

Pou Chen Corporation and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2021 and 2020 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 September 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the nine 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 Statement of Auditing Standards No. 65 "Review of 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 September 30, 2021 and 2020, its consolidated financial performance for the three months ended September 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2021 and 2020 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. and Nan Shan Life Insurance 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., are based solely on the review reports of other auditors. As of September 30, 2021 and 2020, the carrying amounts of investments in Ruen Chen Investment Holding Co., Ltd. were \$69,291,238 thousand and \$62,335,882 thousand, respectively, representing 19.38% and 17.65%, respectively, of the Group's the consolidated total assets. For the three months ended September 30, 2021 and 2020, the amounts of profit of the associates were \$2,484,641 thousand and \$2,571,723 thousand, respectively, representing 277.07% and 74.64%, respectively, of the income which the Group recognized before income tax, and for the nine months ended September 30, 2021 and 2020, the amounts of profit of the associates were \$9,652,976 thousand and \$6,446,531 thousand, respectively, representing 59.53% and 186.63%, respectively, of the income which the Group recognized before income tax. As of September 30, 2021 and 2020, the carrying amounts of the investments in Nan Shan Life Insurance Co., Ltd. were \$752,544 thousand and \$680,468 thousand, respectively, representing 0.21% and 0.19%, respectively, of the Group's consolidated total assets. For the three months ended September 30, 2021 and 2020, the amounts of profit of the associates were \$25,944 thousand and \$26,844 thousand, respectively, representing 2.89% and 0.78%, respectively, of the income which the Group recognized before income tax, and for the nine months ended September 30, 2021 and 2020, the amounts of profit of the associates were \$100,594 thousand and \$67,360 thousand, respectively, representing 0.62% and 1.95%, respectively, of the income which the Group recognized before income tax.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 12, 2021

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	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 33,746,063	10	\$ 32,108,725	9	\$ 35,740,547	10
Financial assets at fair value through profit or loss - current (Note 7)	5,133,988	1	3,769,286	1	762,211	-
Financial assets at fair value through other comprehensive income - current (Note 9)	18,078,044	5	16,685,548	5	16,261,743	5
Financial assets at amortized cost - current (Note 10)	9,986,057	3	7,492,930	2	8,640,635	3
Notes receivable (Notes 11 and 35)	76	-	39	-	112	-
Accounts receivable (Notes 11 and 35)	19,982,122	6	31,916,866	9	25,129,063	7
Other receivables (Note 11)	5,539,414	2	5,312,322	1	6,398,775	2
Inventories - manufacturing and retailing (Note 12)	50,970,989	14	45,214,271	12	45,317,789	13
Inventories - construction (Note 12)	3,718,224	1	3,716,256	1	3,926,248	1
Non-current assets held for sale (Note 13)	471,835	-	630,861	-	678,321	-
Other current assets (Note 14)	11,565,770	3	8,648,792	2	8,557,546	2
Total current assets	<u>159,192,582</u>	<u>45</u>	<u>155,495,896</u>	<u>42</u>	<u>151,412,990</u>	<u>43</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	660,205	-	997,231	-	1,404,109	-
Financial assets at fair value through other comprehensive income - non-current (Note 9)	953,530	-	1,050,168	-	1,001,872	-
Financial assets at amortized cost - non-current (Notes 10 and 36)	3,138,472	1	3,472,325	1	3,429,856	1
Investments accounted for using the equity method (Note 16)	90,030,403	25	97,988,994	27	85,226,275	24
Property, plant and equipment (Note 17)	64,826,320	18	69,983,286	19	72,245,375	21
Right-of-use assets (Note 18)	18,988,221	5	20,535,496	6	18,297,001	5
Investment properties (Note 19)	2,791,592	1	2,827,040	1	2,837,752	1
Goodwill (Note 20)	7,794,578	2	7,957,895	2	8,088,054	2
Other intangible assets (Note 21)	1,655,106	1	1,874,808	-	1,933,641	1
Deferred tax assets (Note 4)	3,269,359	1	2,757,568	1	2,925,514	1
Other non-current assets (Note 14)	4,312,052	1	3,973,852	1	4,368,342	1
Total non-current assets	<u>198,419,838</u>	<u>55</u>	<u>213,418,663</u>	<u>58</u>	<u>201,757,791</u>	<u>57</u>
TOTAL	<u>\$ 357,612,420</u>	<u>100</u>	<u>\$ 368,914,559</u>	<u>100</u>	<u>\$ 353,170,781</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 22)	\$ 33,702,131	9	\$ 23,732,375	6	\$ 30,146,760	8
Short-term bills payable (Note 22)	3,247,377	1	3,360,748	1	2,423,274	1
Financial liabilities at fair value through profit or loss - current (Note 7)	97,707	-	131,348	-	128,533	-
Financial liabilities for hedging - current (Note 8)	4,078	-	278	-	-	-
Notes payable (Notes 23 and 35)	9,730	-	7,402	-	10,129	-
Accounts payable (Notes 23 and 35)	13,729,425	4	16,628,923	4	14,754,015	4
Other payables (Note 24)	18,290,117	5	21,217,044	6	20,571,781	6
Current tax liabilities (Note 4)	1,638,340	1	3,051,860	1	2,999,483	1
Lease liabilities (Note 18)	4,205,829	1	4,640,954	1	3,535,531	1
Current portion of long-term borrowings (Note 22)	33,068,924	9	5,888,875	2	5,684,968	1
Other current liabilities	6,737,895	2	6,748,629	2	6,165,815	2
Total current liabilities	<u>114,731,553</u>	<u>32</u>	<u>85,408,436</u>	<u>23</u>	<u>86,420,289</u>	<u>24</u>
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 7)	366,531	-	714,819	-	797,801	-
Long-term borrowings (Note 22)	30,000,665	8	66,328,779	18	64,860,877	18
Deferred tax liabilities (Note 4)	1,400,819	1	1,461,216	-	1,459,789	1
Lease liabilities - non-current (Note 18)	8,744,054	3	9,494,536	3	8,535,414	3
Long-term payables (Note 24)	146,017	-	148,032	-	150,016	-
Net defined benefit liabilities (Note 4)	4,075,206	1	4,055,076	1	4,088,555	1
Other non-current liabilities	60,022	-	60,463	-	58,101	-
Total non-current liabilities	<u>44,793,314</u>	<u>13</u>	<u>82,262,921</u>	<u>22</u>	<u>79,950,553</u>	<u>23</u>
Total liabilities	<u>159,524,867</u>	<u>45</u>	<u>167,671,357</u>	<u>45</u>	<u>166,370,842</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Share capital						
Ordinary shares	29,467,872	8	29,467,872	8	29,467,872	8
Capital surplus	4,393,663	1	4,389,862	1	4,389,862	1
Retained earnings						
Legal reserve	16,547,491	5	16,064,775	4	16,064,775	5
Special reserve	-	-	-	-	-	-
Unappropriated earnings	67,300,805	19	56,743,003	16	55,848,279	16
Total retained earnings	83,848,296	24	72,807,778	20	71,913,054	21
Other equity	11,824,715	3	27,443,947	8	14,358,906	4
Total equity attributable to owners of the Company	129,534,546	36	134,109,459	37	120,129,694	34
NON-CONTROLLING INTERESTS						
Total equity	<u>198,087,553</u>	<u>55</u>	<u>201,243,202</u>	<u>55</u>	<u>186,799,939</u>	<u>53</u>
TOTAL	<u>\$ 357,612,420</u>	<u>100</u>	<u>\$ 368,914,559</u>	<u>100</u>	<u>\$ 353,170,781</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 12, 2021)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 27 and 35)	\$ 45,631,214	100	\$ 59,112,964	100	\$ 181,423,407	100	\$ 181,971,609	100
OPERATING COSTS (Notes 25, 28 and 35)	<u>36,541,512</u>	<u>80</u>	<u>46,467,486</u>	<u>78</u>	<u>137,029,666</u>	<u>75</u>	<u>143,974,736</u>	<u>79</u>
GROSS PROFIT	<u>9,089,702</u>	<u>20</u>	<u>12,645,478</u>	<u>22</u>	<u>44,393,741</u>	<u>25</u>	<u>37,996,873</u>	<u>21</u>
OPERATING EXPENSES (Notes 25 and 28)								
Selling and marketing expenses	7,465,331	16	7,498,254	13	24,815,174	14	21,922,588	12
General and administrative expenses	3,889,750	9	4,763,284	8	12,760,905	7	16,366,846	9
Research and development expenses	<u>1,133,571</u>	<u>2</u>	<u>1,307,319</u>	<u>2</u>	<u>3,785,781</u>	<u>2</u>	<u>4,154,849</u>	<u>2</u>
Total operating expenses	<u>12,488,652</u>	<u>27</u>	<u>13,568,857</u>	<u>23</u>	<u>41,361,860</u>	<u>23</u>	<u>42,444,283</u>	<u>23</u>
(LOSS) INCOME FROM OPERATIONS	<u>(3,398,950)</u>	<u>(7)</u>	<u>(923,379)</u>	<u>(1)</u>	<u>3,031,881</u>	<u>2</u>	<u>(4,447,410)</u>	<u>(2)</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 28)	208,025	-	147,309	-	547,725	-	496,103	-
Other income (Note 28)	1,429,740	3	1,465,307	2	2,708,898	2	2,547,147	1
Other gains and (losses) (Note 28)	751,918	2	(43,186)	-	804,424	-	(795,831)	-
Net (loss) gain on derecognition of financial assets at amortized cost	(5,682)	-	3,179	-	(20,636)	-	3,214	-
Finance costs (Note 28)	(425,103)	(1)	(541,889)	(1)	(1,390,579)	(1)	(1,855,674)	(1)
Share of profit of associates and joint ventures (Note 16)	<u>2,336,795</u>	<u>5</u>	<u>3,338,108</u>	<u>6</u>	<u>10,533,824</u>	<u>6</u>	<u>7,506,681</u>	<u>4</u>
Total non-operating income and expenses	<u>4,295,693</u>	<u>9</u>	<u>4,368,828</u>	<u>7</u>	<u>13,183,656</u>	<u>7</u>	<u>7,901,640</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	896,743	2	3,445,449	6	16,215,537	9	3,454,230	2
INCOME TAX (PROFIT) EXPENSE (Notes 4 and 29)	<u>(666,130)</u>	<u>(1)</u>	<u>111,406</u>	<u>-</u>	<u>1,200,252</u>	<u>1</u>	<u>1,471,075</u>	<u>1</u>
NET PROFIT	<u>1,562,873</u>	<u>3</u>	<u>3,334,043</u>	<u>6</u>	<u>15,015,285</u>	<u>8</u>	<u>1,983,155</u>	<u>1</u>
OTHER COMPREHENSIVE (LOSS) INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	-	-	4,329	-	-	-	(145,595)	-
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(673,052)	(1)	(1,457,436)	(2)	1,333,878	1	(1,627,810)	(1)
Share of other comprehensive income (loss) of associates and joint ventures	544,913	1	(57,696)	-	887,727	-	(188,963)	-

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	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	\$ (11,390)	-	\$ (1,004,309)	(2)	\$ (3,041,871)	(2)	\$ (3,427,424)	(2)
Gain on hedging instruments	258	-	-	-	2,011	-	-	-
Share of other comprehensive (loss) income of associates and joint ventures	<u>(4,633,498)</u>	<u>(10)</u>	<u>2,336,942</u>	<u>4</u>	<u>(15,738,036)</u>	<u>(8)</u>	<u>6,391,052</u>	<u>4</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(4,772,769)</u>	<u>(10)</u>	<u>(178,170)</u>	<u>-</u>	<u>(16,556,291)</u>	<u>(9)</u>	<u>1,001,260</u>	<u>1</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	<u>\$ (3,209,896)</u>	<u>(7)</u>	<u>\$ 3,155,873</u>	<u>6</u>	<u>\$ (1,541,006)</u>	<u>(1)</u>	<u>\$ 2,984,415</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,555,973	5	\$ 3,342,494	6	\$ 12,526,196	7	\$ 4,002,200	2
Non-controlling interests	<u>(993,100)</u>	<u>(2)</u>	<u>(8,451)</u>	<u>-</u>	<u>2,489,089</u>	<u>1</u>	<u>(2,019,045)</u>	<u>(1)</u>
	<u>\$ 1,562,873</u>	<u>3</u>	<u>\$ 3,334,043</u>	<u>6</u>	<u>\$ 15,015,285</u>	<u>8</u>	<u>\$ 1,983,155</u>	<u>1</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (2,429,732)	(5)	\$ 3,319,724	6	\$ (3,099,176)	(2)	\$ 6,607,933	4
Non-controlling interests	<u>(780,164)</u>	<u>(2)</u>	<u>(163,851)</u>	<u>-</u>	<u>1,558,170</u>	<u>1</u>	<u>(3,623,518)</u>	<u>(2)</u>
	<u>\$ (3,209,896)</u>	<u>(7)</u>	<u>\$ 3,155,873</u>	<u>6</u>	<u>\$ (1,541,006)</u>	<u>(1)</u>	<u>\$ 2,984,415</u>	<u>2</u>
EARNINGS PER SHARE (Note 30)								
Basic	<u>\$ 0.87</u>		<u>\$ 1.14</u>		<u>\$ 4.25</u>		<u>\$ 1.36</u>	
Diluted	<u>\$ 0.87</u>		<u>\$ 1.14</u>		<u>\$ 4.25</u>		<u>\$ 1.36</u>	

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

(With Deloitte & Touche review report dated November 12, 2021)

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity				Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain on Hedging Instruments	Others	Total		
			Legal Reserve	Special Reserve								
BALANCE AT JANUARY 1, 2020	\$ 29,467,872	\$ 4,592,397	\$ 14,881,914	\$ 22,293,369	\$ 34,488,820	\$ (2,498,149)	\$ 13,759,473	\$ -	\$ 423,243	\$ 117,408,939	\$ 72,460,088	\$ 189,869,027
Appropriation of 2019 earnings (Note 26)	-	-	1,182,861	-	(1,182,861)	-	-	-	-	-	-	-
Legal reserve	-	-	1,182,861	-	(1,182,861)	-	-	-	-	-	-	-
Special reserve	-	-	-	(22,293,369)	22,293,369	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,683,484)	-	-	-	-	(3,683,484)	-	(3,683,484)
	-	-	1,182,861	(22,293,369)	17,427,024	-	-	-	-	(3,683,484)	-	(3,683,484)
Net profit (loss) for the nine months ended September 30, 2020	-	-	-	-	4,002,200	-	-	-	-	4,002,200	(2,019,045)	1,983,155
Other comprehensive (loss) income for the nine months ended September 30, 2020	-	-	-	-	(75,360)	(2,001,024)	4,904,594	-	(222,477)	2,605,733	(1,604,473)	1,001,260
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	3,926,840	(2,001,024)	4,904,594	-	(222,477)	6,607,933	(3,623,518)	2,984,415
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Note 26)	-	(230,093)	-	-	-	-	-	-	-	(230,093)	-	(230,093)
Share of changes in equities of subsidiaries (Note 26)	-	-	-	-	4,312	-	(5,471)	-	-	(1,159)	-	(1,159)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Note 26)	-	335	-	-	1,283	-	(1,283)	-	-	335	-	335
Unclaimed dividends by shareholders	-	27,223	-	-	-	-	-	-	-	27,223	-	27,223
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,166,325)	(2,166,325)
Changes in equity for the nine months ended September 30, 2020	-	(202,535)	1,182,861	(22,293,369)	21,359,459	(2,001,024)	4,897,840	-	(222,477)	2,720,755	(5,789,843)	(3,069,088)
BALANCE AT SEPTEMBER 30, 2020	\$ 29,467,872	\$ 4,389,862	\$ 16,064,775	\$ -	\$ 55,848,279	\$ (4,499,173)	\$ 18,657,313	\$ -	\$ 200,766	\$ 120,129,694	\$ 66,670,245	\$ 186,799,939
BALANCE AT JANUARY 1, 2021	\$ 29,467,872	\$ 4,389,862	\$ 16,064,775	\$ -	\$ 56,743,003	\$ (5,491,369)	\$ 24,305,081	\$ 1,195	\$ 8,629,040	\$ 134,109,459	\$ 67,133,743	\$ 201,243,202
Appropriation of 2020 earnings (Note 26)	-	-	482,716	-	(482,716)	-	-	-	-	-	-	-
Legal reserve	-	-	482,716	-	(482,716)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,473,394)	-	-	-	-	(1,473,394)	-	(1,473,394)
	-	-	482,716	-	(1,956,110)	-	-	-	-	(1,473,394)	-	(1,473,394)
Net profit for the nine months ended September 30, 2021	-	-	-	-	12,526,196	-	-	-	-	12,526,196	2,489,089	15,015,285
Other comprehensive (loss) income for the nine months ended September 30, 2021	-	-	-	-	-	(1,685,950)	(13,124,731)	2,011	(816,702)	(15,625,372)	(930,919)	(16,556,291)
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	12,526,196	(1,685,950)	(13,124,731)	2,011	(816,702)	(3,099,176)	1,558,170	(1,541,006)
Disposal of investments accounted for using the equity method	-	(2,717)	-	-	235	-	(235)	-	-	(2,717)	(8)	(2,725)
Share of changes in equity of subsidiaries (Note 26)	-	1,495	-	-	(8,723)	-	-	-	-	(7,228)	-	(7,228)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates (Note 26)	-	-	-	-	(6,375)	-	6,375	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Note 26)	-	3,828	-	-	2,579	-	-	-	-	6,407	-	6,407
Unclaimed dividends by shareholders	-	1,195	-	-	-	-	-	-	-	1,195	-	1,195
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(138,898)	(138,898)
Changes in equity for the nine months ended September 30, 2021	-	3,801	482,716	-	10,557,802	(1,685,950)	(13,118,591)	2,011	(816,702)	(4,574,913)	1,419,264	(3,155,649)
BALANCE AT SEPTEMBER 30, 2021	\$ 29,467,872	\$ 4,393,663	\$ 16,547,491	\$ -	\$ 67,300,805	\$ (7,177,319)	\$ 11,186,490	\$ 3,206	\$ 7,812,338	\$ 129,534,546	\$ 68,553,007	\$ 198,087,553

