				(US\$ 3,046,668)		(US\$ 3,046,668)		
BNP Paribas Perpetual Bond		Financial assets at amortized cost - non-current	-	97,120	-	97,120		
				(US\$ 3,118,802)		(US\$ 3,118,802)		
Bank Of America Senior Bond		Financial assets at amortized cost - non-current	-	299,034	-	299,034		
				(US\$ 9,602,903)		(US\$ 9,602,903)		
The Goldman Sachs Group Inc. Senior Bond		Financial assets at amortized cost - non-current	-	305,763	-	305,763		
				(US\$ 9,818,976)		(US\$ 9,818,976)		
HSBC Holdings Senior Bond		Financial assets at amortized cost - non-current	-	265,465	-	265,465		
				(US\$ 8,524,878)		(US\$ 8,524,878)		
Groupe BPCE Subordinated Bond		Financial assets at amortized cost - non-current	-	30,476	-	30,476		
				(US\$ 978,662)		(US\$ 978,662)		
Win Fortune Investments Limited	<u>Fund</u>							
	Prodigy Strategic Investment Fund XXII Segregated Portfolio		Financial assets mandatorily at FVTPL - non-current	32,700	115,862	-	115,862	
					(US\$ 3,720,684)		(US\$ 3,720,684)	
Pou Shine Investments Co., Ltd.	<u>Ordinary shares</u>							
	Taiwan Paiho Limited		Financial assets at FVTOCI - current	775,170	42,169	0.26	42,169	
	Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	128,251,120	4,899,193	0.92	4,899,193	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	JUNE 30, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Pou Yuen Technology Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	788,519	\$ 10,005	-	\$ 10,005	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	17,465,356	667,177	0.13	667,177	
Barits Development Corporation	<u>Ordinary shares</u> Mega Financial Holding Company Ltd. Shey Yu Co., Ltd. Environment In Assistant Engineering Corp.		Financial assets at FVTOCI - current Financial assets at FVTOCI - non-current Financial assets at FVTOCI - non-current	137,063,966 32,000 20,000	5,235,844 320 -	0.98 1.07 1.00	5,235,844 320 -	
Song Ming Investments Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	5,590,611	70,932	-	70,932	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	50,651,528	1,934,888	0.36	1,934,888	
Pro Arch International Development Enterprise Inc.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	2,199,305	27,904	-	27,904	
Pou Chin Development Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	969,144	12,296	-	12,296	
Wang Yi Construction Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	265,198	3,365	-	3,365	
Windsor Entertainment Co., Ltd.	<u>Fund</u> Jih Sun Money Market Fund Fuh Hwa You Li Money Market Fund		Financial assets mandatorily at FVTPL - current Financial assets mandatorily at FVTPL - current	626,303 111,342	9,494 1,529	- -	9,494 1,529	
	<u>Ordinary shares</u> Taichung International Entertainment Corporation		Financial assets at FVTOCI - non-current	3	11,400	0.09	11,400	
Pou Yii Development Co., Ltd.	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	41,071,186	1,568,919	0.29	1,568,919	
Yue Yuen Industrial (Holdings) Limited	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	38,776,684	491,787	-	491,787	
	BPEA Asia Private Equity		Financial assets mandatorily at FVTPL - non-current	-	(US\$ 15,792,781) 835,622 (US\$ 26,834,362)	-	(US\$ 15,792,781) 835,622 (US\$ 26,834,362)	
	<u>Ordinary shares</u> Evermore Chemical Industry Co., Ltd.		Financial assets at FVTOCI - current	7,068,281	116,579	7.11	116,579	
	Taiwan Paiho Limited		Financial assets at FVTOCI - non-current	9,528,228	(US\$ 3,743,716) 518,125 (US\$ 16,638,573)	3.20	(US\$ 3,743,716) 518,125 (US\$ 16,638,573)	
	Keg Big Dome Sports Co., Ltd.		Financial assets at FVTOCI - non-current	-	7,945 (US\$ 255,139)	11.76	7,945 (US\$ 255,139)	

Note: The marketable securities stated here are related to shares, debentures and beneficiary certificates and the derivative products caused by those of "IFRS 9 Financial Instruments". For information on the investments in subsidiaries, associates and joint ventures refer to Tables 10 and 11.

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(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	609,448	\$ 7,685 (US\$ 250,258)	77,814,646	\$ 982,681 (US\$ 31,781,605) (Note)	39,647,410	\$ 498,579 (US\$ 16,239,082)	\$ 498,579 (US\$ 16,239,082)	\$ -	38,776,684	\$ 491,787 (US\$ 15,792,781)

Note: Include acquisition and valuation adjustments for fair value.