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

(With Deloitte & Touche review report dated November 12, 2021)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 16,215,537	\$ 3,454,230
Adjustments for:		
Depreciation expense	12,185,891	12,126,131
Amortization expense	378,114	356,455
Expected credit loss recognized on accounts receivable	38,665	34,638
Net (gain) loss on fair value changes of financial instruments at fair value through profit or loss	(522,712)	551,010
Finance costs	1,390,579	1,855,674
Net loss (gain) on derecognition of financial assets at amortized cost	20,636	(3,214)
Interest income	(547,725)	(496,103)
Dividend income	(916,704)	(1,006,223)
Compensation cost of employee share options	109,875	6,272
Share of profit of associates and joint ventures	(10,533,824)	(7,506,681)
Net loss on disposal of property, plant and equipment	313,703	270,554
Net gain on disposal of associates and joint ventures	(1,236,724)	(533,530)
Impairment loss of assets	439,470	266,892
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(886,893)	(100,684)
Notes receivable	(37)	397
Accounts receivable	11,895,028	9,105,402
Other receivables	(434,896)	(1,210,372)
Inventories	(5,758,686)	9,378,395
Other current assets	(2,689,973)	602,295
Other operating assets	146,079	14,171
Notes payable	2,328	(1,070)
Accounts payable	(2,899,498)	(112,322)
Other payables	(2,246,472)	(3,778,935)
Other current liabilities	53,198	117,111
Net defined benefit liabilities	20,130	(308,642)
Other operating liabilities	(2,015)	(2,815)
Cash generated from operations	14,533,074	23,079,036
Interest paid	(1,348,206)	(1,839,736)
Income tax paid	(3,441,414)	(1,489,224)
Net cash generated from operating activities	<u>9,743,454</u>	<u>19,750,076</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	14,543	-
Proceeds from return of capital of financial assets at fair value through other comprehensive income	10,929	28,666
Purchases of financial assets at amortized cost	(15,176,152)	(9,071,913)

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
Proceeds from sale of financial assets at amortized cost	\$ 12,754,722	\$ 4,481,657
Acquisition of associates and joint ventures	(72,000)	(963,016)
Proceeds from disposal of associates and joint ventures	3,124,049	76,653
Proceeds from disposal of non-current assets held for sale	107,039	78,462
Acquisition of property, plant and equipment	(5,511,454)	(6,431,812)
Proceeds from disposal of property, plant and equipment	322,567	915,758
Increase in refundable deposits	-	(27,119)
Decrease in refundable deposits	39,879	-
Decrease in other receivables	134,289	37,781
Payments for intangible assets	(212,381)	(146,261)
Payments for right-of-use assets	(69,816)	(65,061)
Increase in prepayment for equipment	(524,158)	(66,162)
Interest received	552,357	566,355
Dividends received	<u>1,748,991</u>	<u>1,824,638</u>
Net cash used in investing activities	<u>(2,756,596)</u>	<u>(8,761,374)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	9,969,756	-
Repayments of short-term borrowings	-	(12,101,068)
Repayments of short-term bills payable	(113,500)	(122,500)
Proceeds from long-term borrowings	-	9,932,603
Repayments of long-term borrowings	(9,194,144)	-
Decrease in guarantee deposits	(441)	(10,213)
Repayment of principal portion of lease liabilities	(3,784,724)	(3,338,922)
Cash dividends	(1,473,394)	(3,683,484)
Changes in non-controlling interests	(133,447)	(2,166,325)
Unclaimed dividends by shareholders	<u>1,195</u>	<u>27,223</u>
Net cash used in financing activities	<u>(4,728,699)</u>	<u>(11,462,686)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(620,821)</u>	<u>(835,424)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,637,338	(1,309,408)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>32,108,725</u>	<u>37,049,955</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 33,746,063</u>	<u>\$ 35,740,547</u>

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

(With Deloitte & Touche review report dated November 12, 2021)

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Company’s board of directors on November 12, 2021.

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 material impact on the Group’s accounting policies:

- 1) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”

The Group elected to apply the practical expedient provided in the amendments to deal with the changes in the basis for determining contractual cash flows of financial assets, financial liabilities or lease liabilities resulting from the interest rate benchmark reform. The changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis.

For the hedging relationships that are subject to the reform, the Group applies the following temporary exceptions:

- a) The changes to the hedging relationship that are needed to reflect the changes required by the reform are treated as a continuation of the existing hedging relationship.

- b) If an alternative benchmark rate that is reasonably expected to be separately identifiable within a period of 24 months, the Group designates the rate as a non-contractually specified risk component.
 - c) After a cash flow hedging relationship is amended, the amount accumulated in the gain/(loss) on hedging instruments of cash flow hedge is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.
 - d) The Group allocates the hedged items of a group hedge that is subject to the reform to subgroups based on whether the hedged items have been changed to reference an alternative benchmark rate, and designates the hedged benchmark rate separately.
- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

1) Annual Improvements to IFRS Standards 2018-2020

Several standards, including IFRS 9 “Financial Instruments”, were amended in the annual improvements. IFRS 9 requires the comparison of the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, with that of the cash flows under the original financial liability when there is an exchange or modification of debt instruments. The new terms and the original terms are substantially different if the difference between those discounted present values is at least 10%. The amendments to IFRS 9 clarify that the only fees that should be included in the above assessment are those fees paid or received between the borrower and the lender.

2) Amendments to IFRS 3 “Reference to the Conceptual Framework”

The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 “Levies” to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

3) Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

4) Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The amendments specify that when assessing whether a contract is onerous, the “cost of fulfilling a contract” includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

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 that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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”

The 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 are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify 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 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 could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such 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 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer 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. The amendments also clarify that:

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

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

- a) the Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
 - b) the Group chose the accounting policy from options permitted by the standards;
 - c) the accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
 - d) the accounting policy relates to an area for which the Group is required to make significant 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.
- 4) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are 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.

- 5) 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 will recognize 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, and recognize the cumulative effect of initial application in retained earnings at that date. The Group will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.

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 that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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, 2020.

Refer to Note 15 to the consolidated financial statements, Table 9 “Information on Investees” and Table 10 “Information on investments in mainland China” of Note 39 to the consolidated financial statements for detailed information on subsidiaries, including the percentages of ownership and main businesses.

c. Other significant accounting policies

Except for the following, for the summary of other significant accounting policies, refer to the consolidated financial statements for the year ended December 31, 2020.

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) Taxation

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) Modification of financial instruments

When a financial instrument is modified, the Group assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

For the changes in the basis for determining contractual cash flows of financial assets or financial liabilities resulting from the interest rate benchmark reform, the Group elects to apply the practical expedient in which the changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis. When multiple changes are made to a financial asset or a financial liability, the Group first applies the practical expedient to those changes required by interest rate benchmark reform, and then applies the requirements of modification of financial instruments to the other changes that cannot apply the practical expedient.

5. CRITICAL 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.

The Group considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

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, 2020.

6. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	\$ 44,241	\$ 19,148	\$ 18,201
Checking accounts and demand deposits	23,201,850	20,517,486	24,645,214
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	10,490,865	11,572,091	9,964,454
Repurchase agreements collateralized by bonds	<u>9,107</u>	<u>-</u>	<u>1,112,678</u>
	<u>\$ 33,746,063</u>	<u>\$ 32,108,725</u>	<u>\$ 35,740,547</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets mandatorily as at FVTPL</u>			
Hybrid financial assets			
Structured deposits (a)	\$ 4,519,200	\$ 3,849,840	\$ 584,386
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts (b)	78,316	76,483	127,501
Exchange rate option contracts (c)	5,313	4,665	1,690
Exchange rate swap contracts (d)	93,617	180,774	29,364
Non-derivative financial assets			
Mutual funds	1,097,747	654,755	1,027,993
Contingent considerations (g)	-	-	395,386
	<u>\$ 5,794,193</u>	<u>\$ 4,766,517</u>	<u>\$ 2,166,320</u>
Current	\$ 5,133,988	\$ 3,769,286	\$ 762,211
Non-current	<u>660,205</u>	<u>997,231</u>	<u>1,404,109</u>
	<u>\$ 5,794,193</u>	<u>\$ 4,766,517</u>	<u>\$ 2,166,320</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts (b)	\$ -	\$ 117,458	\$ 46,950
Exchange rate option contracts (c)	535	10,954	11,996
Exchange rate swap contracts (d)	8,685	704	42,437
Interest rate swap contracts (e)	455,018	717,051	802,151
Cross-currency swap contracts (f)	-	-	22,800
	<u>\$ 464,238</u>	<u>\$ 846,167</u>	<u>\$ 926,334</u>
Current	\$ 97,707	\$ 131,348	\$ 128,533
Non-current	<u>366,531</u>	<u>714,819</u>	<u>797,801</u>
	<u>\$ 464,238</u>	<u>\$ 846,167</u>	<u>\$ 926,334</u>

a. Structured deposits

Yue Yuen entered into a 5-year, USD structured time deposit contract with a bank in October 2017. The structured time deposit contract includes an embedded derivative instrument which 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. As of September 30, 2021, December 31, 2020 and September 30, 2020, the structured time deposit was classified as “financial assets at FVTPL - current” and “financial assets at FVTPL - non-current”, respectively.

Yue Yuen entered into a 12-month, USD structured time deposit contract with a bank in January 2021. The structured time deposit contract includes an embedded derivative instrument which 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. As of September 30, 2021, the structured time deposit was classified as “financial assets at FVTPL - current”.

Pro Arch and Yue Yuen entered into a 12-month, dual currency structured time deposit contract with a bank in January 2021 and December 2020. The structured time deposit contract includes a dual currency structured time deposit contract. As of September 30, 2021 and December 31, 2020, the structured time deposit was classified as “financial assets at FVTPL - current”.

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

September 30, 2021

Notional Amount (In Thousands)	Forward Exchange Rates
US\$ 56,696	Sell US\$/Buy IDR at 14,920
US\$ 21,620	Sell NT\$/Buy US\$ at 26.756 to 27.276

December 31, 2020

Notional Amount (In Thousands)	Forward Exchange Rates
US\$ 148,320	Sell US\$/buy IDR at 14,835 to 17,145
US\$ 81,768	Sell NT\$/buy US\$ at 26.756 to 29.440

September 30, 2020

Notional Amount (In Thousands)	Forward Exchange Rates
US\$ 50,270	Sell US\$/Buy IDR at 14,860 to 17,145
US\$ 44,247	Sell NT\$/Buy US\$ at 29.286 to 29.44
IDR 160,099,500	Sell IDR/Buy US\$ at 14,820

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

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

September 30, 2021

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 42,000	Put	Sell	2021.10-2023.06	US\$:RMB 6.80000-7.30000
US\$ 80,000	Put	Sell	2022.02-2023.09	US\$:RMB 7.01300-7.30000
US\$ 40,000	Put	Sell	2022.02-2023.09	US\$:RMB 7.01000-7.30000
US\$ 20,000	Put	Sell	2022.02	US\$:RMB7.0000
US\$ 14,000	Call	Sell	2021.12	US\$:HK\$7.74900
US\$ 10,000	Call	Sell	2022.02	US\$:HK\$7.74900
US\$ 10,000	Call	Sell	2022.03	US\$:HK\$7.74750
US\$ 12,000	Call	Sell	2021.11-2022.05	US\$:HK\$7.73350
US\$ 8,000	Call	Sell	2021.11-2022.05	US\$:HK\$7.73350

December 31, 2020

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 5,000	Call	Sell	2021.09	US\$:RMB6.5000
US\$ 5,000	Call	Sell	2021.09	US\$:RMB6.5000
US\$ 92,000	Put	Sell	2021.01-2022.11	US\$:RMB7.0000
US\$ 28,000	Call	Sell	2021.06-2021.12	US\$:HK\$7.7490
US\$ 30,000	Call	Sell	2021.02-2022.02	US\$:HK\$7.7490
US\$ 30,000	Call	Sell	2021.03-2022.03	US\$:HK\$7.7475
US\$ 18,000	Call	Sell	2021.05-2022.05	US\$:HK\$7.7335
US\$ 12,000	Call	Sell	2021.05-2022.05	US\$:HK\$7.7335
US\$ 89,000	Put	Sell	2021.03-2021.08	US\$:IDR15,600

September 30, 2020

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 38,000	Put	Sell	2020.11-2022.05	US\$:RMB8.6600
US\$ 38,000	Put	Sell	2020.11-2022.05	US\$:RMB8.7000
US\$ 16,000	Call	Sell	2020.11-2022.05	US\$:HK\$7.7335
US\$ 24,000	Call	Sell	2020.11-2022.05	US\$:HK\$7.7335
US\$ 38,000	Call	Sell	2020.12-2021.12	US\$:HK\$7.7490
US\$ 30,000	Call	Sell	2021.02-2022.02	US\$:HK\$7.7490
US\$ 30,000	Call	Sell	2021.03-2022.03	US\$:HK\$7.7475
US\$ 10,000	Call	Sell	2021.09	US\$:RMB6.5000

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

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

September 30, 2021

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 5,800	2021.12	US\$:NT\$27.5690
US\$ 2,000	2021.12	US\$:NT\$27.7043
US\$ 19,000	2021.12	US\$:NT\$27.7620
US\$ 16,600	2021.12	US\$:NT\$27.6700
US\$ 55,000	2021.12	US\$:NT\$27.6700
US\$ 20,400	2021.12	US\$:NT\$27.6700
US\$ 9,000	2021.12	US\$:NT\$27.6700
US\$ 20,000	2021.12	US\$:NT\$27.6700
US\$ 17,500	2021.12	US\$:NT\$27.6700
US\$ 10,000	2021.12	US\$:NT\$27.6700
US\$ 60,000	2021.12	US\$:NT\$27.6700
US\$ 38,000	2021.12	US\$:NT\$27.6700

(Continued)

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 15,000	2021.12	US\$:NT\$27.6699
US\$ 72,600	2021.12	US\$:NT\$27.6805
US\$ 43,000	2021.12	US\$:NT\$27.6805
US\$ 21,000	2021.12	US\$:NT\$27.6805
US\$ 36,000	2021.12	US\$:NT\$27.6806
US\$ 7,500	2021.12	US\$:NT\$27.6805
US\$ 7,000	2021.12	US\$:NT\$27.6805
US\$ 5,000	2021.12	US\$:NT\$27.6805
US\$ 31,900	2021.12	US\$:NT\$27.6805
RMB 42,860	2022.03	RMB:NT\$4.2453
RMB 900	2022.03	RMB:NT\$4.2453
RMB 14,000	2021.10	US\$:RMB6.5771
RMB 229,320	2021.12	US\$:RMB6.5212
RMB 34,930	2021.12	US\$:RMB6.5368
RMB 14,000	2021.10	US\$:RMB6.5159
RMB 20,980	2021.10	US\$:RMB6.5382
RMB 14,000	2022.02	US\$:RMB6.5959
RMB 200,000	2022.03	US\$:RMB6.5300
RMB 100,000	2022.03	US\$:RMB6.5300
US\$ 6,000	2021.10	US\$:NT\$27.9000
US\$ 40,000	2022.04	US\$:NT\$27.9820

(Concluded)

December 31, 2020

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 5,800	2021.03	US\$:NT\$28.2830
US\$ 19,000	2021.03	US\$:NT\$28.1035
US\$ 38,000	2021.03	US\$:NT\$28.0970
US\$ 15,000	2021.03	US\$:NT\$28.0970
US\$ 60,000	2021.03	US\$:NT\$28.0960
US\$ 72,600	2021.03	US\$:NT\$28.0860
US\$ 31,900	2021.03	US\$:NT\$28.0860
US\$ 43,000	2021.03	US\$:NT\$28.0860
US\$ 21,000	2021.03	US\$:NT\$28.0860
US\$ 36,000	2021.03	US\$:NT\$28.0860
US\$ 2,000	2021.03	US\$:NT\$28.1040
US\$ 16,600	2021.03	US\$:NT\$28.0970
US\$ 20,000	2021.03	US\$:NT\$28.0970
US\$ 9,000	2021.03	US\$:NT\$28.0960
US\$ 20,400	2021.03	US\$:NT\$28.0960
US\$ 55,000	2021.03	US\$:NT\$28.0960
RMB 42,860	2021.03	RMB:NT\$4.2233
RMB 80,100	2021.03	US\$:RMB6.8395
RMB 100,000	2021.03	US\$:RMB6.8393
RMB 119,900	2021.03	US\$:RMB6.8395
RMB 57,509	2021.03	US\$:RMB6.6290
RMB 34,930	2021.06	US\$:RMB6.5928

September 30, 2020

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 2,000	2020.12	US\$:NT\$28.9250
US\$ 19,000	2020.12	US\$:NT\$28.9610
US\$ 16,600	2020.12	US\$:NT\$29.1025
US\$ 20,000	2020.12	US\$:NT\$29.1025
US\$ 38,000	2020.12	US\$:NT\$29.1028
US\$ 15,000	2020.12	US\$:NT\$29.1028
US\$ 60,000	2020.12	US\$:NT\$29.1728
US\$ 9,000	2020.12	US\$:NT\$29.1728
US\$ 20,400	2020.12	US\$:NT\$29.1728
US\$ 55,000	2020.12	US\$:NT\$29.1728
US\$ 72,600	2020.12	US\$:NT\$29.0610
US\$ 31,900	2020.12	US\$:NT\$29.0614
US\$ 43,000	2020.12	US\$:NT\$29.0616
US\$ 21,000	2020.12	US\$:NT\$29.0615
US\$ 36,000	2020.12	US\$:NT\$29.0616
RMB 42,860	2021.03	RMB:NT\$4.2233
RMB 80,100	2020.12	US\$:RMB7.1445
RMB 20,400	2020.12	US\$:RMB7.1430
RMB 57,509	2020.11	US\$:RMB6.9573
RMB 80,100	2021.03	US\$:RMB6.8395
RMB100,000	2021.03	US\$:RMB6.8393
RMB119,900	2021.03	US\$:RMB6.8395

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

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

September 30, 2021

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 100,000	2023.07	3.335	0.82425
US\$ 150,000	2023.07	3.340	0.82850
US\$ 100,000	2022.08	2.600	0.87838
US\$ 50,000	2022.08	1.930	0.12838
US\$ 50,000	2022.08	1.930	0.12838
US\$ 50,000	2023.03	0.720	0.12838
US\$ 50,000	2023.03	0.710	0.12838
US\$ 50,000	2023.03	0.648	0.12838
US\$ 50,000	2023.03	0.548	0.12838
US\$ 50,000	2023.03	0.515	0.12838
US\$ 50,000	2023.03	0.485	0.12838

December 31, 2020

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 50,000	2021.03	Note	Note
US\$ 100,000	2023.07	3.335	0.91363
US\$ 150,000	2023.07	3.340	0.91438
US\$ 100,000	2022.08	2.600	0.98863
US\$ 50,000	2022.08	1.930	0.23863
US\$ 50,000	2022.08	1.930	0.23863
US\$ 50,000	2023.03	0.720	0.23863
US\$ 50,000	2023.03	0.710	0.23863
US\$ 50,000	2023.03	0.648	0.23863
US\$ 50,000	2023.03	0.548	0.23863
US\$ 50,000	2023.03	0.515	0.23863
US\$ 50,000	2023.03	0.485	0.23863

September 30, 2020

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 50,000	2021.03	Note	Note
US\$ 100,000	2022.08	2.600	0.97738
US\$ 50,000	2022.08	1.930	0.22738
US\$ 50,000	2022.08	1.930	0.22738
US\$ 50,000	2023.03	0.720	0.22738
US\$ 50,000	2023.03	0.710	0.22738
US\$ 50,000	2023.03	0.648	0.22738
US\$ 50,000	2023.03	0.548	0.22738
US\$ 50,000	2023.03	0.515	0.22738
US\$ 50,000	2023.03	0.485	0.22738
US\$ 100,000	2023.07	3.335	0.95250
US\$ 150,000	2023.07	3.340	0.96063

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

Note: If the three-month London Interbank Offered Rate (LIBOR) based on the U.S. dollar is less than or equal to 1.5%, the Group will pay interest at 0.84% of the notional amount and receive interest at the floating rate. If the three-month LIBOR based on the U.S. dollar is more than 1.5%, the Group will pay interest at the floating rate minus 0.66% and receive interest at the floating rate.

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

September 30, 2020

Notional Amount (In Thousands)	Maturity Date	Exchange Rate	Interest %
US\$ 15,000	2020.12	US\$:NT\$30.475	0.635

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

- g. The consideration received on disposal of subsidiaries by the Group in 2019 included contingent consideration. The contingent consideration is estimated at fair value discounted based on the expected discounted future cash flows.

8. DERIVATIVE FINANCIAL LIABILITY FOR HEDGING - CURRENT

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial liability - current</u>			
Fair value hedge - cross-currency swap contracts	<u>\$ 4,078</u>	<u>\$ 278</u>	<u>\$ -</u>

The Group entered into cross-currency swap contracts to manage its exposures to exchange rate and interest rate fluctuations of foreign currency denominated borrowings. The aforementioned cross-currency swap contracts share the same features with relative financial liabilities; therefore, the management of the Group believes that such cross-currency swap contracts could be used as highly effective hedging instruments. At the end of the reporting period, outstanding cross-currency swap contracts were as follows:

September 30, 2021

Notional Amount (In Thousands)	Maturity Date	Exchange Rate	Interest %
US\$9,200	2021.12	US\$:NT\$28.300	0.450

December 31, 2020

Notional Amount (In Thousands)	Maturity Date	Exchange Rate	Interest %
US\$9,200	2021.12	US\$:NT\$28.300	0.450

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2021	December 31, 2020	September 30, 2020
Domestic investments			
Listed shares	\$ 18,852,670	\$ 17,540,298	\$ 17,043,528
Unlisted shares	71,060	85,946	93,540
Foreign investments			
Unlisted shares	<u>107,844</u>	<u>109,472</u>	<u>126,547</u>
	<u>\$ 19,031,574</u>	<u>\$ 17,735,716</u>	<u>\$ 17,263,615</u>
Current	\$ 18,078,044	\$ 16,685,548	\$ 16,261,743
Non-current	<u>953,530</u>	<u>1,050,168</u>	<u>1,001,872</u>
	<u>\$ 19,031,574</u>	<u>\$ 17,735,716</u>	<u>\$ 17,263,615</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected 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.

10. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2021	December 31, 2020	September 30, 2020
Domestic investments			
Time deposits with original maturities of more than three months	\$ 8,327,765	\$ 7,043,368	\$ 8,354,125
Restricted deposits of repatriated offshore funds	143,557	134,438	185,188
Structured products	-	113,364	-
Repurchase agreements collateralized by bonds with original maturities of more than three months	1,308,306	344,488	-
Foreign investments			
Bonds	1,388,960	1,459,241	1,589,063
Commercial paper	1,844,441	1,870,356	1,831,548
Structured products	<u>111,500</u>	<u>-</u>	<u>110,567</u>
	<u>\$ 13,124,529</u>	<u>\$ 10,965,255</u>	<u>\$ 12,070,491</u>
Current	\$ 9,986,057	\$ 7,492,930	\$ 8,640,635
Non-current	<u>3,138,472</u>	<u>3,472,325</u>	<u>3,429,856</u>
	<u>\$ 13,124,529</u>	<u>\$ 10,965,255</u>	<u>\$ 12,070,491</u>

Refer to Note 36 for information relating to investments in financial assets at amortized cost pledged as security.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 76</u>	<u>\$ 39</u>	<u>\$ 112</u>
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 20,205,368	\$ 32,110,269	\$ 25,339,480
Less: Allowance for impairment loss	<u>(223,246)</u>	<u>(193,403)</u>	<u>(210,417)</u>
	<u>\$ 19,982,122</u>	<u>\$ 31,916,866</u>	<u>\$ 25,129,063</u>

(Continued)

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Other receivables</u>			
Tax refund receivables	\$ 1,402,994	\$ 1,469,645	\$ 1,514,878
Others	4,137,279	3,843,536	4,885,086
Less: Allowance for impairment loss	<u>(859)</u>	<u>(859)</u>	<u>(1,189)</u>
	<u>\$ 5,539,414</u>	<u>\$ 5,312,322</u>	<u>\$ 6,398,775</u> (Concluded)

a. Notes receivable

The notes receivable balances at September 30, 2021, December 31, 2020 and September 30, 2020 were not past due.

b. Accounts receivable

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

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

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

September 30, 2021

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 13,028,087	\$ 6,456,777	\$ 720,504	\$ 20,205,368
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(167)</u>	<u>(223,079)</u>	<u>(223,246)</u>
Amortized cost	<u>\$ 13,028,087</u>	<u>\$ 6,456,610</u>	<u>\$ 497,425</u>	<u>\$ 19,982,122</u>

December 31, 2020

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 19,707,475	\$ 11,850,286	\$ 552,508	\$ 32,110,269
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(11,135)</u>	<u>(182,268)</u>	<u>(193,403)</u>
Amortized cost	<u>\$ 19,707,475</u>	<u>\$ 11,839,151</u>	<u>\$ 370,240</u>	<u>\$ 31,916,866</u>

September 30, 2020

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 16,180,668	\$ 8,278,135	\$ 880,677	\$ 25,339,480
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(16,762)</u>	<u>(193,655)</u>	<u>(210,417)</u>
Amortized cost	<u>\$ 16,180,668</u>	<u>\$ 8,261,373</u>	<u>\$ 687,022</u>	<u>\$ 25,129,063</u>

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

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 193,403	\$ 307,796
Add: Impairment losses recognized on receivable	39,716	26,781
Less: Amounts written off	(4,535)	(118,815)
Foreign exchange losses	<u>(5,338)</u>	<u>(5,345)</u>
Balance at September 30	<u>\$ 223,246</u>	<u>\$ 210,417</u>

12. INVENTORIES

	September 30, 2021	December 31, 2020	September 30, 2020
Inventories - manufacturing and retail	\$ 50,970,989	\$ 45,214,271	\$ 45,317,789
Inventories - construction	<u>3,718,224</u>	<u>3,716,256</u>	<u>3,926,248</u>
	<u>\$ 54,689,213</u>	<u>\$ 48,930,527</u>	<u>\$ 49,244,037</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Raw materials	\$ 8,999,131	\$ 6,288,650	\$ 6,542,361
Work in progress	6,037,191	4,674,720	5,008,380
Finished goods and merchandise	<u>35,934,667</u>	<u>34,250,901</u>	<u>33,767,048</u>
	<u>\$ 50,970,989</u>	<u>\$ 45,214,271</u>	<u>\$ 45,317,789</u>

The cost of manufacturing and retail inventories recognized as cost of goods sold for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020 was \$36,541,512 thousand, \$46,467,486 thousand, \$137,029,666 thousand and \$143,974,736 thousand, respectively.

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

	September 30, 2021	December 31, 2020	September 30, 2020
Land and buildings held for development	\$ 3,565,090	\$ 3,563,870	\$ 3,762,824
Land and buildings held for sale	42,242	41,494	52,532
Land held for construction sites	<u>110,892</u>	<u>110,892</u>	<u>110,892</u>
	<u>\$ 3,718,224</u>	<u>\$ 3,716,256</u>	<u>\$ 3,926,248</u>

13. NON-CURRENT ASSETS HELD FOR SALE

	September 30, 2021	December 31, 2020	September 30, 2020
Assets associated with non-current assets held for sale			
<u>Investments accounted for using equity method</u>	<u>\$ 471,835</u>	<u>\$ 630,861</u>	<u>\$ 678,321</u>

- a. Yue Yuen resolved to dispose of its associates and joint ventures during in 2019 and reclassified the remaining assets as “non-current assets held for sale”. The carrying amounts of the assets were \$471,835 thousand (US\$16,942 thousand), \$541,433 thousand (US\$19,011 thousand), and \$553,220 thousand (US\$19,011 thousand) as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.
- b. Pou Sheng resolved to dispose of its joint ventures in 2019 and reclassified the remaining assets as “non-current assets held for sale”. The carrying amounts of the assets were \$89,428 thousand (RMB20,412 thousand) and \$125,101 thousand (RMB29,160 thousand) as of December 31, 2020 and September 30, 2020, respectively.

14. OTHER ASSETS

	September 30, 2021	December 31, 2020	September 30, 2020
Prepayments	\$ 9,882,313	\$ 6,936,892	\$ 6,813,956
Prepayments for equipment	3,446,911	2,922,753	3,253,856
Refundable deposits	778,050	817,929	807,583
Defined benefit assets	43,754	43,754	43,754
Others	<u>1,726,794</u>	<u>1,901,316</u>	<u>2,006,739</u>
	<u>\$ 15,877,822</u>	<u>\$ 12,622,644</u>	<u>\$ 12,925,888</u>
Current	\$ 11,565,770	\$ 8,648,792	\$ 8,557,546
Non-current	<u>4,312,052</u>	<u>3,973,852</u>	<u>4,368,342</u>
	<u>\$ 15,877,822</u>	<u>\$ 12,622,644</u>	<u>\$ 12,925,888</u>

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			September 30, 2021	December 31, 2020	September 30, 2020
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’s major subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			September 30, 2021	December 31, 2020	September 30, 2020
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	31.12	31.12	31.12
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 September 30, 2021, December 31, 2020 and September 30, 2020, 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 (%)		
			September 30, 2021	December 31, 2020	September 30, 2020
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 (%)		
			September 30, 2021	December 31, 2020	September 30, 2020
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 (%)		
	September 30, 2021	December 31, 2020	September 30, 2020
Yue Yuen Industrial (Holdings) Limited	48.89	48.89	48.89
Pou Sheng International (Holdings) Limited	37.81	37.81	37.81

Refer to Table 9 “Information on Investees” of Note 39 to the consolidated financial statements for business location and business item of the material associates.

Name of Subsidiary	(Loss) Profit Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended		For the Nine Months Ended		September 30,	December 31,	September 30,
	September 30		September 30		2021	2020	2020
	2021	2020	2021	2020			
Yue Yuen Industrial (Holdings) Limited	\$ (963,065)	\$ (249,827)	\$ 1,379,746	\$ (2,258,169)	\$ 53,966,333	\$ 53,341,738	\$ 53,174,287
Pou Sheng International (Holdings) Limited	(67,639)	265,904	979,947	283,775	14,422,874	13,675,299	13,193,998

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:

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 122,576,464	\$ 120,609,716	\$ 116,000,385
Non-current assets	112,090,189	120,200,012	121,482,769
Current liabilities	(87,465,447)	(66,491,381)	(65,136,246)
Non-current liabilities	<u>(22,188,231)</u>	<u>(51,359,235)</u>	<u>(50,007,938)</u>
Equity	<u>\$ 125,012,975</u>	<u>\$ 122,959,112</u>	<u>\$ 122,338,970</u>
Equity attributable to:			
Owners of the Company	\$ 56,749,594	\$ 56,103,415	\$ 55,935,212
Non-controlling interests of Yue Yuen	53,966,333	53,341,738	53,174,287
Non-controlling interests of Yue Yuen’s subsidiaries	<u>14,297,048</u>	<u>13,513,959</u>	<u>13,229,471</u>
	<u>\$ 125,012,975</u>	<u>\$ 122,959,112</u>	<u>\$ 122,338,970</u>

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 4,522,507</u>	<u>\$ 58,930,363</u>	<u>\$ 180,980,263</u>	<u>\$ 181,485,920</u>
Net (loss) income	\$ (2,008,416)	\$ (277,560)	\$ 3,922,875	\$ (4,383,095)
Other comprehensive income	<u>433,443</u>	<u>1,651,379</u>	<u>1,064,638</u>	<u>542,729</u>
Total comprehensive (loss) income	<u>\$ (1,574,973)</u>	<u>\$ 1,373,819</u>	<u>\$ 4,987,513</u>	<u>\$ (3,840,366)</u>
Net (loss) income attributable to:				
Owners of the Company	\$ (1,007,186)	\$ (261,272)	\$ 1,442,959	\$ (2,356,892)
Non-controlling interests of Yue Yuen	(963,065)	(249,827)	1,379,746	(2,258,169)
Non-controlling interests of Yue Yuen’s subsidiaries	<u>(38,165)</u>	<u>233,539</u>	<u>1,100,170</u>	<u>231,966</u>
	<u>\$ (2,008,416)</u>	<u>\$ (277,560)</u>	<u>\$ 3,922,875</u>	<u>\$ (4,383,095)</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Total comprehensive (loss) income attributable to:				
Owners of the Company	\$ (811,345)	\$ 327,023	\$ 1,920,806	\$ (2,234,593)
Non-controlling interests of Yue Yuen	(775,803)	312,697	1,836,661	(2,141,228)
Non-controlling interests of Yue Yuen's subsidiaries	<u>12,175</u>	<u>734,099</u>	<u>1,230,046</u>	<u>535,455</u>
	<u>\$ (1,574,973)</u>	<u>\$ 1,373,819</u>	<u>\$ 4,987,513</u>	<u>\$ (3,840,366)</u>
Net cash inflow (outflow) from:				
Operating activities			\$ 10,253,833	\$ 15,993,845
Investing activities			(2,309,082)	(5,432,840)
Financing activities			<u>(3,792,647)</u>	<u>(10,354,327)</u>
Net cash inflow			<u>\$ 4,152,104</u>	<u>\$ 206,678</u>
Dividends paid to:				
Non-controlling interests of Yue Yuen			<u>\$ -</u>	<u>\$ 2,122,838</u>
Non-controlling interests of Yue Yuen's subsidiaries			<u>\$ 149,172</u>	<u>\$ 8,959</u> (Concluded)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2021	December 31, 2020	September 30, 2020
Investments in associates	\$ 83,466,066	\$ 89,961,240	\$ 77,294,642
Investments in joint ventures	<u>6,564,337</u>	<u>8,027,754</u>	<u>7,931,633</u>
	<u>\$ 90,030,403</u>	<u>\$ 97,988,994</u>	<u>\$ 85,226,275</u>

a. Investments in associates

	September 30, 2021	December 31, 2020	September 30, 2020
Material associate			
Ruen Chen Investment Holding Co., Ltd.	\$ 69,291,238	\$ 75,039,348	\$ 62,335,882
Associates that are not individually material	<u>14,174,828</u>	<u>14,921,892</u>	<u>14,958,760</u>
	<u>\$ 83,466,066</u>	<u>\$ 89,961,240</u>	<u>\$ 77,294,642</u>

1) Material associate

Name of Associate	Proportion of Ownership and Voting Rights		
	September 30, 2021	December 31, 2020	September 30, 2020
Ruen Chen Investment Holding Co., Ltd.	20%	20%	20%
a) As of July 29, 2021, the Company purchasing 7,200 thousand issued ordinary shares with \$10 per share with the amount of \$72,000 thousand.			
b) Refer to Table 9 “Information on Investees” of Note 39 to the consolidated financial statements for business location and business item of the material associates.			
c) The summarized financial information below represents amounts shown in the material associate’s financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.			

Ruen Chen Investment Holding Co., Ltd.

Name of Associate	September 30, 2021	December 31, 2020	September 30, 2020
Assets	\$ 5,207,484,729	\$ 5,160,470,282	\$ 5,028,487,859
Liabilities	(4,814,223,024)	(4,734,749,393)	(4,673,588,786)
Non-controlling interests	<u>(46,508,955)</u>	<u>(50,227,590)</u>	<u>(42,923,104)</u>
Owners of Ruen Chen Investment Holding Co., Ltd.	<u>\$ 346,752,750</u>	<u>\$ 375,493,299</u>	<u>\$ 311,975,969</u>
Proportion of the Group’s interest	20%	20%	20%
Equity attributable to the Group	\$ 69,350,550	\$ 75,098,660	\$ 62,395,194
Other adjustments	<u>(59,312)</u>	<u>(59,312)</u>	<u>(59,312)</u>
Carrying amount	<u>\$ 69,291,238</u>	<u>\$ 75,039,348</u>	<u>\$ 62,335,882</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 134,210,362</u>	<u>\$ 148,436,811</u>	<u>\$ 439,746,623</u>	<u>\$ 445,128,726</u>
Net profit	\$ 13,884,044	\$ 14,369,994	\$ 53,928,845	\$ 36,025,322
Other comprehensive (loss) income	<u>(25,844,586)</u>	<u>12,496,883</u>	<u>(86,407,977)</u>	<u>34,658,398</u>
Total comprehensive (loss) income	<u>\$ (11,960,542)</u>	<u>\$ 26,866,877</u>	<u>\$ (32,479,132)</u>	<u>\$ 70,683,720</u>

2) Associates that are not individually material

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	September 30, 2021	December 31, 2020	September 30, 2020
Eagle Nice (International) Holdings Limited	36.09	36.09	36.09
San Fang Chemical Industry Co., Ltd.	44.72	44.72	44.72
Elitegroup Computer Systems Co., Ltd.	14.53	19.50	19.50
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
Pine Wood Industries Limited	-	37.00	37.00
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
Supplyline Logistics Ltd.	49.00	49.00	49.00
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 Company, Ltd.	0.18	0.18	0.18
Techview International Technology Inc.	-	50.00	50.00

- a) Refer to Table 9 “Information on Investees” of Note 39 to the consolidated financial statements for business location and business item of the material associates.
- b) In the first third quarter of 2021, the Group disposes partial shares of Elitegroup Computer Systems Co., Ltd. in the public market. A total of 27,689 thousand shares were disposed of. The disposition consideration were \$902,644 thousand, and the profit recognized amounted to \$345,761 thousand which was classified as “non-operating income and expenses - net gain on disposal of subsidiaries, associates and joint ventures”. After the transaction, the shareholding ratio of the Group on Elitegroup Computer Systems Co., Ltd. dropped from 19.5% to 14.53%. 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 Systems Co., Ltd. Therefore, the Group is able to exercise significant influence over Elitegroup Computer Systems Co., Ltd.
- c) The Group holds less than 20% interest of Nan Pao Resins Chemical Co., Ltd. but the Group has the power to appoint one out of the seven directors of Nan Pao; therefore, the Group is able to exercise significant influence over Nan Pao.
- d) The Group holds less than 20% interest of Nan Shan Life Insurance Company, Ltd., however the Group exercises significant influence over Ruen Chen Investment Holding Co., Ltd., which is the parent company of Nan Shan Life Insurance Company, Ltd., therefore, Nan Shan Life Insurance Company, Ltd. is classified to associate of the Group.