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 SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Yue Yuen Industrial (Holdings) Limited	Public construction such as factories and dormitories	2023.01-2023.06	\$ 4,912,410 (US\$ 157,752,424)	Accumulated payment as of June 30, 2023 \$ 955,254 (US\$ 30,676,099)	-	None	-	-	-	-	Market price	Plant expansion	

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 SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars)**

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Pou Chien Enterprise Co., Ltd.	Five parcels of real estate in Taoyuan City Park	2023.3	2018.2-2022.6	\$ 2,048,308	\$ 2,352,000	Received	\$ 303,692	-	Non-relatives	Disposal of idle assets	Price evaluation report and mutual bargaining decision	

POU CHEN CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	The subsidiary in which the Company holds 51.11% indirectly at June 30, 2023	Sales	\$ (3,819,361)	(98)	D/A 45 days	-	-	\$ 1,335,865	99	
Yue Yuen Industrial (Holdings) Limited	Pou Chen Corporation	The parent company	Purchases	3,819,361 (US\$ 125,016,667)	6	D/A 45 days	-	-	(1,335,865) (US\$ (42,898,683))	(11)	
	Ka Yuen Rubber Factory Limited	Investee accounted for by the equity method	Purchases	905,620 (US\$ 29,669,000)	1	D/A 45 days	-	-	(394,295) (US\$ (12,662,000))	(3)	
	Twinways Investments Limited	Investee accounted for by the equity method	Purchases	772,165 (US\$ 25,279,000)	1	D/A 45 days	-	-	(283,218) (US\$ (9,095,000))	(2)	
	Cohen Enterprises Inc.	Investee accounted for by the equity method	Purchases	121,599 (US\$ 3,986,000)	-	D/A 45 days	-	-	(19,867) (US\$ (638,000))	-	
	Top Units Developments Ltd.	Investee accounted for by the equity method	Purchases	354,323 (US\$ 11,600,000)	1	D/A 45 days	-	-	(137,919) (US\$ (4,429,000))	(1)	
	San Fang Chemical Industry Co., Ltd.	Investee accounted for by the equity method	Purchases	863,880 (US\$ 28,300,000)	1	D/A 45 days	-	-	(256,251) (US\$ (8,229,000))	(2)	
	Eastlion Industrial Ltd.	Investee accounted for by the equity method	Purchases	617,903 (US\$ 20,220,000)	1	D/A 45 days	-	-	(330,177) (US\$ (10,603,000))	(3)	
	Cohen Enterprises Inc.	Investee accounted for by the equity method	Sales	(166,658) (US\$ (5,456,000))	-	D/A 45 days	-	-	15,788 (US\$ 507,000)	-	

POU CHEN CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2023

(In Thousands of New Taiwan Dollars)

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 June 30, 2023	\$ 1,335,865	5	\$ -	-	\$ 926,338	\$ -

POU CHEN CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars)**

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	\$ 3,819,361	D/A 45 days	3
		Yue Yuen Industrial (Holdings) Limited	a	Accounts receivable	1,335,865	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 June 30, 2023. For profit or loss items, cumulative amounts are shown as a percentage to the consolidated total operating revenue for the six months ended June 30, 2023.