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
The Group's share of:				
Net profit	\$ 108,670	\$ 477,792	\$ 645,118	\$ 645,264
Other comprehensive (loss) income	<u>(909,742)</u>	<u>169,536</u>	<u>(848,023)</u>	<u>82,769</u>
Total comprehensive (loss) income	<u>\$ (801,072)</u>	<u>\$ 647,328</u>	<u>\$ (202,905)</u>	<u>\$ 728,033</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	September 30, 2021	December 31, 2020	September 30, 2020
Eagle Nice (International) Holdings Limited	<u>\$ 3,296,356</u>	<u>\$ 2,764,925</u>	<u>\$ 2,451,116</u>
Prosperous Industrial (Holdings) Ltd.	<u>\$ 1,261,886</u>	<u>\$ 324,105</u>	<u>\$ 293,323</u>
San Fang Chemical Industry Co., Ltd.	<u>\$ 3,936,516</u>	<u>\$ 4,084,434</u>	<u>\$ 3,645,773</u>
Elitegroup Computer Systems Co., Ltd.	<u>\$ 1,932,230</u>	<u>\$ 2,820,902</u>	<u>\$ 1,451,215</u>
Nan Pao Resins Chemical Co., Ltd.	<u>\$ 2,929,858</u>	<u>\$ 3,353,018</u>	<u>\$ 2,673,319</u>

b. Investments in joint ventures

	September 30, 2021	December 31, 2020	September 30, 2020
Joint ventures that are not individually material	<u>\$ 6,564,337</u>	<u>\$ 8,027,754</u>	<u>\$ 7,931,633</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 (%)		
	September 30, 2021	December 31, 2020	September 30, 2020
Best Focus Holdings Ltd.	-	50.00	50.00
Cohen Enterprises Inc.	50.00	50.00	50.00
Great Skill Industrial Limited	50.00	50.00	50.00
Hangzhou Baohong Sports Goods Company Limited	50.00	50.00	50.00
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

(Continued)

Name of Joint Venture	Proportion of Ownership and Voting Rights (%)		
	September 30, 2021	December 31, 2020	September 30, 2020
Kounshan Baowei Information Technology Co., Ltd.	55.00	55.00	55.00
Prime Glorious Limited	49.00	49.00	49.00
Top Units Developments Limited	49.00	49.00	49.00
Twinways Investments Limited	50.00	50.00	50.00
Willpower Industries Limited	-	44.84	44.84
Zhong Ao Multiplex Management Limited	46.82	46.82	46.82

(Concluded)

- 1) Refer to Table 9 “Information on Investees” of Note 39 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 September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
The Group’s share of:				
Net (loss) income	\$ (256,516)	\$ 288,593	\$ 235,730	\$ 414,886
Other comprehensive income	<u>10,419</u>	<u>148,605</u>	<u>25,358</u>	<u>97,927</u>
Total comprehensive (loss) income	<u>\$ (246,097)</u>	<u>\$ 437,198</u>	<u>\$ 261,088</u>	<u>\$ 512,813</u>

17. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2021	December 31, 2020	September 30, 2020
Land	\$ 2,725,851	\$ 2,730,784	\$ 2,534,083
Buildings and improvements	44,208,798	47,101,831	46,452,491
Machinery and equipment	13,375,899	15,484,997	16,892,658
Transportation equipment	272,762	321,559	345,758
Office equipment	2,138,214	2,462,874	2,434,708
Other equipment	76,438	80,369	81,646
Construction in progress	<u>2,028,358</u>	<u>1,800,872</u>	<u>3,504,031</u>
	<u>\$ 64,826,320</u>	<u>\$ 69,983,286</u>	<u>\$ 72,245,375</u>

- a. Except for depreciation expenses recognized, the Group had no significant disposal nor impairment of property, plant and equipment during the three months ended September 30, 2021 and 2020 and during the nine months ended September 30, 2021 and 2020.

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

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

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

18. LEASE ARRANGEMENTS

- a. Right-of-use assets

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Carrying amount</u>			
Land	\$ 6,432,632	\$ 6,661,570	\$ 6,411,359
Buildings	12,539,923	13,854,609	11,868,972
Machinery	6,624	6,452	6,548
Transportation equipment	4,296	7,491	4,539
Other equipment	<u>4,746</u>	<u>5,374</u>	<u>5,583</u>
	<u>\$ 18,988,221</u>	<u>\$ 20,535,496</u>	<u>\$ 18,297,001</u>
	For the Three Months Ended September 30	For the Nine Months Ended September 30	
	2021	2020	2021
	2020	2021	2020
Additions to right-of-use assets	<u>\$ 654,668</u>	<u>\$ 2,129,431</u>	<u>\$ 3,477,533</u>
Depreciation charge for right-of-use assets			
Land	\$ 34,584	\$ 36,446	\$ 105,359
Buildings	1,231,198	1,293,012	3,971,249
Machinery	1,471	1,986	4,437
Transportation equipment	975	1,157	3,053
Other equipment	<u>209</u>	<u>209</u>	<u>628</u>
	<u>\$ 1,268,437</u>	<u>\$ 1,332,810</u>	<u>\$ 4,084,726</u>
	<u>\$ 3,856,609</u>		

b. Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Carrying amount</u>			
Current	\$ 4,205,829	\$ 4,640,954	\$ 3,535,531
Non-current	<u>8,744,054</u>	<u>9,494,536</u>	<u>8,535,414</u>
	<u>\$ 12,949,883</u>	<u>\$ 14,135,490</u>	<u>\$ 12,070,945</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Land	1.10%-3.14%	1.23%-5.00%	1.23%-5.00%
Buildings	0.90%-6.25%	1.34%-5.50%	1.34%-5.00%
Machinery	0.85%-3.07%	0.90%-3.07%	2.45%-3.07%
Transportation equipment	4.25%-4.50%	1.25%-4.50%	1.34%-4.50%
Other equipment	1.25%-1.34%	1.34%	1.25%-1.34%

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	<u>\$ 163,737</u>	<u>\$ 231,005</u>	<u>\$ 587,970</u>	<u>\$ 618,063</u>
Expenses relating to low-value asset leases	<u>\$ 1,645</u>	<u>\$ 386</u>	<u>\$ 3,899</u>	<u>\$ 1,309</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,083,801</u>	<u>\$ 1,349,853</u>	<u>\$ 4,255,651</u>	<u>\$ 3,723,532</u>
Total cash outflow for leases			<u>\$ 9,075,262</u>	<u>\$ 8,087,045</u>

The Group leases 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.

19. INVESTMENT PROPERTIES

	September 30, 2021	December 31, 2020	September 30, 2020
Investment properties	<u>\$ 2,791,592</u>	<u>\$ 2,827,040</u>	<u>\$ 2,837,752</u>

a. Except for depreciation expenses recognized, the Group had neither significant disposal nor impairment of investment properties during the three months ended September 30, 2021 and 2020 and during the nine months ended September 30, 2021 and 2020.

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, 2020 and 2019 were \$4,845,589 thousand and \$5,198,009 thousand, respectively. The Group's management evaluated the fair value of investment properties which did not change significantly during the nine months ended September 30, 2021 and 2020.

20. GOODWILL

The Group tested the goodwill as of December 31, 2020 and 2019, and the Group's management evaluated that goodwill as of September 30, 2021 and 2020, and the Group concluded that the goodwill did not change significantly and was not impaired.

21. OTHER INTANGIBLE ASSETS

	September 30, 2021	December 31, 2020	September 30, 2020
Computer software	\$ 1,246,651	\$ 1,084,738	\$ 1,049,459
Brand names	91,125	369,585	452,359
Non-compete agreements	312,561	344,665	346,581
Licensing agreements	4,539	75,728	85,147
Trademarks	87	33	34
Patents	<u>143</u>	<u>59</u>	<u>61</u>
	<u>\$ 1,655,106</u>	<u>\$ 1,874,808</u>	<u>\$ 1,933,641</u>

- a. Except for amortization recognized, the Group had neither significant disposal nor impairment of other intangible assets during the three months ended September 30, 2021 and 2020 and during the nine months ended September 30, 2021 and 2020.
- b. The above mentioned 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
Brand names	5 years
Non-compete agreements	5-20 years
Licensing agreements	10 years
Trademarks	10 years
Patents	10-20 years

22. BORROWINGS

- a. Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Unsecured borrowings</u>			
Credit borrowings	<u>\$ 33,702,131</u>	<u>\$ 23,732,375</u>	<u>\$ 30,146,760</u>

The ranges of effective interest rate on bank borrowings were 0.48%-3.85%, 0.55%-5.00% and 0.65%-4.35% per annum as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

b. Short-term bills payable

September 30, 2021

	Annual Interest Rate	Amount
Commercial papers	0.23%-0.70%	\$ 3,248,000
Less: Unamortized discount on bills payable		<u>(623)</u>
		<u>\$ 3,247,377</u>

December 31, 2020

	Annual Interest Rate	Amount
Commercial papers	0.24%-0.70%	\$ 3,361,500
Less: Unamortized discount on bills payable		<u>(752)</u>
		<u>\$ 3,360,748</u>

September 30, 2020

	Annual Interest Rate	Amount
Commercial papers	0.50%-0.71%	\$ 2,426,000
Less: Unamortized discount on bills payable		<u>(2,726)</u>
		<u>\$ 2,423,274</u>

c. Long-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Unsecured borrowings</u>			
Bank loans	\$ 63,150,465	\$ 72,344,609	\$ 70,690,647
Less: Long-term expenses of syndicated loans	(80,876)	(126,955)	(144,802)
Less: Current portion	<u>(33,068,924)</u>	<u>(5,888,875)</u>	<u>(5,684,968)</u>
	<u>\$ 30,000,665</u>	<u>\$ 66,328,779</u>	<u>\$ 64,860,877</u>

Maturity dates and ranges of annual interest rates:

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Maturity date</u>			
Long-term borrowings	2022.10.15- 2026.07.15	2022.01.15- 2026.07.15	2021.10.15- 2026.07.15
Current portion of long-term borrowings	2021.10.15- 2022.09.27	2021.01.15- 2021.10.15	2020.10.15- 2021.09.27
<u>Ranges of interest rate</u>			
	0.67%-2.50%	0.23%-2.50%	0.78%-2.50%

23. NOTES PAYABLE AND ACCOUNTS PAYABLE

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Notes payable</u>			
Operating	\$ 4,713	\$ 2,095	\$ 1,900
Non-operating	<u>5,017</u>	<u>5,307</u>	<u>8,229</u>
	<u>\$ 9,730</u>	<u>\$ 7,402</u>	<u>\$ 10,129</u>
Accounts payable (included related parties)	<u>\$ 13,729,425</u>	<u>\$ 16,628,923</u>	<u>\$ 14,754,015</u>

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

24. OTHER PAYABLES

	September 30, 2021	December 31, 2020	September 30, 2020
Payables for salaries	\$ 8,911,048	\$ 10,538,005	\$ 9,306,255
Payables for purchase of property, plant and equipment	1,199,022	1,855,773	1,864,602
Payables for annual leave	1,042,147	1,069,886	1,017,313
Employee compensation payables	485,621	647,883	635,771
Interest payables	97,455	126,610	156,968
Compensation due to directors	149,739	114,033	92,200
Others	<u>6,551,102</u>	<u>7,012,886</u>	<u>7,648,688</u>
	<u>\$ 18,436,134</u>	<u>\$ 21,365,076</u>	<u>\$ 20,721,797</u>
Current	\$ 18,290,117	\$ 21,217,044	\$ 20,571,781
Non-current	<u>146,017</u>	<u>148,032</u>	<u>150,016</u>
	<u>\$ 18,436,134</u>	<u>\$ 21,365,076</u>	<u>\$ 20,721,797</u>

25. RETIREMENT BENEFIT PLANS

Employee benefits expenses in respect of the Group's defined benefit retirement plans were calculated using the respective annual, actuarially determined pension cost discount rates as of December 31, 2020 and 2019 and recognized in the following line items in their respective periods:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating costs	\$ 107,614	\$ 65,967	\$ 274,172	\$ 195,123
Selling and marketing expenses	12,400	508	13,526	1,453
General and administrative expenses	29,528	67,095	166,499	(66,040)
Research and development expenses	<u>993</u>	<u>1,179</u>	<u>3,082</u>	<u>4,083</u>
	<u>\$ 150,535</u>	<u>\$ 134,749</u>	<u>\$ 457,279</u>	<u>\$ 134,619</u>

26. EQUITY

a. Share capital

	September 30, 2021	December 31, 2020	September 30, 2020
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

	September 30, 2021	December 31, 2020	September 30, 2020
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)

	September 30, 2021	December 31, 2020	September 30, 2020
<u>May be used to offset a deficit only</u>			
Recognized from the changes in ownership to subsidiaries (Note 2)	\$ 1,495	\$ -	\$ -
Recognized from the share of changes in net assets of associates and joint ventures	133,410	132,299	132,299
Others	<u>28,418</u>	<u>27,223</u>	<u>27,223</u>
	<u>\$ 4,393,663</u>	<u>\$ 4,389,862</u>	<u>\$ 4,389,862</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 Articles, the Company should make appropriations from the annual net profit in the following order:

- 1) For paying taxes.
- 2) For offsetting deficits.
- 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 28 (h).

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 profit for each fiscal year, and the proportion of cash dividends distributed shall be no less than 30% of total dividends distributed. If there are material changes in the operating environment, the Company can adjust the ratio and amounts of distribution of profit.

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

Under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 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 2020 and 2019 were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2020	For Year 2019	For Year 2020	For Year 2019
Legal reserve	\$ 482,716	\$ 1,182,861	\$ -	\$ -
Special reserve	-	(2,293,369)	-	-
Cash dividends	1,473,394	3,683,484	0.50	1.25

The above 2020 and 2019 appropriations for cash dividends were resolved by the Company's board of directors on April 28, 2021 and April 28, 2020, respectively; the other proposed appropriations were resolved in the shareholders' meetings on July 26, 2021, and June 13, 2020.

d. Other equity item

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

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ (5,491,369)	\$ (2,498,149)
Exchange differences on translation of the financial statements of foreign operations	(1,687,242)	(1,994,001)
Share of exchange differences of associates and joint ventures accounted for using the equity method	<u>1,292</u>	<u>(7,023)</u>
Balance at September 30	<u>\$ (7,177,319)</u>	<u>\$ (4,499,173)</u>

2) Unrealized gain or loss on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 24,305,081	\$ 13,759,473
Unrealized gain (loss) from equity instruments	1,292,924	(1,557,845)
Cumulative unrealized gain (loss) on equity instruments transferred to retained earnings due to disposal	6,375	(6,754)
Disposal of associates accounted for using the equity method	(235)	-
Share of (loss) gain from associates and joint ventures accounted for using the equity method	<u>(14,417,655)</u>	<u>6,462,439</u>
Balance at September 30	<u>\$ 11,186,490</u>	<u>\$ 18,657,313</u>

3) Cash flow hedge

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 1,195	\$ -
Gain on changes in fair value of cash flow hedge	<u>2,011</u>	<u>-</u>
Balance at September 30	<u>\$ 3,206</u>	<u>\$ -</u>

4) Others

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 8,629,040	\$ 423,243
Share of loss from associates and joint ventures accounted for using the equity method	<u>(816,702)</u>	<u>(222,477)</u>
Balance at September 30	<u>\$ 7,812,338</u>	<u>\$ 200,766</u>

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 67,133,743	\$ 72,460,088
Share of non-controlling interests		
Net profit (loss)	2,489,089	(2,019,045)
Exchange differences on translation of the financial statements of foreign operations	(1,354,629)	(1,433,423)
Unrealized gain (loss) on financial assets at FVTOCI	423,726	(100,811)
Remeasurement of defined benefit plans	-	(70,235)
Accumulated loss from disposal of equity instruments shifted to retained earnings	(8)	-
Others	(16)	(4)
Changes in non-controlling interests	<u>(138,898)</u>	<u>(2,166,325)</u>
Balance at September 30	<u>\$ 68,553,007</u>	<u>\$ 66,670,245</u>

27. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Sales revenue	\$ 45,431,721	\$ 58,943,108	\$ 180,907,190	\$ 181,522,898
Revenue from entertainment and resorts	56,484	123,422	230,451	292,588
Others	<u>143,009</u>	<u>46,434</u>	<u>285,766</u>	<u>156,123</u>
	<u>\$ 45,631,214</u>	<u>\$ 59,112,964</u>	<u>\$ 181,423,407</u>	<u>\$ 181,971,609</u>

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consist of the following:

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Interest income				
Cash in bank	\$ 151,874	\$ 78,475	\$ 367,885	\$ 272,239
Financial assets at amortized cost	56,060	64,863	179,635	207,804
Repurchase agreements collateralized by bonds	10	3,657	104	10,992
Others	<u>81</u>	<u>314</u>	<u>101</u>	<u>5,068</u>
	<u>\$ 208,025</u>	<u>\$ 147,309</u>	<u>\$ 547,725</u>	<u>\$ 496,103</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Rental income	\$ 148,095	\$ 164,638	\$ 425,992	\$ 475,022
Dividend income	916,704	1,002,606	916,704	1,006,223
Others	<u>364,941</u>	<u>298,063</u>	<u>1,366,202</u>	<u>1,065,902</u>
	<u>\$ 1,429,740</u>	<u>\$ 1,465,307</u>	<u>\$ 2,708,898</u>	<u>\$ 2,547,147</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Net loss on disposal of property, plant and equipment	\$ (209,645)	\$ (106,204)	\$ (313,703)	\$ (270,554)
Net foreign exchange (loss) gain	(100,972)	128,310	(78,877)	(134,654)
Net gain on disposal of subsidiaries, associates and joint ventures	834,231	1,561	1,236,724	533,530
Net gain (loss) on financial assets at FVTPL	262,356	(22,589)	522,712	(551,010)
Reversal (recognized) of impairment loss	-	2,163	(439,470)	(266,892)
Others	<u>(34,052)</u>	<u>(46,427)</u>	<u>(122,962)</u>	<u>(106,251)</u>
	<u>\$ 751,918</u>	<u>\$ (43,186)</u>	<u>\$ 804,424</u>	<u>\$ (795,831)</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Interest on bank borrowings	\$ 295,997	\$ 404,733	\$ 939,256	\$ 1,433,076
Lease liabilities	126,634	132,437	443,018	399,503
Interest on short-term bills payable	2,459	4,700	8,265	13,603
Other interest expense	<u>13</u>	<u>19</u>	<u>40</u>	<u>9,492</u>
	<u>\$ 425,103</u>	<u>\$ 541,889</u>	<u>\$ 1,390,579</u>	<u>\$ 1,855,674</u>