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2023	December 31, 2022	Shares	%	Carrying Amount			
Pou Chen Corporation	Wealthplus Holding Ltd.	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	\$ 88,095,151 (US\$ 2,829,002,918)	\$ 1,330,638 (US\$ 43,694,888)	\$ 1,331,372 (US\$ 43,719,838)	
	Win Fortune Investments Limited	British Virgin Islands	Investing activities	3,230 (US\$ 100,000)	3,230 (US\$ 100,000)	100,000	100.00	2,281,557 (US\$ 73,267,723)	23,412 (US\$ 768,095)	23,545 (US\$ 772,449)	
	Windsor Hotel Co., Ltd.	ROC	Entertainment and resort operations	71,000	71,000	7,100,000	100.00	118,391	6,295	(6,860)	
	Pou Shine Investment Co., Ltd.	ROC	Investing activities	1,124,667	1,124,667	133,094,460	100.00	4,516,704	9,575	10,977	
	Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	5,000	5,000	-	100.00	13,529	3,089	3,089	
	Barits Development Corp.	ROC	Import and export of shoe-related materials and investing activities	2,117,292	2,117,292	294,451,784	99.49	11,012,253	33,263	38,369	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	966,450	966,450	30,456,252	97.82	488,338	3,973	2,390	
	Pro Arch International Development Enterprise Inc.	ROC	Design and manufacture of footwear products	2,643,184	2,643,184	20,000,000	100.00	249,191	9,223	9,228	
	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	40,320	40,320	7,875,000	15.00	223,564	16,262	2,439	
	Wang Yi Construction Co., Ltd.	ROC	Construction	5,356	5,356	367,305	7.82	-	5,997	699	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	3,245,815	3,245,815	68,884,949	12.36	1,419,555	441,444	54,554	
	Ruen Chen Investment Holding Co., Ltd.	ROC	Investment holding	15,452,000	15,452,000	6,227,400,000	20.00	44,323,737	13,559,754	2,711,951	
	Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	370	370	10,000	-	346	15,392,758	15	
Wealthplus Holdings Limited	Yue Yuen Industrial (Holdings) Ltd.	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	62,462,619 (US\$ 2,005,864,453)	2,485,198 (US\$ 81,440,445)	1,237,857 (US\$ 40,567,084)	
	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	9,583 (US\$ 307,760)	802 (US\$ 26,418)	253 (US\$ 8,336)	
Win Fortune Investments Limited	Yue Yuen Industrial (Holdings) Ltd.	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	1,340,495 (US\$ 43,047,354)	2,485,198 (US\$ 81,440,445)	26,553 (US\$ 870,205)	
Pou Shine Investments Co., Ltd.	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,583	2,583	378,342	0.13	14,099	33,263	42	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	23,637	23,637	745,978	0.13	15,369	441,444	591	
	Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	189,772	189,772	12,811,208	0.09	246,778	15,392,758	14,269	
Barits Development Corporation	Song Ming Investments Co., Ltd.	ROC	Investing activities	1,218,879	1,218,879	120,486,400	100.00	3,110,915	16,886	16,886	
	Wang Yi Construction Co., Ltd.	ROC	Construction	62,787	62,787	4,218,250	89.75	61,250	5,997	5,382	
	Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	200,000	200,000	20,000,000	100.00	198,997	(33)	(33)	
	Yue Hong Realty Development Co., Ltd.	ROC	Development of real estate	240,000	240,000	24,000,000	100.00	134,292	(7,687)	(7,687)	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	94,102	125,083	6,949,451	1.24	143,217	441,444	6,398	
Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	189,920	189,920	12,821,208	0.09	247,044	15,392,758	14,285		
Song Ming Investments Co., Ltd.	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	262,500	262,500	39,375,000	75.00	1,117,822	16,262	12,196	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	21,240	21,240	619,220	1.99	16,972	3,973	79	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	19,792	19,792	2,147,558	0.39	44,258	441,444	1,701	
Pou Yuen Technology Co., Ltd.	Pearl Dove International Limited	British Virgin Islands	Investment holding	78,348 (US\$ 2,573,883)	78,348 (US\$ 2,573,883)	25,901	100.00	10,333 (US\$ 331,834)	(158) (US\$ (5,320))	(158) (US\$ (5,320))	
Yue Yuen Industrial (Holdings) Ltd.	Eagle Nice (International) Holdings Limited	British Cayman Islands	Manufacturing and sale 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	2,800,939 (US\$ 89,946,655)	261,660 (US\$ 8,503,397)	94,119 (US\$ 3,058,672)	
	Full Pearl International Ltd.	British Virgin Islands	Sale of women's shoes	381,878 (US\$ 12,226,424)	381,878 (US\$ 12,226,424)	1,319	40.04	- (US\$ -)	- (US\$ -)	- (US\$ -)	
	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	3,124,537 (US\$ 100,338,366)	321,148 (US\$ 10,527,409)	144,517 (US\$ 4,737,334)	
	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	554,177 (US\$ 18,676,318)	312,854 (US\$ 10,227,676)	70,392 (US\$ 2,301,227)	
	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	4,684,399 (US\$ 150,430,282)	361,975 (US\$ 11,844,855)	161,875 (US\$ 5,297,019)	
	Nan Pao Resins Chemical Co., Ltd.	ROC	Manufacturing and sale of chemical materials	539,797 (US\$ 16,873,924)	539,797 (US\$ 16,873,924)	21,205,248	17.59	2,094,021 (US\$ 67,245,371)	1,178,619 (US\$ 38,629,215)	207,319 (US\$ 6,794,879)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2023	December 31, 2022	Shares	%	Carrying Amount			
Yue Yuen Industrial (Holdings) Limited	Just Lucky Investments Limited	British Virgin Islands	Property management	\$ 26,207 (US\$ 808,130)	\$ 26,207 (US\$ 808,130)	808,130	38.30	\$ 53,506 (US\$ 1,718,236)	\$ (265) (US\$ (8,611))	\$ (102) (US\$ (3,298))	
	Natural Options Limited	British Virgin Islands	Manufacturing of foam	11,144 (US\$ 343,638)	11,144 (US\$ 343,638)	340,870	38.30	7,208 (US\$ 231,463)	(30) (US\$ (979))	(11) (US\$ (375))	
	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	34,341 (US\$ 1,102,788)	2,369 (US\$ 77,361)	900 (US\$ 29,397)	
	Prosperlink Limited	Samoa	Processing and sale of foam	17,432 (US\$ 570,000)	17,432 (US\$ 570,000)	570,000	38.00	20,078 (US\$ 644,755)	1,083 (US\$ 35,347)	412 (US\$ 13,432)	
	Pou Ming Paper Products Manufacturing Co., Ltd.	British Virgin Islands	Manufacturing and sale of paper products	66,937 (US\$ 2,163,800)	66,937 (US\$ 2,163,800)	1,000,000	20.00	7,877 (US\$ 252,964)	8,744 (US\$ 285,540)	1,749 (US\$ 57,108)	
	Brandblack Inc.	USA	Sale of footwear	68,762 (US\$ 2,275,000)	68,762 (US\$ 2,275,000)	1,135,796	31.25	48,669 (US\$ 1,562,925)	- (US\$ -)	- (US\$ -)	
	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	526,329 (US\$ 16,902,013)	49,978 (US\$ 1,628,346)	24,989 (US\$ 814,173)	
	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	826,351 (US\$ 26,536,653)	134,099 (US\$ 4,400,022)	67,050 (US\$ 2,200,011)	
	Hua Jian Industrial Holding Co., Limited	British Virgin Islands	Manufacturing and sale of women cloth and footwear	460,031 (US\$ 13,684,113)	460,031 (US\$ 13,684,113)	2,241	22.41	69,063 (US\$ 2,217,814)	(327,176) (US\$ (10,709,505))	(73,320) (US\$ (2,400,000))	
	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	554,423 (US\$ 17,804,213)	(32,041) (US\$ (1,054,178))	(16,021) (US\$ (527,089))	
	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	1,092,054 (US\$ 35,069,679)	193,732 (US\$ 6,348,632)	96,866 (US\$ 3,174,316)	
	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	997,758 (US\$ 32,041,031)	215,569 (US\$ 7,061,798)	105,629 (US\$ 3,460,281)	