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Property, plant and equipment	\$ 2,971,803	\$ 2,807,439	\$ 8,082,246	\$ 8,249,432
Right-of-use assets	1,268,437	1,332,810	4,084,726	3,856,609
Investment properties	6,149	6,814	18,919	20,090
Other intangible assets	124,057	120,102	377,043	355,133
Long-term prepayments	354	-	1,071	-
Other prepaid expenses	<u>-</u>	<u>449</u>	<u>-</u>	<u>1,322</u>
	<u>\$ 4,370,800</u>	<u>\$ 4,267,614</u>	<u>\$ 12,564,005</u>	<u>\$ 12,482,586</u>

An analysis of depreciation by function

Operating costs	\$ 1,866,180	\$ 1,682,690	\$ 4,769,944	\$ 4,928,214
Operating expenses	2,378,060	2,462,905	7,409,231	7,193,905
Non-operating expenses	<u>2,149</u>	<u>1,468</u>	<u>6,716</u>	<u>4,012</u>
	<u>\$ 4,246,389</u>	<u>\$ 4,147,063</u>	<u>\$ 12,185,891</u>	<u>\$ 12,126,131</u>

An analysis of amortization by function

Operating expenses	<u>\$ 124,411</u>	<u>\$ 120,551</u>	<u>\$ 378,114</u>	<u>\$ 356,455</u>
--------------------	-------------------	-------------------	-------------------	-------------------

f. Direct operating expenses from investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Generate rental income	<u>\$ 6,379</u>	<u>\$ 12,091</u>	<u>\$ 27,216</u>	<u>\$ 35,798</u>

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Short-term benefits	\$ 12,555,629	\$ 13,300,108	\$ 42,650,314	\$ 44,040,578
Post-employment benefits				
Defined contribution plans	1,343,740	2,012,200	4,229,531	7,599,844
Defined benefit plans	<u>150,535</u>	<u>134,749</u>	<u>457,279</u>	<u>134,619</u>
	1,494,275	2,146,949	4,686,810	7,734,463
Share-based payments				
Equity-settled	22,119	17,464	109,875	6,272
Termination benefits	<u>3,120</u>	<u>2,879</u>	<u>7,554</u>	<u>12,505</u>
	<u>\$ 14,075,143</u>	<u>\$ 15,467,400</u>	<u>\$ 47,454,553</u>	<u>\$ 51,793,818</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 8,847,541	\$ 10,046,888	\$ 30,556,949	\$ 33,469,297
Operating expenses	<u>5,227,602</u>	<u>5,420,512</u>	<u>16,897,604</u>	<u>18,324,521</u>
	<u>\$ 14,075,143</u>	<u>\$ 15,467,400</u>	<u>\$ 47,454,553</u>	<u>\$ 51,793,818</u>

As of September 30, 2021 and 2020, there were 313,913 and 301,869 employees, respectively, in the Group. The Group accounts for employee benefits expense based on the number of employees.

h. Employee's compensation and remuneration of directors

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

The employees' compensation and remuneration of directors for the nine months ended September 30, 2021 and 2020 were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2021	2020
Employees' compensation	1.6%	1.6%
Remuneration of directors	0.8%	0.8%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Employees' compensation	<u>\$ 41,937</u>	<u>\$ 54,688</u>	<u>\$ 206,963</u>	<u>\$ 87,789</u>
Remuneration of directors	<u>\$ 20,967</u>	<u>\$ 27,344</u>	<u>\$ 103,480</u>	<u>\$ 43,894</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 employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019, which were approved by the Company's board of directors on March 24, 2021 and March 31, 2020, respectively, were as follows:

	For the Year Ended December 31			
	2020		2019	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 102,070	\$ -	\$ 203,200	\$ -
Remuneration of directors	51,035	-	101,600	-

There was no difference between the actual amounts of employees' compensation and remuneration of directors approved/paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on employees' compensation and remuneration of directors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

29. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Current tax				
In respect of the current period	\$ 50,692	\$ 460,325	\$ 1,674,627	\$ 994,669
Income tax expense of unappropriated earnings	(1,364)	(520)	140,721	1,369,126
Adjustments for prior year's income tax	-	-	(42,909)	6,889
Repatriation of offshore funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,992</u>
	<u>49,328</u>	<u>459,805</u>	<u>1,772,439</u>	<u>2,396,676</u>
Deferred tax				
In respect of the current period	(715,458)	(348,399)	(572,187)	(926,182)
Adjustments for prior year's income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>581</u>
	<u>(715,458)</u>	<u>(348,399)</u>	<u>(572,187)</u>	<u>(925,601)</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (666,130)</u>	<u>\$ 111,406</u>	<u>\$ 1,200,252</u>	<u>\$ 1,471,075</u>

In July 2019, the president of the ROC announced of “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act”. Within two years from the enforcement of this Act, profit-seeking enterprises may assess tax under this Act by the approval of the tax authority. Instead of assessing tax in accordance with the legal tax rate of 20%, the tax rate of the fund repatriated for the first year from the enforcement of this Act is 8% and the tax rate of the fund repatriated for the second year from the date following the last day of the first year from the enforcement of this Act is 10%. If profit-seeking enterprises complete the plan of substantive investment, an application for a 50% refund of the tax paid under this Act should be submitted to the tax authority-in-charge.

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.

In April 2020, the Ministry of Finance approved the repatriation of \$324,901 thousand (US\$10,870 thousand). In May 2020, the company paid \$25,992 thousand at the tax rate of 8%.

b. Income tax assessments

The income tax returns of the Company through 2018 have been assessed by the tax authorities.

30. EARNINGS PER SHARE

The basic earnings per share and diluted earnings per share for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
<u>Net profit (in thousand dollars)</u>				
Earnings used in the computation of earnings per share	<u>\$ 2,555,973</u>	<u>\$ 3,342,494</u>	<u>\$ 12,526,196</u>	<u>\$ 4,002,200</u>
<u>Weighted average number of shares outstanding (in thousand shares)</u>				
Weighted average number of common 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 common shares:				
Employees' compensation	<u>1,243</u>	<u>2,162</u>	<u>6,841</u>	<u>5,320</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>2,948,030</u>	<u>2,948,949</u>	<u>2,953,628</u>	<u>2,952,107</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
<u>Earnings per share (in dollars)</u>				
Basic earnings per share	<u>\$ 0.87</u>	<u>\$ 1.14</u>	<u>\$ 4.25</u>	<u>\$ 1.36</u>
Diluted earnings per share	<u>\$ 0.87</u>	<u>\$ 1.14</u>	<u>\$ 4.25</u>	<u>\$ 1.36</u>
				(Concluded)

The Company may settle the compensation paid to employees by cash or shares; therefore, the Company assumes the entire amount of the compensation will be settled in shares and the resulting potential shares are 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.

31. SHARE-BASED PAYMENT ARRANGEMENTS

a. Information about Yue Yuen's employee share options

Information about the granted employee share options during the nine months ended September 30, 2021 and 2020 was as follows:

	For the Nine Months Ended September 30	
	2021	2020
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	1,040	1,312
Options granted	2,715	-
Options cancelled	(36)	(120)
Options exercised	<u>(1,949)</u>	<u>(52)</u>
Balance at September 30	<u>1,770</u>	<u>1,140</u>

Yue Yuen recognized \$92,148 thousand and \$17,527 thousand in compensation costs for the nine months ended September 30, 2021 and 2020, respectively.

b. Information about Pou Sheng's employee share options

- 1) Information about outstanding share options during the nine months ended September 30, 2021 and 2020 was as follows:

Employee Share Options	For the Nine Months Ended September 30			
	2021		2020	
	Number of Shares Purchasable (In Thousands)	Weighted-average Exercise Price (HK\$)	Number of Shares Purchasable (In Thousands)	Weighted-average Exercise Price (HK\$)
Balance at January 1	1,166	\$ 2.49	10,872	\$ 2.44
Options cancelled	(1,166)	2.49	(9,331)	2.49
Options exercised	-		(375)	1.05
Balance at September 30	-		1,166	2.49
Exercisable options at September 30	-		1,166	2.49

Information about outstanding employee share options as of September 30, 2021, December 31, 2020 and September 30, 2020 was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Range of exercise price (HK\$)	\$-	\$2.494	\$2.494
Weighted-average remaining contractual life (years)	-	0.67	0.92

Pou Sheng recognized \$0 thousand and \$(21,188) thousand in compensation costs (gain) for the nine months ended September 30, 2021 and 2020, respectively.

- 2) Information about the granted employee share options during the nine months ended September 30, 2021 and 2020 was as follows:

	For the Nine Months Ended September 30	
	2021	2020
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	19,597	42,743
Options granted	10,644	1,500
Options cancelled	(1,801)	(9,943)
Options exercised	(12,017)	(11,808)
Balance at September 30	16,423	22,492

Pou Sheng recognized \$17,727 thousand and \$9,933 thousand in compensation costs for the nine months ended September 30, 2021 and 2020, respectively.

32. 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.

33. 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.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments 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 measured at fair value

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:

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 177,246	\$ -	\$ 177,246
Structured deposits	-	4,519,200	-	4,519,200
Mutual funds	<u>561,041</u>	<u>-</u>	<u>536,706</u>	<u>1,097,747</u>
	<u>\$ 561,041</u>	<u>\$ 4,696,446</u>	<u>\$ 536,706</u>	<u>\$ 5,794,193</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 18,852,670	\$ -	\$ -	\$ 18,852,670
Domestic unlisted shares	-	-	71,060	71,060
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>107,844</u>	<u>107,844</u>
	<u>\$ 18,852,670</u>	<u>\$ -</u>	<u>\$ 178,904</u>	<u>\$ 19,031,574</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 464,238</u>	<u>\$ -</u>	<u>\$ 464,238</u>
Hedging financial liabilities				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 4,078</u>	<u>\$ -</u>	<u>\$ 4,078</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 261,922	\$ -	\$ 261,922
Structured deposits	-	3,849,840	-	3,849,840
Mutual funds	<u>308,477</u>	<u>-</u>	<u>346,278</u>	<u>654,755</u>
	<u>\$ 308,477</u>	<u>\$ 4,111,762</u>	<u>\$ 346,278</u>	<u>\$ 4,766,517</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 17,540,298	\$ -	\$ -	\$ 17,540,298
Domestic unlisted shares	-	-	85,946	85,946
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>109,472</u>	<u>109,472</u>
	<u>\$ 17,540,298</u>	<u>\$ -</u>	<u>\$ 195,418</u>	<u>\$ 17,735,716</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 846,167</u>	<u>\$ -</u>	<u>\$ 846,167</u>
Hedging financial liabilities				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 278</u>	<u>\$ -</u>	<u>\$ 278</u>

September 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 158,555	\$ -	\$ 158,555
Structured deposits	-	584,386	-	584,386
Mutual funds	678,344	-	349,649	1,027,993
Contingent consideration	<u>-</u>	<u>-</u>	<u>395,386</u>	<u>395,386</u>
	<u>\$ 678,344</u>	<u>\$ 742,941</u>	<u>\$ 745,035</u>	<u>\$ 2,166,320</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 17,043,528	\$ -	\$ -	\$ 17,043,528
Domestic unlisted shares	-	-	93,540	93,540
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>126,547</u>	<u>126,547</u>
	<u>\$ 17,043,528</u>	<u>\$ -</u>	<u>\$ 220,087</u>	<u>\$ 17,263,615</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 926,334</u>	<u>\$ -</u>	<u>\$ 926,334</u>

- 2) There were no transfers between Levels 1 and 2 in the current and prior periods.
- 3) There was no reconciliation of Level 3 fair value measurements of financial assets except for changes in fair value recognized in other comprehensive income.
- 4) The fair value of Level 2 financial assets and financial liabilities is determined as follows:
 - a) The fair value of financial instruments with standard terms and conditions and traded in active liquid markets is determined with reference to the quoted market prices.

b) The future cash flows of derivatives are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

5) Valuation techniques and assumptions applied for Level 3 fair value measurement is as follows:

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

The future cash flow of the contingent consideration of the receivables from disposal of subsidiary is estimated using the expected revenue growth rate. It is discounted at a discount rate that reflects the credit risk of the counterparty. Significant unobservable inputs include discount rate and operating income growth rate.

c. Categories of financial instruments

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily at FVTPL	\$ 5,794,193	\$ 4,766,517	\$ 2,166,320
Financial assets at amortized cost (Note 1)	73,170,254	81,121,136	80,146,571
Financial assets at FVTOCI	19,031,574	17,735,716	17,263,615
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	464,238	846,167	926,334
Financial liabilities at amortized cost (Note 2)	132,242,995	137,361,229	138,648,509
Hedging financial liabilities	4,078	278	-

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, 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 38.

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 Nine Months Ended September 30	
	2021	2020
USD	\$ 2,364	\$ (12,842)
RMB	(73,588)	(70,130)
HKD	(1,238)	(1,217)
VND	(52,876)	2,921
IDR	1,527	(992)

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:

	September 30, 2021	December 31, 2020	September 30, 2020
Cash flow interest rate risk			
Financial liabilities	\$ 78,238,998	\$ 74,683,708	\$ 88,247,507

Sensitivity analysis

The sensitivity analysis below was based on the Group's floating rate liabilities. The analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole period. If there had been a 1%-increase in interest rates, the Group's cash outflows would have increased by \$586,793 thousand and \$661,856 thousand during the nine months ended September 30, 2021 and 2020, 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 nine months ended September 30, 2021 and 2020 would have decreased by \$10,977 thousand and \$10,280 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income for the nine months ended September 30, 2021 and 2020 would have decreased by \$188,716 thousand and \$170,625 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 may be required to pay.

September 30, 2021

	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	\$ 17,325,467	\$ 6,756,872	\$ 7,961,521	\$ 125,166	\$ 54,872
Lease liabilities	354,688	928,998	3,360,832	7,576,671	2,150,442
Floating interest rate liabilities	17,173,513	7,760,132	26,901,393	26,403,960	-
Fixed interest rate liabilities	3,976,951	5,419,707	9,387,972	3,774,805	-
Financial guarantee contracts	<u>74,828,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 113,659,200</u>	<u>\$ 20,865,709</u>	<u>\$ 47,611,718</u>	<u>\$ 37,880,602</u>	<u>\$ 2,205,314</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 20,541,374	\$ 8,340,735	\$ 8,987,195	\$ 125,286	\$ 55,862
Lease liabilities	479,193	1,367,100	3,333,770	8,427,992	2,298,476
Floating interest rate liabilities	11,189,164	2,675,644	1,496,801	59,311,773	10,326
Fixed interest rate liabilities	3,765,284	2,315,452	12,279,432	7,487,964	-
Financial guarantee contracts	<u>82,617,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 118,592,588</u>	<u>\$ 14,698,931</u>	<u>\$ 26,097,198</u>	<u>\$ 75,353,015</u>	<u>\$ 2,364,664</u>

September 30, 2020

	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	\$ 17,843,655	\$ 9,506,517	\$ 8,003,590	\$ 121,854	\$ 57,014
Lease liabilities	227,257	202,357	3,536,779	7,550,454	1,898,258
Floating interest rate liabilities	10,173,977	15,058,305	4,464,734	58,536,717	13,775
Fixed interest rate liabilities	-	22,378	5,208,248	10,680,419	-
Financial guarantee contracts	<u>75,717,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 103,962,666</u>	<u>\$ 24,789,557</u>	<u>\$ 21,213,351</u>	<u>\$ 76,889,444</u>	<u>\$ 1,969,047</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.

September 30, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	\$ -	\$ 77,980	\$ 229,038	\$ 148,000	\$ -
Exchange rate swap contracts	238	-	8,447	-	-
Exchange rate option contracts	-	-	535	-	-
Cross-currency swap contracts	<u>-</u>	<u>4,078</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 238</u>	<u>\$ 82,058</u>	<u>\$ 238,020</u>	<u>\$ 148,000</u>	<u>\$ -</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	\$ -	\$ 77,580	\$ 228,751	\$ 410,720	\$ -
Forward exchange contracts	-	14,035	103,423	-	-
Exchange rate swap contracts	-	704	-	-	-
Exchange rate option contracts	-	-	-	10,954	-
Cross-currency swap contracts	-	-	278	-	-
	<u>-\$</u>	<u>\$ 92,319</u>	<u>\$ 332,452</u>	<u>\$ 421,674</u>	<u>\$ -</u>

September 30, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	\$ -	\$ 78,163	\$ 235,739	\$ 488,249	\$ -
Cross-currency swap contracts	-	22,800	-	-	-
Forward exchange contracts	-	-	46,950	-	-
Exchange rate swap contracts	-	38,719	3,718	-	-
Exchange rate option contracts	-	-	994	11,002	-
	<u>-\$</u>	<u>\$ 139,682</u>	<u>\$ 287,401</u>	<u>\$ 499,251</u>	<u>\$ -</u>

35. 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
Kounshan Baowei Information Technology Co., Ltd.	Joint venture
Vipshop Holdings Limited	Other related parties

b. Operating revenue

Account	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2021	2020	2021	2020
Sales	Associates	\$ 33,914	\$ 26,977	\$ 76,670	\$ 49,045
	Joint ventures	1,309,570	3,491,373	6,494,724	8,939,681
	Others	<u>-</u>	<u>184</u>	<u>-</u>	<u>600,480</u>
		<u>\$ 1,343,484</u>	<u>\$ 3,518,534</u>	<u>\$ 6,571,394</u>	<u>\$ 9,589,206</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 September 30		For the Nine Months Ended September 30	
		2021	2020	2021	2020
Purchases	Associates	\$ 411,047	\$ 660,247	\$ 1,718,073	\$ 1,873,036
	Joint ventures	<u>758,197</u>	<u>1,253,468</u>	<u>3,311,072</u>	<u>3,826,101</u>
		<u>\$ 1,169,244</u>	<u>\$ 1,913,715</u>	<u>\$ 5,029,145</u>	<u>\$ 5,699,137</u>

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

d. Receivables from related parties

Account Items	Related Party Categories	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable and accounts receivable	Associates	\$ 21,526	\$ 17,306	\$ 28,173
	Joint ventures	<u>976,240</u>	<u>1,880,054</u>	<u>2,107,418</u>
		<u>\$ 997,766</u>	<u>\$ 1,897,360</u>	<u>\$ 2,135,591</u>

No bad debt expense was recognized for the nine months ended September 30, 2021 and 2020 for the amounts owed by related parties.

e. Payables to related parties

Account Items	Related Party Categories	September 30, 2021	December 31, 2020	September 30, 2020
Notes payable and accounts payable	Associates	\$ 460,031	\$ 584,579	\$ 515,025
	Joint ventures	<u>799,747</u>	<u>970,266</u>	<u>1,059,886</u>
		<u>\$ 1,259,778</u>	<u>\$ 1,554,845</u>	<u>\$ 1,574,911</u>

f. Financing provided

Refer to Table 1 “Financing provided to others” of Note 39 in the consolidated financial statements.

g. Endorsements/guarantees provided

Refer to Table 2 “Endorsements/guarantees provided” of Note 39 in the consolidated financial statements.

h. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ <u>48,274</u>	\$ <u>16,823</u>	\$ <u>198,032</u>	\$ <u>93,698</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.