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outward	Inward							
Great Team Backend Foundry, Inc.	Processing and manufacturing of transistors	\$ 2,642,140 (US\$ 88,116,600)	b	\$ -	\$ -	\$ -	\$ -	\$ -	2.01	\$ -	\$ 45,371 (RMB 10,595,636)	\$ -	(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	-	-	-	7,650 (RMB 1,738,352)	31.97	2,446 (RMB 555,751) b,1)	205,344 (RMB 47,955,272)	-	-	
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	-	-	-	2,623 (RMB 595,204)	100.00	2,623 (RMB 595,204) b,1)	317,766 (RMB 74,209,664)	-	-	
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	-	-	-	253,097 (RMB 57,478,593)	31.97	80,915 (RMB 18,375,906) b,1)	1,124,436 (RMB 262,595,903)	-	-	
Dongguan Baoqiao Electronic Technology Co., Ltd.	Production and marketing of other optical appliances and instruments	147,645 (US\$ 4,500,000)	b	-	-	-	39,965 (RMB 9,066,657)	100.00	39,965 (RMB 9,066,657) b,2)	278,866 (RMB 65,125,096)	-	-	
Poushun Paper Products Manufacturing Co., Ltd.	Production and sale of shoe inner boxes, cartons	68,901 (US\$ 2,100,000)	b	-	-	-	7,375 (RMB 1,674,728)	10.22	754 (RMB 171,157) b,1)	7,396 (RMB 1,727,186)	-	-	
Pouhong Footwear Industrial Ltd.	Production and operation of casual shoes, sports shoes	49,215 (US\$ 1,500,000)	b	-	-	-	(3,319) (RMB (751,682))	51.11	(1,696) (RMB (384,185)) b,1)	21,370 (RMB 4,990,652)	-	-	
Shanggao Yisen Industry Co., Ltd.	Production and sale of finished shoes, semi-finished products, components and moulds	945,204 (US\$ 30,390,000)	b	-	-	-	65,298 (RMB 14,850,600)	51.11	33,374 (RMB 7,590,142) b,1)	747,846 (RMB 174,648,671)	-	-	
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	-	-	-	(35,464) (RMB (8,045,758))	51.11	(18,126) (RMB (4,112,187)) b,1)	386,926 (RMB 90,360,944)	-	-	
Dong Guan Yu Yuen Mold Co., Ltd.	Production and sale of molds for non-metallic products	62,011 (US\$ 1,890,000)	b	-	-	-	816 (RMB 185,208)	51.11	417 (RMB 94,660) b,1)	30,423 (RMB 7,104,920)	-	-	
Zhong Shan Glory Shoes Ind., Ltd.	Production and operation of various types of leather shoes products	951,490 (US\$ 29,000,000)	b	-	-	-	6,607 (RMB 1,509,844)	23.00	1,520 (RMB 347,264) b,2)	439,126 (RMB 102,551,664)	-	-	
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	-	-	-	145 (RMB 33,008)	23.00	33 (RMB 7,592) b,2)	10,057 (RMB 2,348,579)	-	-	
Zhong Ao Multiplex Management Group Co., Ltd.	Stadium management, wholesale and retail of clothing and footwear accessories	2,055,560 (RMB 431,795,000)	b	-	-	-	8,112 (RMB 1,888,905)	20.34	1,650 (RMB 384,203) b,1)	589,763 (RMB 137,730,638)	-	-	
ShangGao Yisen Ka Yuen Industry Co., Ltd.	Production and sale of footwear products	77,432 (US\$ 2,360,000)	b	-	-	-	27,682 (RMB 6,293,800)	25.56	7,075 (RMB 1,608,695) b,1)	47,241 (RMB 11,032,572)	-	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outward	Inward							
Bao Sheng Dao Ji (BeiJing) Trading Company Ltd.	Retail business of sports goods and accessories	\$ 1,988,061 (US\$ 65,000,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (142,557) (RMB (32,472,172))	31.97	\$ (45,575) (RMB (10,381,353)) b,1)	\$ 541,765 (RMB 126,521,376)	\$ -	
Qingdao Pou-Sheng International Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	94,800 (RMB 20,000,000)	b	-	-	-	-	276,541 (RMB 62,632,301)	23.02	63,660 (RMB 14,417,956) b,1)	233,339 (RMB 54,492,999)	-	
Guizhou Pou-Sheng Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	322,886 (US\$ 10,000,000)	b	-	-	-	-	(5,979) (RMB (1,357,971))	31.97	(1,911) (RMB (434,143)) b,1)	138,996 (RMB 32,460,441)	-	
Nanning Pou-Kung Sport Products Co., Ltd.	Retail business of sports goods and accessories	42,653 (US\$ 1,300,000)	b	-	-	-	-	(5,206) (RMB (1,195,382))	31.97	(1,664) (RMB (382,164)) b,1)	(40,497) (RMB (9,457,517))	-	
Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	Retail business of sports goods and accessories	1,567,250 (US\$ 50,000,000)	b	-	-	-	-	293,264 (RMB 66,370,503)	31.97	93,757 (RMB 21,218,650) b,1)	1,620,676 (RMB 378,485,861)	-	