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets at amortized cost	\$ <u>52,665</u>	\$ <u>51,465</u>	\$ <u>41,370</u>

37. SIGNIFICANT COMMITMENTS AND UNRECOGNIZED LIABILITIES

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

(Unit: Foreign Currencies in Thousands)

Foreign Currencies	September 30, 2021	December 31, 2020	September 30, 2020
USD	\$ 2,382	\$ 1,596	\$ 1,309
EUR	14	59	60
IDR	-	2,883,836	6,693,823
VND	9,185,381	5,189,381	5,185,381

b. The Company’s investment in Nan Shan Life Insurance Co., Ltd. was through Ruen Chen Investment Holding Co., Ltd. Accordingly, the Company has received a request from the FSC to provide 490,000 thousand ordinary shares of Ruen Chen in the custody of the trust department of First Commercial Bank for ten years. The trust was already expired, and the shares were collected on September 15, 2021.

c. The Company entered into project agreements with the Institute for Information Industry (“III”). According to the project agreements, the Company has to provide promissory notes and bank guarantees to III as guarantee.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 41,172	27.850	\$ 1,146,649
NTD	1,409,955	1	1,409,955
RMB	1,798,149	4.305	7,741,031
HKD	46,304	3.576	165,582
VND	5,758,248,000	0.0012	5,758,248
IDR	95,107,500	0.00198	190,215
Non-monetary items			
NTD	903,649	1	903,649
RMB	25,900	4.305	111,500
<u>Financial liabilities</u>			
Monetary items			
USD	49,702	27.850	1,384,198
NTD	1,755,458	1	1,755,458
RMB	88,757	4.305	382,102
HKD	11,637	3.576	41,615
VND	470,641,000	0.0012	470,641
IDR	171,470,500	0.00198	432,941

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 61,707	28.480	\$ 1,757,417
NTD	2,818,743	1	2,818,743
RMB	1,779,911	4.377	7,790,673
HKD	75,794	3.673	278,393
VND	666,736,937	0.00111	740,078
IDR	90,939,409	0.00203	184,607
Non-monetary items			
USD	8,963	28.480	255,266
NTD	868,555	1	868,555
RMB	983,650	4.377	4,305,436

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 11,813	28.480	\$ 336,435
NTD	1,546,164	1	1,546,164
RMB	106,539	4.377	466,322
HKD	6,996	3.673	25,695
VND	1,650,485,585	0.00111	1,832,039
IDR	129,766,503	0.00203	263,426
			(Concluded)

September 30, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 55,887	29.100	\$ 1,626,312
NTD	1,564,169	1	1,564,169
RMB	1,772,379	4.269	7,566,286
HKD	38,766	3.754	145,528
VND	1,031,513,274	0.00113	1,165,610
IDR	121,779,293	0.00198	241,123
Non-monetary items			
NTD	791,869	1	791,869
RMB	791,658	4.269	3,379,590

Financial liabilities

Monetary items			
USD	11,730	29.100	341,351
NTD	357,156	1	357,156
RMB	129,565	4.269	553,116
HKD	6,378	3.754	23,942
VND	1,323,567,257	0.00113	1,495,631
IDR	72,176,767	0.00198	142,910

For the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, net foreign exchange (losses) gains were \$(100,972) thousand, \$128,310 thousand, \$(78,877) thousand and \$(134,654) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the functional currencies of the Group's entities.

39. 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 \$300 million or 20% of the paid-in capital (Table 5)
 - 6) Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital (Table 6)
 - 8) Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital (Table 7)
 - 9) Trading in derivative instruments (Note 34)
 - 10) Intercompany relationships and significant intercompany transactions (Table 8)
 - 11) Information on investees (Table 9)
- b. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party: (None).
- c. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

40. 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 nine months ended September 30, 2021

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 102,649,410</u>	<u>\$ 78,270,039</u>	<u>\$ 503,958</u>	<u>\$ 181,423,407</u>
Segment income	<u>\$ 9,791,480</u>	<u>\$ 5,663,959</u>	<u>\$ 337,347</u>	\$ 15,792,786
Administrative costs and remuneration of directors				(12,760,905)
Interest income				547,725
Rental income				425,992
Dividend income				916,704
Other income				1,366,202
Net loss on disposal of property, plant and equipment				(313,703)
Net foreign exchange loss				(78,877)
Net gain on disposal of subsidiaries and associates				1,236,724
Net gain on financial assets at FVTPL				522,712
Impairment loss				(439,470)
Other loss				(122,962)
Net loss on derecognition of financial assets at amortized cost				(20,636)
Finance costs				(1,390,579)
Share of profit of associates and joint ventures				<u>10,533,824</u>
Income before income tax				<u>\$ 16,215,537</u>

For the nine months ended September 30, 2020

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 103,432,487</u>	<u>\$ 78,029,294</u>	<u>\$ 509,828</u>	<u>\$ 181,971,609</u>
Segment income	<u>\$ 7,705,984</u>	<u>\$ 3,880,648</u>	<u>\$ 332,804</u>	\$ 11,919,436
Administrative costs and remuneration of directors				(16,366,846)
Interest income				496,103
Rental income				475,022
Dividend income				1,006,223
Other income				1,065,902
Net loss on disposal of property, plant and equipment				(270,554)
Net foreign exchange loss				(134,654)
Net gain on disposal of subsidiaries and associates				533,530
Net loss on financial assets at FVTPL				(551,010)
Impairment loss				(266,892)
Other loss				(106,251)
Net gain on derecognition of financial assets at amortized cost				3,214
Finance costs				(1,855,674)
Share of profit of associates and joint ventures				<u>7,506,681</u>
Income before income tax				<u>\$ 3,454,230</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, rental income, interest income, dividend income, other income, net loss on disposal of property, plant and equipment, net foreign exchange loss, net gain on disposal of subsidiaries, associates and joint ventures, gain (loss) on financial instruments, recognized of impairment loss, other loss, net (loss) gain on derecognition of financial assets at amortized cost, finance costs and the share of profit of associates and joint ventures. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

POU CHEN CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Financing Company	Borrowing Company	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note
													Item	Value			
1	Dong Guan Baoqiao Electronic Technology Co., Ltd.	Kunshan Yuanying Electronics Technology Co., Ltd.	Accounts receivable from related parties	Yes	\$ 22,591 (RMB 5,200,000)	\$ 11,193 (RMB 2,600,000)	\$ 11,193 (RMB 2,600,000)	4.35	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 129,534,546	\$ 129,534,546	
2	Great Pacific Investments Limited	Pro Kingtex Industrial Company Limited Solar Link International Inc.	Accounts receivable from related parties	Yes	102,204 (US\$ 3,600,000)	-	-	-	2	-	Operating capital	-	-	-	13,709,401	13,709,401	
			Accounts receivable from related parties	Yes	428,432 (US\$ 15,200,000)	200,520 (US\$ 7,200,000)	200,520 (US\$ 7,200,000)	1.00	2	-	Operating capital	-	-	-	34,273,502	34,273,502	
3	Orisol Asia Limited	Orisol Taiwan Limited Orisol Vietnam Co., Ltd.	Accounts receivable from related parties	Yes	57,070 (US\$ 2,000,000)	-	-	-	2	-	Operating capital	-	-	-	414,710	414,710	
			Accounts receivable from related parties	Yes	14,268 (US\$ 500,000)	13,925 (US\$ 500,000)	13,925 (US\$ 500,000)	2.00	2	-	Operating capital	-	-	-	414,710	414,710	
4	Pou Yuen Industrial (Holdings) Ltd.	Pouyuen Vietnam Company Limited Pou Chen Vietnam Enterprise Ltd. Pou Sung Vietnam Company Limited	Accounts receivable from related parties	Yes	165,503 (US\$ 5,800,000)	-	-	-	2	-	Operating capital	-	-	-	25,021,577	25,021,577	
			Accounts receivable from related parties	Yes	342,420 (US\$ 12,000,000)	-	-	-	2	-	Operating capital	-	-	-	25,021,577	25,021,577	
			Accounts receivable from related parties	Yes	4,166,110 (US\$ 146,000,000)	1,559,600 (US\$ 56,000,000)	1,559,600 (US\$ 56,000,000)	1.30-1.40	2	-	Operating capital	-	-	-	19,972,037	19,972,037	
5	Prime Asia (S.E. Asia) Leather Corporation	Prime Asia (Vietnam) Co., Ltd.	Accounts receivable from related parties	Yes	505,070 (US\$ 17,700,000)	492,945 (US\$ 17,700,000)	492,945 (US\$ 17,700,000)	1.50	2	-	Operating capital	-	-	-	1,147,302	1,147,302	
6	Yue Yuen Industrial (Holdings) Limited	Prime Asia (Vietnam) Co., Ltd. Pou Chen Vietnam Enterprise Ltd. Pou Li Vietnam Company Limited Powerknit Vietnam Company Limited Pt. Shoenary Javansia Inc. Pt. Selalu Cinta Indonesia Pou Phong Vietnam Company Limited Pt. Pou Chen Indonesia Pt. Nikomas Gemilang Yue De Vietnam Company Limited Pou Hung Vietnam Company Limited Pou Sung Vietnam Company Limited Pt. Glostar Indonesia Pt. Pou Yuen Indonesia Pouyuen Vietnam Company Limited Pro Kingtex Industrial Company Limited	Accounts receivable from related parties	Yes	723,828 (US\$ 25,500,000)	403,825 (US\$ 14,500,000)	403,825 (US\$ 14,500,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	559,200 (US\$ 20,000,000)	557,000 (US\$ 20,000,000)	557,000 (US\$ 20,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	996,840 (US\$ 35,000,000)	362,050 (US\$ 13,000,000)	362,050 (US\$ 13,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	823,310 (US\$ 29,000,000)	724,100 (US\$ 26,000,000)	724,100 (US\$ 26,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	784,713 (US\$ 27,500,000)	765,875 (US\$ 27,500,000)	765,875 (US\$ 27,500,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	1,317,976 (US\$ 46,450,000)	931,583 (US\$ 33,450,000)	931,583 (US\$ 33,450,000)	1.00-1.30	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	1,892,583 (US\$ 67,000,000)	932,975 (US\$ 33,500,000)	932,975 (US\$ 33,500,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	1,765,980 (US\$ 62,000,000)	1,114,000 (US\$ 40,000,000)	1,114,000 (US\$ 40,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	3,476,170 (US\$ 123,000,000)	1,114,000 (US\$ 40,000,000)	1,114,000 (US\$ 40,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	2,388,208 (US\$ 84,500,000)	1,114,000 (US\$ 40,000,000)	1,114,000 (US\$ 40,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	2,734,140 (US\$ 96,000,000)	1,671,000 (US\$ 60,000,000)	1,671,000 (US\$ 60,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	2,801,750 (US\$ 100,000,000)	2,785,000 (US\$ 100,000,000)	2,785,000 (US\$ 100,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	5,538,640 (US\$ 196,000,000)	2,088,750 (US\$ 75,000,000)	2,088,750 (US\$ 75,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	4,678,240 (US\$ 165,000,000)	3,091,350 (US\$ 111,000,000)	3,091,350 (US\$ 111,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	4,569,195 (US\$ 162,000,000)	4,149,650 (US\$ 149,000,000)	4,149,650 (US\$ 149,000,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			Accounts receivable from related parties	Yes	69,900 (US\$ 2,500,000)	69,625 (US\$ 2,500,000)	69,625 (US\$ 2,500,000)	1.00	2	-	Operating capital	-	-	-	45,500,138	45,500,138	
			7	Top Galaxy Group Limited	Yue Yuen (Anfu) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	342,420 (US\$ 12,000,000)	334,200 (US\$ 12,000,000)	334,200 (US\$ 12,000,000)	1.33	2	-	Operating capital	-	-	-
8	Idea (Macao Commercial Offshore) Limited	Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	142,675 (US\$ 5,000,000)	139,250 (US\$ 5,000,000)	139,250 (US\$ 5,000,000)	1.30	2	-	Operating capital	-	-	-	3,677,784	3,677,784	
9	Shanggao Yisen Industry Co., Ltd.	Yu Xing (Jishui) Footwear Co., Ltd. Dong Guan Pou Chen Footwear Company Limited	Accounts receivable from related parties	Yes	364,442 (RMB 83,130,000)	357,875 (RMB 83,130,000)	-	3.33	2	-	Operating capital	-	-	-	1,703,236	1,703,236	
			Accounts receivable from related parties	Yes	175,360 (RMB 40,000,000)	172,200 (RMB 40,000,000)	-	3.00	2	-	Operating capital	-	-	-	1,703,236	1,703,236	
10	Dong Guan Yue Yuan Footwear Products Company Limited	Yang Xin Pou Shou Sporting Goods Co., Ltd. Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	153,440 (RMB 35,000,000)	150,675 (RMB 35,000,000)	-	3.33	2	-	Operating capital	-	-	-	517,880	517,880	
			Accounts receivable from related parties	Yes	175,360 (RMB 40,000,000)	172,200 (RMB 40,000,000)	-	3.33	2	-	Operating capital	-	-	-	517,880	517,880	
11	Pou Chien Enterprise Co., Ltd.	Yue Yuen Industrial (Holdings) Limited I-Tech. Sporting Enterprise Ltd.	Accounts receivable from related parties	Yes	798,980 (US\$ 28,000,000)	779,800 (US\$ 28,000,000)	779,800 (US\$ 28,000,000)	0.50	2	-	Operating capital	-	-	-	1,964,447	1,964,447	
			Accounts receivable from related parties	Yes	1,600,000	800,000	800,000	0.55	2	-	Operating capital	-	-	-	1,964,447	1,964,447	
12	Dongguan Yusheng Shoe Industry Co., Ltd.	Yu Xing (Jishui) Footwear Co., Ltd. Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	30,688 (RMB 7,000,000)	-	-	-	2	-	Operating capital	-	-	-	1,578,979	1,578,979	
			Accounts receivable from related parties	Yes	109,600 (RMB 25,000,000)	-	-	-	2	-	Operating capital	-	-	-	1,578,979	1,578,979	

(Continued)

No. (Note 1)	Financing Company	Borrowing Company	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note	
													Item	Value				
12	Dongguan Yusheng Shoe Industry Co., Ltd.	Dongguan Yu Xiang Shoes Material Co., Ltd. Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	\$ 473,472 (RMB 108,000,000)	\$ -	\$ -	-	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,578,979	\$ 1,578,979		
			Accounts receivable from related parties	Yes	131,520 (RMB 30,000,000)	(RMB 129,150) (RMB 30,000,000)	-	3.33	2	-	-	-	-	-	-	1,578,979	1,578,979	
13	Dongguan De Chang Zi Xun Co., Ltd.	Dong Guan Yue Yuan Footwear Products Company Limited	Accounts receivable from related parties	Yes	17,536 (RMB 4,000,000)	-	-	-	2	-	Operating capital	-	-	-	40,855	40,855		
14	Dongguan Xingtai Consulting Co., Ltd.	Dong Guan Yue Yuan Footwear Products Company Limited	Accounts receivable from related parties	Yes	30,688 (RMB 7,000,000)	-	-	-	2	-	Operating capital	-	-	-	67,062	67,062		
15	Bao Hong (Yangzhou) Shoes Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	263,040 (RMB 60,000,000)	258,300 (RMB 60,000,000)	-	3.00	2	-	Operating capital	-	-	-	952,400	952,400		
			Accounts receivable from related parties	Yes	263,040 (RMB 60,000,000)	258,300 (RMB 60,000,000)	-	3.33	2	-	-	-	-	-	-	952,400	952,400	
16	Yue Yuen (Anfu) Footwear Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited	Accounts receivable from related parties	Yes	-	-	-	-	2	-	Operating capital	-	-	-	2,052,098	2,052,098		
17	Rui Jin Pou Yuen Footwear Development Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited Yu Xing (Jishui) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	43,840 (RMB 10,000,000)	-	-	-	2	-	Operating capital	-	-	-	255,926	255,926		
			Accounts receivable from related parties	Yes	26,304 (RMB 6,000,000)	(RMB 25,830) (RMB 6,000,000)	(RMB 25,830) (RMB 6,000,000)	3.33	2	-	-	-	-	-	-	255,926	255,926	
18	Yiyang Yujing Shoes Industrial Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	33,757 (RMB 7,700,000)	33,149 (RMB 7,700,000)	-	3.00	2	-	Operating capital	-	-	-	124,140	124,140		
			Accounts receivable from related parties	Yes	30,688 (RMB 7,000,000)	30,135 (RMB 7,000,000)	(RMB 30,135) (RMB 7,000,000)	3.33	2	-	-	-	-	-	-	124,140	124,140	
19	Yichun Yisen Industry Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	131,520 (RMB 30,000,000)	-	-	-	2	-	Operating capital	-	-	-	689,929	689,929		
			Accounts receivable from related parties	Yes	4,329 (RMB 1,000,000)	(RMB 4,305) (RMB 1,000,000)	(RMB 4,305) (RMB 1,000,000)	3.33	2	-	-	-	-	-	-	689,929	689,929	
20	Jiangxi Uniscien Consulting Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited	Accounts receivable from related parties	Yes	21,920 (RMB 5,000,000)	21,525 (RMB 5,000,000)	-	3.00	2	-	Operating capital	-	-	-	32,687	32,687		
21	Orisol Taiwan Limited	Orisol Do Brasil Industria E Comercio De Maquinas Ltda	Accounts receivable from related parties	Yes	125,380 (US\$ 4,400,000)	77,980 (US\$ 2,800,000)	77,980 (US\$ 2,800,000)	1.00	2	-	Operating capital	-	-	-	97,368	97,368		
22	Yue Dean Technology Corporation	I-Tech. Sporting Enterprise Ltd.	Accounts receivable from related parties	Yes	500,000	-	-	-	2	-	Operating capital	-	-	-	659,083	659,083		
23	Wealthplus Holdings Limited	Pou Yii Development Co., Ltd. Yue Hong Realty Development Co., Ltd. Pou Shine Investment Co., Ltd. Barits Development Corporation	Accounts receivable from related parties	Yes	120,000	120,000	120,000	0.55	2	-	Operating capital	-	-	-	41,777,192	41,777,192		
			Accounts receivable from related parties	Yes	400,000	400,000	400,000	0.55	2	-	-	-	-	-	41,777,192	41,777,192		
			Accounts receivable from related parties	Yes	500,000	500,000	500,000	0.55	2	-	-	-	-	-	-	41,777,192	41,777,192	
			Accounts receivable from related parties	Yes	2,418,400 (US\$ 40,000,000) (NT\$ 1,300,000)	1,114,000 (US\$ 40,000,000)	1,114,000 (US\$ 40,000,000)	0.55	2	-	-	-	-	-	-	41,777,192	41,777,192	
24	Pou Sheng (China) Investment Co., Ltd.	Qingdao Pou-Sheng International Sport Products Co., Ltd.	Loans receivable	Yes	1,509,902 (RMB 344,412,000)	1,482,694 (RMB 344,412,000)	581,759 (RMB 135,135,692)	4.35	2	-	Operating capital	-	-	-	1,504,627	1,504,627		
25	Yue Cheng (Kun Shan) Sports Co., Ltd.	Kounshan Baowei Information Technology Co., Ltd.	Loans receivable	Yes	1,157,376 (RMB 264,000,000)	1,136,520 (RMB 264,000,000)	1,136,520 (RMB 264,000,000)	4.35	2	-	Operating capital	-	-	-	1,198,126	1,198,126		