Taicang YYSPO RTS Business Trading Co., Ltd.	Retail business of sports goods and accessories series products	164,050 (US\$ 5,000,000)	b	-	-	-	-	2,450 (RMB 555,295)	31.97	783 (RMB 177,528) b,1)	65,154 (RMB 15,215,862)	-	
Yangzhou Baoyi Shoes Manufacturing Co., Ltd.	Vulcanized shoes, sports shoes, casual shoes and other footwear manufacturing, marketing	729,906 (US\$ 22,456,800)	b	-	-	-	-	72,292 (RMB 16,455,581)	25.56	18,478 (RMB 4,206,047) b,1)	282,005 (RMB 65,858,208)	-	
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	-	-	-	-	50,338 (RMB 11,342,939)	31.97	16,093 (RMB 3,626,338) b,1)	544,594 (RMB 127,182,111)	-	
YYSPO RTS (Chengdu) Business Trading Co., Ltd.	Retail business of sports goods and accessories	689,194 (US\$ 22,400,000)	b	-	-	-	-	73,882 (RMB 16,739,924)	31.97	23,620 (RMB 5,351,754) b,1)	173,418 (RMB 40,499,296)	-	
Fujian Baomin Sporting Goods Co., Ltd.	Retail business of sports goods and accessories	147,645 (US\$ 4,500,000)	b	-	-	-	-	(4,818) (RMB (1,085,131))	28.77	(1,386) (RMB (312,192)) b,1)	66,759 (RMB 15,590,658)	-	
Guangzhou Pou-Yuen Trading Co., Ltd.	Retail business of sports goods and accessories	710,251 (US\$ 23,310,000)	b	-	-	-	-	9,107 (RMB 2,047,564)	31.97	2,911 (RMB 654,606) b,1)	212,248 (RMB 49,567,397)	-	
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	-	-	-	-	13,613 (RMB 3,088,382)	31.97	4,352 (RMB 987,356) b,1)	767,204 (RMB 179,169,438)	-	
Shend Dao (Yang Zhou) Sporting Goods Dev Co., Ltd.	Shopping mall management and property management	2,111,340 (US\$ 66,000,000)	b	-	-	-	-	10,457 (RMB 2,372,783)	31.97	3,343 (RMB 758,579) b,1)	697,876 (RMB 162,979,084)	-	
Zhong Shan O Li Su Shoe Making Machine Ltd.	Manufacturing shoes and boots or repairing machinery	181,314 (US\$ 5,900,000)	b	-	-	-	-	(1,296) (RMB (291,611))	51.11	(662) (RMB (149,042)) b,2)	17,079 (RMB 3,988,544)	-	
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	-	-	-	-	107,338 (RMB 24,251,057)	31.97	34,316 (RMB 7,753,063) b,1)	1,884,533 (RMB 440,105,850)	-	
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	-	-	-	-	33 (RMB 7,526)	31.97	11 (RMB 2,406) b,1)	117,898 (RMB 27,533,373)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outward	Inward							
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	-	-	-	-	(2,106) (RMB (476,474))	51.11	(1,076) (RMB (243,526)) b,1)	120,625 (RMB 28,170,223)	-	
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	-	-	-	-	61,012 (RMB 13,864,491)	51.11	31,183 (RMB 7,086,141) b,1)	574,211 (RMB 134,098,750)	-	
Jiangxi Province Yutai Shoe Co., Ltd.	Production and sale of footwear products and semi-finished products	918,125 (US\$ 30,000,000)	b	-	-	-	-	(10,435) (RMB (2,367,595))	51.11	(5,333) (RMB (1,210,078)) b,1)	114,293 (RMB 26,691,562)	-	
Dongguan Yu Xiang Shoes Material Co., Ltd.	Production and sale of footwear products	295,820 (US\$ 9,500,000)	b	-	-	-	-	(89,291) (RMB (20,238,416))	51.11	(45,636) (RMB (10,343,854)) b,1)	142,539 (RMB 33,288,033)	-	
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	-	-	-	-	1,034 (RMB 238,784)	19.42	201 (RMB 46,372) b,1)	14,457 (RMB 3,376,320)	-	
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	-	-	-	-	98,175 (RMB 22,412,889)	51.11	50,177 (RMB 11,455,227) b,1)	1,037,050 (RMB 242,188,325)	-	
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	-	-	-	-	(671) (RMB (152,127))	51.11	(343) (RMB (77,752)) b,1)	4,565 (RMB 1,066,120)	-	
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	-	-	-	-	665 (RMB 151,781)	31.97	212 (RMB 48,524) b,1)	142,210 (RMB 33,211,059)	-	
Dongguan De Chang Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	3,762 (RMB 853,220)	51.11	1,923 (RMB 436,081) b,1)	14,675 (RMB 3,427,096)	-	
Zhong Shan Bao Song Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	2,483 (RMB 564,756)	51.11	1,269 (RMB 288,647) b,1)	11,591 (RMB 2,706,918)	-	