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: 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.
Great Pacific Investments Limited for joint ventures or join operation: The financing amount shall not exceed 40% of total equity of lender's financial statement.
For subsidiaries in which Wealthplus Holdings Limited holds 100% voting rights directly and indirectly: The financing amount shall not exceed 100% of total equity of Wealthplus Holdings Limited financial statements Each of the financing amount shall not exceed 30% of total equity of lender's financial statement.
For subsidiaries in which Pou Sheng International (Holdings) Limited 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 NINE MONTHS ENDED SEPTEMBER 30, 2021
(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	Pro Arch International Development Enterprise Inc.	b	\$ 129,534,546	\$ 82,722	\$ 68,040	\$ 68,040	\$ -	-	\$ 259,069,092	Y	N	N		
		Pou Yuen Technology Co., Ltd.	b	129,534,546	300,000	200,000	-	-	-	259,069,092	Y	N	N		
		Pou Yii Development Co., Ltd.	b	129,534,546	300,000	200,000	-	-	-	259,069,092	Y	N	N		
		Yue Hong Realty Development Co., Ltd.	b	129,534,546	550,000	550,000	108,000	-	-	259,069,092	Y	N	N		
		Pou Shine Investment Co., Ltd.	b	129,534,546	1,700,000	1,600,000	-	-	1	259,069,092	Y	N	N		
		Barits Development Corporation	b	129,534,546	8,877,600	8,471,000	1,630,000	-	6	259,069,092	Y	N	N		
		Windsor Entertainment Co., Ltd.	b	129,534,546	100,000	100,000	11,000	-	-	259,069,092	Y	N	N		
		Wealthplus Holdings Limited	b	129,534,546	25,253,475	23,254,750	-	-	18	259,069,092	Y	N	N		
1	Yue Yuen Industrial (Holdings) Limited	Chang Yang Material Corp.	f	68,250,207	15,000	7,500	4,141	-	-	170,625,518	N	N	N		
		Orisol Taiwan Limited	b	68,250,207	180,000	90,000	63,000	-	-	170,625,518	N	N	N		
		Pou Chien Enterprise Co., Ltd.	b	68,250,207	1,300,000	1,300,000	1,040,000	-	1	170,625,518	N	N	N		
		Yue Dean Technology Corporation	b	68,250,207	3,800,000	1,900,000	927,000	-	2	170,625,518	N	N	N		
		Pine Wood Industries Ltd.	f	68,250,207	52,790	-	-	-	-	170,625,518	N	N	N		
					(US\$ 1,850,000)										
		PT. Ka Yuen Indonesia	f	68,250,207	28,535	-	-	-	-	170,625,518	N	N	N		
					(US\$ 1,000,000)										
		Innovative Track Limited	f	68,250,207	442,675	289,250	91,158	-	-	170,625,518	N	N	N		
					(US\$ 5,000,000)	(US\$ 5,000,000)	(US\$ 2,950,000)								
					(NTS 300,000)	(NTS 150,000)	(NTS 9,000)								
		Pou Li Vietnam Company Ltd.	b	68,250,207	171,210	167,100	119,989	-	-	170,625,518	N	N	N		
					(US\$ 6,000,000)	(US\$ 6,000,000)	(US\$ 4,308,400)								
		Pou Phong Vietnam Company Ltd.	b	68,250,207	199,745	-	-	-	-	170,625,518	N	N	N		
					(US\$ 7,000,000)	(US\$ 7,000,000)									
		Yue De Vietnam Company Limited	b	68,250,207	256,815	250,650	144,109	-	-	170,625,518	N	N	N		
					(US\$ 9,000,000)	(US\$ 9,000,000)	(US\$ 5,174,501)								
		Pou Hung Vietnam Company Ltd.	b	68,250,207	313,885	306,350	166,995	-	-	170,625,518	N	N	N		
					(US\$ 11,000,000)	(US\$ 11,000,000)	(US\$ 5,996,238)								
		Pou Sung Vietnam Co., Ltd.	b	68,250,207	370,955	362,050	50,130	-	-	170,625,518	N	N	N		
			(US\$ 13,000,000)	(US\$ 13,000,000)	(US\$ 1,800,000)										
Oftenrich Holdings Limited	f	68,250,207	534,677	451,170	329,981	-	-	170,625,518	N	N	N				
			(US\$ 18,900,000)	(US\$ 16,200,000)	(US\$ 11,848,500)										
PT. KMK Global Sports	b	68,250,207	1,313,116	626,625	389,552	-	1	170,625,518	N	N	N				
			(US\$ 46,500,000)	(US\$ 22,500,000)	(US\$ 13,987,500)										
Cohen Enterprises Inc.	f	68,250,207	1,280,476	765,875	208,875	-	1	170,625,518	N	N	N				
			(US\$ 45,000,000)	(US\$ 27,500,000)	(US\$ 7,500,000)										
Prime Asia Leather Corporation	b	68,250,207	4,117,450	974,750	624,200	-	1	170,625,518	N	N	N				
			(US\$ 145,000,000)	(US\$ 35,000,000)	(US\$ 12,000,000)										
PT. Shoenary Javanesia Inc.	b	68,250,207	1,489,269	1,313,824	638,269	-	1	170,625,518	N	N	N				
			(US\$ 52,425,000)	(US\$ 47,175,000)	(US\$ 22,918,083)										
PT. Selalu Cinta Indonesia	b	68,250,207	2,902,520	2,224,519	1,545,857	-	2	170,625,518	N	N	N				
			(US\$ 102,375,000)	(US\$ 79,875,000)	(US\$ 55,506,547)										
Vietnam Tiong Liong Industrial Co., Ltd.	f	68,250,207	51,338	-	-	-	-	170,625,518	N	N	N				
			(US\$ 1,850,000)												
2	Pou Sheng International (Holdings) Limited	Taiwan Taisong Trading Co., Ltd.	b	72,340,170	130,000	90,000	70,000	-	-	144,680,339	N	N	N		
		PCG Bros Sports Management Co., Ltd.	b	72,340,170	100,000	100,000	90,000	-	-	144,680,339	N	N	N		
		Pou Yuen Trading Corporation	b	72,340,170	527,840	477,400	155,000	-	1	144,680,339	N	N	N		
					(US\$ 4,000,000)	(US\$ 4,000,000)									
					(NTS 416,000)	(NTS 366,000)									
		Kun Shan Taisong Trading Co., Ltd.	b	72,340,170	219,200	-	-	-	-	144,680,339	N	N	Y		
			(RMB 50,000,000)												
Taicang Yue-Shen Sporting Goods Co., Ltd.	b	72,340,170	3,212,142	1,931,129	-	-	5	144,680,339	N	N	Y				
			(RMB 303,109,398)	(RMB 21,609,398)											
Guangzhou Pou-Yuen Trading Co., Ltd.	b	72,340,170	1,883,310	1,838,100	-	-	5	144,680,339	N	N	Y				
			(US\$ 66,000,000)	(US\$ 66,000,000)											
			(US\$ 66,000,000)	(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	Bao Sheng Dao Ji (Beijing) Trading Company Ltd.	b	\$ 72,340,170	\$ 8,103,281 (RMB 865,532,768) (US\$ 151,000,000)	\$ 5,043,885 (RMB 194,781,566) (US\$ 151,000,000)	\$ 198,030 (RMB 46,000,000)	\$ -	14	\$ 144,680,339	N	N	Y		
		Zhejiang Shengdao Sporting-Goods Co., Ltd.	b	72,340,170	6,175,826 (RMB 425,876,021) (US\$ 151,000,000)	4,768,919 (RMB 130,910,478) (US\$ 151,000,000)	189,420 (RMB 44,000,000)	-	13	144,680,339	N	N	Y		
		Kun Shan Pou-Chi Sports Co., Ltd.	b	72,340,170	576,222 (RMB 131,437,500)	1,883 (RMB 437,500)	-	-	-	-	144,680,339	N	N	Y	
		Fujian Pou Sheng Sporting Goods Co., Ltd.	b	72,340,170	439,613 (RMB 100,276,578)	24,754 (RMB 5,750,000)	-	-	-	-	144,680,339	N	N	Y	
		Guizhou Pou-Sheng Sport Products Co., Ltd.	b	72,340,170	306,679 (RMB 69,954,117)	43,050 (RMB 10,000,000)	-	-	-	-	144,680,339	N	N	Y	
		Jiangxi Bao Yuan Trade Co., Ltd.	b	72,340,170	424,188 (RMB 96,758,323)	37,131 (RMB 8,625,000)	-	-	-	-	144,680,339	N	N	Y	
		Yue-Shen (Taicang) Footwear Co., Ltd.	b	72,340,170	159,275 (RMB 36,330,988)	58,140 (RMB 13,505,112)	-	-	-	-	144,680,339	N	N	Y	
		Shenzhen Pou-Yuen Sport Products Co., Ltd.	b	72,340,170	210,732 (RMB 48,200,000)	75,338 (RMB 17,500,000)	-	-	-	-	144,680,339	N	N	Y	
		Henan YYSPO RTS Sport Products Co., Ltd.	b	72,340,170	478,298 (RMB 109,100,826)	113,790 (RMB 26,431,958)	-	-	-	-	144,680,339	N	N	Y	
		Nanning Pou-Kung Sport Products Co., Ltd.	b	72,340,170	267,631 (RMB 61,269,671)	131,841 (RMB 30,625,000)	-	-	-	-	144,680,339	N	N	Y	
		Hefei Pouxun Sporting Goods Co., Ltd.	b	72,340,170	1,098,860 (RMB 250,652,409)	197,270 (RMB 45,823,495)	-	-	-	1	144,680,339	N	N	Y	
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	72,340,170	1,488,967 (RMB 340,529,859)	529,665 (RMB 123,034,831)	-	-	-	1	144,680,339	N	N	Y	
		Shaanxi Pousheng Trading Co., Ltd.	b	72,340,170	9,079,641 (RMB 1,641,641,185) (US\$ 66,000,000)	5,178,088 (RMB 775,838,928) (US\$ 66,000,000)	-	-	-	14	144,680,339	N	N	Y	
		Kun Shan YYSPO RTS E-Commerce Co., Ltd.	b	72,340,170	3,564,254 (RMB 815,625,000)	1,711,776 (RMB 397,625,000)	-	-	-	5	144,680,339	N	N	Y	
		Yue Cheng (Kun Shan) Sports Co., Ltd.	b	72,340,170	2,476,330 (RMB 565,723,077)	2,435,438 (RMB 565,723,077)	-	-	-	7	144,680,339	N	N	Y	
		Pou Sheng (China) Investment Co., Ltd.	b	72,340,170	6,486,510 (RMB 1,050,000,000) (US\$ 66,000,000)	6,358,350 (RMB 1,050,000,000) (US\$ 66,000,000)	-	-	-	18	144,680,339	N	N	Y	
		Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	72,340,170	19,811,593 (RMB 3,539,759,885) (US\$ 151,000,000)	13,655,818 (RMB 2,195,230,587) (US\$ 151,000,000)	2,754,081 (RMB 639,740,000)	-	-	37	144,680,339	N	N	Y	
		Hainan Baoxun Electronic Commerce Co., Ltd.	b	72,340,170	11,773,256 (RMB 2,697,700,000)	5,901,294 (RMB 1,370,800,000)	-	-	-	16	144,680,339	N	N	Y	
Hainan Shengwei Electronic Commerce Co., Ltd.	b	72,340,170	11,285,815 (RMB 2,597,425,675)	11,181,918 (RMB 2,597,425,675)	-	-	-	31	144,680,339	N	N	Y			
3	Pou Sheng (China) Investment Co., Ltd.	Zhejiang Shengdao Sporting-Goods Co., Ltd.	b	7,523,134	21,525 (RMB 4,910,000)	-	-	-	-	15,046,268	N	N	Y		
		Shenzhen Pou-Yuen Sport Products Co., Ltd.	b	7,523,134	869 (RMB 200,000)	861 (RMB 200,000)	-	-	-	-	15,046,268	N	N	Y	
		Jiangxi Bao Yuan Trade Co., Ltd.	b	7,523,134	16,853 (RMB 3,860,000)	7,663 (RMB 1,780,000)	-	-	-	-	15,046,268	N	N	Y	
		Bao Sheng Dao Ji (Beijing) Trading Company Ltd.	b	7,523,134	21,920 (RMB 5,000,000)	21,525 (RMB 5,000,000)	-	-	-	1	15,046,268	N	N	Y	
		Henan YYSPO RTS Sport Products Co., Ltd.	b	7,523,134	26,304 (RMB 6,000,000)	25,830 (RMB 6,000,000)	-	-	-	1	15,046,268	N	N	Y	
		Taicang Yue-Shen Sporting Goods Co., Ltd.	b	7,523,134	30,688 (RMB 7,000,000)	30,135 (RMB 7,000,000)	-	-	-	1	15,046,268	N	N	Y	
		Guizhou Pou-Sheng Sport Products Co., Ltd.	b	7,523,134	52,608 (RMB 12,000,000)	51,660 (RMB 12,000,000)	-	-	-	1	15,046,268	N	N	Y	
		Hefei Pouxun Sporting Goods Co., Ltd.	b	7,523,134	117,356 (RMB 26,850,000)	71,464 (RMB 16,600,000)	-	-	-	2	15,046,268	N	N	Y	
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	7,523,134	86,321 (RMB 19,690,000)	83,948 (RMB 19,500,000)	-	-	-	2	15,046,268	N	N	Y	
		Shaanxi Pousheng Trading Co., Ltd.	b	7,523,134	100,832 (RMB 23,000,000)	99,016 (RMB 23,000,000)	-	-	-	3	15,046,268	N	N	Y	
		Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	7,523,134	1,388,263 (RMB 316,790,000)	1,326,889 (RMB 308,220,000)	-	-	-	35	15,046,268	N	N	Y	

(Continued)

Note 1: The Company is coded as follows:

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

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

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

Note 3: According to the Company’s procedures for the Management of Endorsements and Guarantees, the aggregate amount of endorsements/guarantees provided by the Company shall not exceed 200% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 100% of the Company’s net worth. The aggregate amount of endorsements/guarantees provided by the Yue Yuen Industrial (Holdings) Limited shall not exceed 150% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 60% of the Company’s net worth. The aggregate amount of endorsements/guarantees provided by the Pou Sheng International (Holdings) Limited shall not exceed 400% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 200% of the Company’s net worth. The aggregate amount of endorsements/guarantees provided by the Pou Sheng (China) Investment 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
SEPTEMBER 30, 2021