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	-	-	-	-	(7,656) (RMB (1,736,635))	51.11	(3,913) (RMB (887,594)) b,1)	69,543 (RMB 16,240,852)	-	
Jiangxi Uniscien Consulting Co., Ltd.	Business management consultation, marketing planning and other services	10,442 (US\$ 350,000)	b	-	-	-	-	1,271 (RMB 288,288)	51.11	649 (RMB 147,344) b,1)	8,092 (RMB 1,889,756)	-	
Yu Xing (Jishui) Footwear Co., Ltd.	Production and sale of sports shoes	183,840 (US\$ 6,400,000)	b	-	-	-	-	(5,612) (RMB (1,272,221))	51.11	(2,868) (RMB (650,232)) b,1)	33,395 (RMB 7,798,857)	-	
Yang Xin Zhang Yuan Shoe Co., Ltd.	Production and sale of footwear products	61,029 (US\$ 2,100,000)	b	-	-	-	-	(777) (RMB (176,508))	25.56	(199) (RMB (45,115)) b,1)	5,534 (RMB 1,292,377)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outward	Inward							
YangXin Pou Jia Yuen Shoes Manufacturing Co., Ltd.	Production and sale of rubber soles	\$ 87,258 (US\$ 3,000,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (5,297) (RMB (1,201,831))	25.56	\$ (1,354) (RMB (307,188)) b,1)	\$ 7,834 (RMB 1,829,469)	\$ -	
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	-	-	-	-	(18,306) (RMB (4,179,669))	31.97	(5,853) (RMB (1,336,240)) b,1)	4,493,040 (RMB1,049,285,494)	-	
Yichun Yisen Industry Co., Ltd.	Production and sale of footwear and mold products	410,130 (US\$ 14,000,000)	b	-	-	-	-	43,356 (RMB 9,833,433)	51.11	22,159 (RMB 5,025,867) b,1)	302,482 (RMB 70,640,268)	-	
Zhong Xiang Yue-Shen Sporting Goods Co., Ltd.	Production, processing of shoes, semi-finished products, moulds and related sporting goods, sales of self-produce products	94,380 (US\$ 3,250,000)	b	-	-	-	-	(9) (RMB (1,992))	51.11	(5) (RMB (1,018)) b,1)	331 (RMB 77,370)	-	
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	-	-	-	-	36,263 (RMB 8,261,968)	51.11	18,534 (RMB 4,222,692) b,1)	724,093 (RMB 169,101,649)	-	
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	-	-	-	-	64,797 (RMB 14,689,489)	51.11	33,118 (RMB 7,507,798) b,1)	863,255 (RMB 201,600,788)	-	
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	-	-	-	-	(65,490) (RMB (14,933,533))	51.11	(33,472) (RMB (7,632,529)) b,1)	173,778 (RMB 40,583,374)	-	
Jilin Xinfangwei Sports Goods Company Limited	Sports goods sales	196,160 (RMB 40,000,000)	b	-	-	-	-	-	15.90	- b,1)	-	-	
Dong Guan Yue Guan Paper Products Co., Ltd.	Production and sale of cartons and engaged in research and development of cartons	48,693 (RMB 10,000,000)	b	-	-	-	-	2,577 (RMB 581,893)	10.22	263 (RMB 59,469) b,1)	4,572 (RMB 1,067,699)	-	
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	-	-	-	-	15,096 (RMB 3,401,197)	31.97	4,826 (RMB 1,087,363) b,1)	25,659 (RMB 5,992,331)	-	
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	-	-	-	-	(289) (RMB (65,465))	6.80	(20) (RMB (4,452)) b,1)	3,285 (RMB 767,161)	-	
Kun Shan Taisong Trading Co., Ltd.	Wholesale and retail of clothing, footwear, glasses and watches	790,110 (US\$ 26,500,000)	b	-	-	-	-	(61,565) (RMB (13,933,422))	31.97	(19,682) (RMB (4,454,515)) b,1)	(202,146) (RMB (47,208,326))	-	
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	-	-	-	-	346 (RMB 79,973)	31.97	110 (RMB 25,567) b,1)	11,328 (RMB 2,645,403)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outward	Inward							
Yisen (YiFeng) Mould Co., Ltd.	Production and sale of mould products	\$ 479,284 (US\$ 14,850,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (2,156) (RMB (489,733))	51.11	\$ (1,102) (RMB (250,302)) b,1)	\$ 139,957 (RMB 32,684,867)	\$ -	
Zhu Hai Yu Yuan Industrial Co., Ltd.	Processing, production and sale of footwear products	1,408 (RMB 300,000)	b	-	-	-	-	3,295 (RMB 762,337)	51.11	1,684 (RMB 389,631) b,1)	5,840 (RMB 1,363,793)	-	
Yang Xin Pou Shou Sporting Goods Co., Ltd.	Processing, production and sale of footwear products	236,574 (US\$ 7,800,000)	b	-	-	-	-	(10,743) (RMB (2,419,068))	51.11	(5,491) (RMB (1,236,386)) b,1)	29,911 (RMB 6,985,264)	-	
Changsha YYSPO RTS Sport Products Co., Ltd.	Sales of sports goods and equipment	22,825 (RMB 5,000,000)	b	-	-	-	-	29,574 (RMB 6,642,032)	31.97	9,455 (RMB 2,123,458) b,1)	1,861 (RMB 434,646)	-	
Henan YYSPO RTS Sport Products Co., Ltd.	Retail business of sports goods and accessories	9,130 (RMB 2,000,000)	b	-	-	-	-	102,519 (RMB 23,245,974)	31.97	32,775 (RMB 7,431,738) b,1)	28,660 (RMB 6,693,238)	-	
Shenyang Pou-Yi Trading Co., Ltd.	Retail business of sports goods and accessories	182,600 (RMB 40,000,000)	b	-	-	-	-	5,024 (RMB 1,131,437)	31.97	1,606 (RMB 361,720) b,1)	(14,657) (RMB (3,422,880))	-	
Zhejiang Shengdao Sporting-Goods Co., Ltd.	Retail business of sports goods and accessories	228,250 (RMB 50,000,000)	b	-	-	-	-	47,926 (RMB 10,633,884)	31.97	15,322 (RMB 3,399,653) b,1)	244,409 (RMB 57,078,206)	-	
Mudanjiang YYSPO RTS 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	-	-	-	-	8,250 (RMB 1,873,282)	31.97	2,637 (RMB 598,888) b,1)	11,240 (RMB 2,624,921)	-	
Widevision Investment (Shenzhen) Co., Ltd.	Business management consulting, economic information consulting and market management planning	13,833 (RMB 3,000,000)	b	-	-	-	-	(1,213) (RMB (274,963))	100.00	(1,213) (RMB (274,963)) b,1)	14,698 (RMB 3,432,415)	-	
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	-	-	-	-	(12,619) (RMB (2,893,893))	31.97	(4,034) (RMB (925,178)) b,1)	(22,322) (RMB (5,212,870))	-	
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	-	-	-	-	(690) (RMB (149,145))	25.56	(176) (RMB (38,122)) b,1)	28,127 (RMB 6,568,571)	-	
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	-	-	-	-	(19,170) (RMB (4,349,345))	51.11	(9,798) (RMB (2,222,950)) b,1)	271,303 (RMB 63,358,934)	-	
Yifeng Kun Ching Foam Ltd.	Production, sales, processing of plastic foam and foam daily products	8,994 (US\$ 300,000)	b	-	-	-	-	1,508 (RMB 342,280)	19.42	293 (RMB 66,471) b,1)	2,968 (RMB 693,199)	-	
Zhongshan Hwa Ching Foam Co., Ltd.	Production of foam products	29,980 (US\$ 1,000,000)	b	-	-	-	-	2,981 (RMB 675,615)	19.58	584 (RMB 132,286) b,1)	10,744 (RMB 2,509,002)	-	
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	-	-	-	-	(7,625) (RMB (1,732,321))	31.97	(2,438) (RMB (553,823)) b,1)	(9,684) (RMB (2,261,544))	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outward	Inward							
Dong Guan Orisol Trading Company Ltd.	Wholesale or repair of shoe-related machinery and parts	\$ 27,850 (US\$ 1,000,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (5,598) (RMB (1,255,928))	51.11	\$ (2,861) (RMB (641,905)) b,1)	\$ 105,416 (RMB 24,618,325)	\$ -	
Shanghai Shengjie Sports Goods Co., Ltd.	Retail business of sports goods and accessories	67,095 (RMB 15,000,000)	b	-	-	-	-	465,486 (RMB 105,567,407)	31.97	148,816 (RMB 33,749,900) b,1)	369,835 (RMB 86,369,663)	-	
Suzhou Baocheng Sports Goods Trading Co., Ltd.	Retail business of sports goods and accessories	2,204 (RMB 500,000)	b	-	-	-	-	(14,485) (RMB (3,245,077))	31.97	(4,631) (RMB (1,037,451)) b,1)	(5,866) (RMB (1,369,821))	-	

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
\$ -	\$ 22,867,388 (US\$ 734,341,282)	\$ 70,906,312

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 SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outward	Inward							
Kunshan Yuanying Electronics Technology Co., Ltd.	Manufacturing and sale of alloy	\$ 85,936 (US\$ 2,620,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (1,627) (RMB (367,735))	100.00	\$ (1,627) (RMB (367,735)) b, 2)	\$ 51,914 (RMB 12,123,794)	-	

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ -	\$ 179,678 (US\$ 5,770,000)	\$ 512,006

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
JUNE 30, 2023**

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

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