(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	September 30, 2021				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	191,730,486	\$ 6,144,962	1.41	\$ 6,144,962	
	Taiwan Paiho Limited		Financial assets at FVTOCI - current	615,473	49,976	0.21	49,976	
	Zhiyuan Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	4,907,143	47,829	10.71	47,829	
	New Loulan Corporation., Ltd.		Financial assets at FVTOCI - non-current	100,000	796	4.00	796	
	<u>Structured product</u>							
	CIB Callable Structured Deposit		Financial assets at amortized cost - non-current	-	111,500	-	111,500	
Wealthplus Holdings Limited	<u>Fund</u>							
	CID Greater China Venture Capital Fund II, L.P.		Financial assets mandatorily at FVTPL - non-current	-	26,776 (US\$ 961,449)	-	26,776 (US\$ 961,449)	
	<u>Ordinary shares</u>							
	Golden Brands Developments Ltd.		Financial assets at FVTOCI - non-current	17,086,572	67,267 (US\$ 2,415,349)	5.88	67,267 (US\$ 2,415,349)	
	Great Team Backend Foundry, Inc.		Financial assets at FVTOCI - non-current	1,624,353	40,577 (US\$ 1,456,985)	6.69	40,577 (US\$ 1,456,985)	
	<u>Bonds</u>							
	Natwest Markets PL		Financial assets at amortized cost - non-current	-	431,954 (US\$ 15,510,000)	-	431,954 (US\$ 15,510,000)	
	Standard Chartered Perpetual Bond		Financial assets at amortized cost - non-current	-	308,226 (US\$ 11,067,378)	-	308,226 (US\$ 11,067,378)	
	Swedbank Perpetual Bond		Financial assets at amortized cost - non-current	-	142,919 (US\$ 5,131,746)	-	142,919 (US\$ 5,131,746)	
	ING Groep Perpetual Bond		Financial assets at amortized cost - non-current	-	246,767 (US\$ 8,860,560)	-	246,767 (US\$ 8,860,560)	
	<u>Bills</u>							
	Deutsche Bank-Anleihe		Financial assets at amortized cost - non-current	-	1,844,441 (US\$ 66,227,700)	-	1,844,441 (US\$ 66,227,700)	
	Win Fortune Investments Limited	<u>Fund</u>						
Prodigy Strategic Investment Fund XXII Segregated Portfolio			Financial assets mandatorily at FVTPL - non-current	36,100	123,499 (US\$ 4,434,419)	-	123,499 (US\$ 4,434,419)	
Pou Shine Investments Co., Ltd.	<u>Fund</u>							
	Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	1,909,312	23,968	-	23,968	
	<u>Ordinary shares</u>							
Taiwan Paiho Limited		Financial assets at FVTOCI - current	775,170	62,944	0.26	62,944		
Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	125,123,044	4,010,194	0.92	4,010,194		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2021				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	159,322	\$ 2,000	-	\$ 2,000	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	17,039,372	546,112	0.13	546,112	
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	133,720,943 32,000 20,000	4,285,756 320 -	0.98 1.07 1.00	4,285,756 320 -	
Song Ming Investments Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	11,682,517	146,653	-	146,653	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	49,416,125	1,583,787	0.36	1,583,787	
Pro Arch International Development Enterprise Inc.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	1,562,205	19,611	-	19,611	
	<u>Structured product</u> 12 months Dual Currency Investment		Financial assets mandatorily at FVTPL - current	-	149,066	-	149,066	
Pou Chin Development Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	1,250,066	15,692	-	15,692	
Wang Yi Construction Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	1,863,180	23,389	-	23,389	
Windsor Entertainment Co., Ltd.	<u>Ordinary shares</u> Taichung International Entertainment Corporation		Financial assets at FVTOCI - non-current	3	8,850	0.09	8,850	
Pou Yii Development Co., Ltd.	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	40,069,450	1,284,226	0.29	1,284,226	
Pan Asia Insurance Services Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	797,881	10,016	-	10,016	
Yue Yuen Industrial (Holdings) Limited	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	15,611,661	196,213 (US\$ 7,045,348)	-	196,213 (US\$ 7,045,348)	
	BPEA Asia Private Equity		Financial assets mandatorily at FVTPL - non-current	-	509,930 (US\$ 18,309,868)	-	509,930 (US\$ 18,309,868)	
	<u>Ordinary shares</u> Evermore Chemical Industry Co., Ltd.		Financial assets at FVTOCI - current	7,321,281	129,010 (US\$ 4,632,321)	8.13	129,010 (US\$ 4,632,321)	
	Taiwan Paiho Limited		Financial assets at FVTOCI - non-current	9,528,228	774,626 (US\$ 27,814,232)	3.20	774,626 (US\$ 27,814,232)	
	Keg Big Dome Sports Co., Ltd.		Financial assets at FVTOCI - non-current	-	13,265 (US\$ 476,305)	11.76	13,265 (US\$ 476,305)	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Yue Yuen Industrial (Holdings) Limited	<u>Bonds</u> China Construct Bank Macau		Financial assets at amortized cost - current	-	\$ 259,094 (US\$ 9,303,209)	-	\$ 259,094 (US\$ 9,303,209)	
	<u>Structured product</u> 12 months Auto Callable Accumulated Note		Financial assets mandatorily at FVTPL - current	-	1,112,886 (US\$ 39,960,000)	-	1,112,886 (US\$ 39,960,000)	
	12 months Dual Currency Investment		Financial assets mandatorily at FVTPL - current	-	2,690,668 (US\$ 96,612,848)	-	2,690,668 (US\$ 96,612,848)	
	JP Morgan Credit Linked Note		Financial assets mandatorily at FVTPL - current	-	566,580 (US\$ 20,344,000)	-	566,580 (US\$ 20,344,000)	

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

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(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	7,200,147	\$ 91,476 (US\$ 3,211,930)	20,141,271	\$ 252,297 (US\$ 9,119,785) (Note 1)	11,729,757	\$ 147,560 (US\$ 5,286,367)	\$ 147,560 (US\$ 5,286,367)	\$ -	15,611,661	\$ 196,213 (US\$ 7,045,348)
	Pine Wood Industries Limited	Investments accounted for using the equity method	-	None	2,849,000	201,735 (US\$ 7,083,408)	-	(49,365) (US\$ (1,613,885)) (Note 2)	2,849,000	315,429 (US\$ 11,322,740)	152,370 (US\$ 5,469,523)	163,059 (US\$ 5,853,217)	-	-
	Willpower Industries Limited	Investments accounted for using the equity method	-	None	6,950,000	1,031,026 (US\$ 36,201,760)	-	33,752 (US\$ 2,019,870) (Note 2)	6,950,000	1,741,125 (US\$ 62,500,000)	1,064,778 (US\$ 38,221,630)	676,347 (US\$ 24,278,370)	-	-
Pou Shine Investments Co., Ltd.	Elitegroup Computer System Co., Ltd.	Investments accounted for using the equity method	-	None	11,457,179	226,423	-	2,926 (Note 2)	10,711,201	361,173	215,563	145,610	745,978	13,786
Barits Development Corporation	Elitegroup Computer System Co., Ltd.	Investments accounted for using the equity method	-	None	24,109,451	476,452	-	(6,664) (Note 2)	14,872,000	476,546	299,043	177,503	9,237,451	170,745

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

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

POU CHEN CORPORATION AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(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	2021.01-2021.09	\$ 1,763,981 (US\$ 63,338,635)	Accumulated payment as of September 30, 2021 \$ 1,102,868 (US\$ 39,600,298)	-	None	-	-	-	\$ -	Market price	Plant expansion	

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 NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	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 September 30, 2021	Sale	\$ (6,209,742)	(99)	D/A 45 days	-	-	\$ 1,303,864	99	
Yue Yuen Industrial (Holdings) Limited	Pou Chen Corporation	The parent company	Purchase	6,209,742 (US\$ 221,441,779)	6	D/A 45 days	-	-	(1,303,864) (US\$ (46,817,379))	(9)	
	Ka Yuen Rubber Factory Limited	Investee accounted for by the equity method	Purchase	903,065 (US\$ 32,161,000)	1	D/A 45 days	-	-	(292,564) (US\$ (10,505,000))	(2)	
	Twinways Investments Limited	Investee accounted for by the equity method	Purchase	624,030 (US\$ 22,207,000)	1	D/A 45 days	-	-	(172,057) (US\$ (6,178,000))	(1)	
	Cohen Enterprises Inc.	Investee accounted for by the equity method	Purchase	119,100 (US\$ 4,239,000)	-	D/A 45 days	-	-	(19,411) (US\$ (697,000))	-	
	Top Units Developments Ltd.	Investee accounted for by the equity method	Purchase	428,579 (US\$ 15,254,000)	-	D/A 45 days	-	-	(85,082) (US\$ (3,055,000))	(1)	
	San Fang Chemical Industry Co., Ltd.	Investee accounted for by the equity method	Purchase	943,996 (US\$ 33,583,000)	1	D/A 45 days	-	-	(196,955) (US\$ (7,072,000))	(1)	
	Eastlion Industrial Ltd.	Investee accounted for by the equity method	Purchase	704,503 (US\$ 25,091,000)	1	D/A 45 days	-	-	(206,313) (US\$ (7,408,000))	(1)	
	Great Skill Industrial Limited	Investee accounted for by the equity method	Purchase	253,673 (US\$ 9,043,000)	-	D/A 45 days	-	-	(139,473) (US\$ (5,008,000))	(1)	
	Cohen Enterprises Inc.	Investee accounted for by the equity method	Sale	(157,367) (US\$ (5,594,000))	-	D/A 45 days	-	-	1,114 (US\$ 40,000)	-	
	Pou Sheng International (Holdings) Limited	Kounshan Baowei Information Technology Co., Ltd.	Investee accounted for by the equity method	Sale	(6,259,474) (US\$(222,163,000))	(3)	D/A 60 days	-	-	961,911 (US\$ 34,539,000)	5
Kounshan Baowei Information Technology Co., Ltd.		Investee accounted for by the equity method	Purchase	777,605 (US\$ 27,669,000)	1	D/A 60 days	-	-	(75,863) (US\$ (2,724,000))	(1)	

POU CHEN CORPORATION AND SUBSIDIARIES

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

SEPTEMBER 30, 2021

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	The subsidiary in which the Company holds 51.11% indirectly at September 30, 2021	\$ 1,303,864	5.87	\$ -	-	\$ 635,836	\$ -
Pou Sheng International (Holdings) Limited	Kounshan Baowei Information Technology Co., Ltd.	Investee accounted for by the equity method	961,911	5.90	-	-	486,075	-

POU CHEN CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	a	Operating revenue	\$ 6,209,742	D/A 45 days	3
		Yue Yuen Industrial (Holdings) Limited	a	Accounts receivable	1,303,864	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 September 30, 2021. For profit or loss items, cumulative amounts are shown as a percentage to the consolidated total operating revenue for the nine months ended September 30, 2021.

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	%	Carrying Amount			
Pou Chen Corporation	Wealthplus Holdings Limited	British Virgin Islands	Investing in footwear, electronic and peripheral products	\$ 295,429 (US\$ 9,222,000)	\$ 295,429 (US\$ 9,222,000)	9,222,000	100.00	\$ 75,037,477 (US\$ 2,694,343,874)	\$ 1,887,564 (US\$ 66,693,690)	\$ 1,867,732 (US\$ 65,999,006)	
	Win Fortune Investments Limited	British Virgin Islands	Investing activities	3,230 (US\$ 100,000)	3,230 (US\$ 100,000)	100,000	100.00	1,974,053 (US\$ 70,881,611)	47,628 (US\$ 1,686,301)	47,202 (US\$ 1,671,400)	
	Windsor Entertainment Co., Ltd.	ROC	Entertainment and resort operations	500,000	500,000	15,000,000	100.00	71,115	(72,123)	(54,988)	
	Pou Shine Investment Co., Ltd.	ROC	Investing activities	1,124,667	1,124,667	133,094,460	100.00	4,140,725	391,958	391,958	
	Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	5,000	5,000	-	100.00	25,846	15,405	15,405	
	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,117,292	2,117,292	294,451,784	99.49	9,795,067	526,726	524,527	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	966,450	966,449	30,456,252	97.82	412,634	33,084	52,928	
	Pro Arch International Development Enterprise Inc.	ROC	Design and manufacture of footwear products	2,643,184	2,643,184	20,000,000	100.00	217,899	1,920	1,711	
	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	40,320	40,320	7,875,000	15.00	185,765	59,935	8,990	
	Wang Yi Construction Co., Ltd.	ROC	Construction	7,700	7,700	601,755	7.82	-	6,438	848	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	3,245,815	3,364,570	68,884,949	12.36	1,273,291	(42,489)	(5,726)	
	Techview International Technology Inc.	ROC	Development and sales of TFT-LCD display	-	380,115	-	-	-	(29,806)	8,890	
Ruen Chen Investment Holding Co., Ltd.	ROC	Investment holding	15,372,000	15,300,000	4,477,000,000	20.00	69,291,238	48,264,882	9,652,976		
Wealthplus Holdings Limited	Yue Yuen Industrial (Holdings) Limited	Hong Kong	Manufacturing and sale of athletic and casual footwear and sports apparel	24,199,976 (US\$ 747,132,133)	24,199,976 (US\$ 747,132,133)	806,836,663	50.04	56,093,139 (US\$ 2,014,116,291)	2,822,705 (US\$ 99,406,668)	1,412,656 (US\$ 49,749,260)	
	Venture Well Holdings Ltd.	British Virgin Islands	Sale of electronic components	230,305 (US\$ 7,101,621)	230,305 (US\$ 7,101,621)	6,966,030	31.55	70,257 (US\$ 2,522,697)	68,431 (US\$ 2,446,240)	6,850 (US\$ 244,919)	
Win Fortune Investments Limited	Yue Yuen Industrial (Holdings) Limited	Hong Kong	Manufacturing and sale of athletic and casual footwear and sports apparel	404,026 (US\$ 12,769,118)	404,026 (US\$ 12,769,118)	17,307,172	1.07	1,203,798 (US\$ 43,224,358)	2,822,705 (US\$ 99,406,668)	30,301 (US\$ 1,067,131)	
Pou Shine Investments Co., Ltd.	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,583	2,583	323,370	0.13	12,543	526,726	673	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	23,637	373,347	745,978	0.13	13,786	(42,489)	(3,687)	
	Techview International Technology Inc.	ROC	Development and sales of TFT-LCD display	-	34,296	-	-	-	(29,806)	1,422	
Barits Development Corporation	Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	189,920	189,920	12,821,208	0.09	376,272	54,199,698	50,297	
	Song Ming Investments Co., Ltd.	ROC	Investing activities	1,218,879	1,218,879	120,486,400	100.00	2,626,430	123,372	123,372	
	Wang Yi Construction Co., Ltd.	ROC	Construction	89,712	89,712	6,910,750	89.75	82,997	6,438	5,778	
Pou Chin Development Co., Ltd.	Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	200,000	200,000	20,000,000	100.00	199,220	(129)	(129)	
	Yue Hong Realty Development Co., Ltd.	ROC	Development of real estate	240,000	240,000	24,000,000	100.00	154,888	(3,652)	(3,652)	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	125,083	348,159	9,327,451	1.65	170,745	(42,489)	(5,996)	
	Techview International Technology Inc.	ROC	Development and sales of TFT-LCD display	-	128,610	-	-	-	(29,806)	2,252	
	Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	189,920	189,920	12,821,208	0.09	376,272	54,199,698	50,297	
Wang Yi Construction Co., Ltd.	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	-	30,838	-	-	-	(42,489)	(313)	
	Song Ming Investments Co., Ltd.	ROC	Rental and sale of real estate	262,500	262,500	39,375,000	75.00	928,826	59,935	44,951	
Pou Yuen Technology Co., Ltd.	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	21,240	21,240	619,220	1.99	15,119	33,084	658	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	19,792	21,725	2,147,558	0.39	39,698	(42,489)	(164)	
Pou Yuen Technology Co., Ltd.	Pearl Dove International Limited	British Virgin Islands	Investment holding	77,796 (US\$ 2,573,883)	77,796 (US\$ 2,573,883)	25,901	100.00	19,185 (US\$ 688,886)	(2,183) (US\$ 77,758)	(2,183) (US\$ 77,758)	
	Techview International Technology Inc.	ROC	Development and sales of TFT-LCD display	-	128,597	-	-	-	(29,806)	2,252	
Yue Yuen Industrial (Holdings) Limited	Eagle Nice (International) Holdings Limited	British Cayman Islands	Manufacturing of wearing apparel and clothing accessories	1,297,712 (US\$ 40,015,775)	1,297,712 (US\$ 40,015,775)	192,000,000	36.09	2,456,990 (US\$ 88,222,256)	732,685 (US\$ 26,194,323)	264,425 (US\$ 9,453,531)	
	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	-	6,868 (US\$ 243,344)	2,750 (US\$ 97,435)	
	Oftenrich Holdings Limited	Bermuda	Manufacturing and sale of footwear	1,339,783 (US\$ 42,210,159)	1,339,783 (US\$ 42,210,159)	5,400	45.00	2,367,486 (US\$ 85,008,480)	222,991 (US\$ 7,904,896)	100,346 (US\$ 3,557,203)	
	Pine Wood Industries Limited	British Virgin Islands	Manufacturing and sale of fabric	-	92,393 (US\$ 2,849,000)	-	-	-	9,603 (US\$ 322,535)	3,553 (US\$ 119,338)	
	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	455,620 (US\$ 17,239,782)	96,003 (US\$ 3,408,293)	21,601 (US\$ 766,866)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	%	Carrying Amount			
Yue Yuen Industrial (Holdings) Limited	Supplyline Logistics Ltd.	Hong Kong	Logistics service provider	\$ 266,404 (US\$ 8,352,953)	\$ 262,297 (US\$ 8,206,672)	\$ 4,900	49.00	\$ -	\$ (15,297) (US\$ (543,616))	\$ -	
	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	4,028,459 (US\$ 144,648,400)	52,251 (US\$ 1,758,186)	23,367 (US\$ 786,261)	
	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	2,384,657 (US\$ 85,625,033)	732,960 (US\$ 26,081,182)	128,928 (US\$ 4,587,680)	
	Just Lucky Investments Limited	British Virgin Islands	Property management	26,207 (US\$ 808,130)	26,207 (US\$ 808,130)	808,130	38.30	46,756 (US\$ 1,678,853)	(7,268) (US\$ (260,928))	(2,783) (US\$ (99,935))	
	Natural Options Limited	British Virgin Islands	Manufacturing of foam	11,144 (US\$ 343,638)	11,144 (US\$ 343,638)	340,870	38.30	6,319 (US\$ 226,907)	(41) (US\$ (1,514))	(16) (US\$ (580))	
	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	35,002 (US\$ 1,256,797)	(10,775) (US\$ (384,175))	(4,095) (US\$ (145,986))	
	Prosperlink Limited	Samoa	Processing and sale of foam	17,432 (US\$ 570,000)	17,432 (US\$ 570,000)	570,000	38.00	17,183 (US\$ 616,987)	(533) (US\$ (18,958))	(202) (US\$ (7,204))	
	Pou Ming Paper Products Manufacturing Co., Ltd.	British Virgin Islands	Manufacturing of paper products	66,937 (US\$ 2,163,800)	66,937 (US\$ 2,163,800)	1,000,000	20.00	7,754 (US\$ 278,408)	17,194 (US\$ 614,179)	3,439 (US\$ 122,836)	
	Brandblack Inc.	USA	Sale of footwear	68,762 (US\$ 2,275,000)	68,762 (US\$ 2,275,000)	1,135,796	31.25	48,281 (US\$ 1,733,608)	(8,220) (US\$ (292,092))	(2,569) (US\$ (91,279))	
	Great Skill Industrial Limited	British Virgin Islands	Manufacturing and sale of plastic shoe material injection crepe	68,882 (US\$ 2,130,000)	68,882 (US\$ 2,130,000)	2,130,000	50.00	77,820 (US\$ 2,794,241)	36,602 (US\$ 1,305,434)	18,301 (US\$ 652,717)	
	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	426,714 (US\$ 15,321,885)	8,309 (US\$ 265,274)	4,154 (US\$ 132,637)	
	Ka Yuen Rubber Factory Limited	British Virgin Islands	Manufacturing and sale of rubber sole	371,142 (US\$ 11,500,000)	564,782 (US\$ 17,500,000)	11,500,000	50.00	599,286 (US\$ 21,518,352)	219,109 (US\$ 7,798,042)	109,555 (US\$ 3,899,021)	
	Willpower Industries Limited	British Virgin Islands	Manufacturing and sale of paper products	-	221,001 (US\$ 6,950,000)	-	-	-	123,065 (US\$ 4,368,392)	55,183 (US\$ 1,958,787)	
	Prime Glorious Limited	British Virgin Islands	Manufacturing knitted uppers	352,484 (US\$ 11,662,000)	352,484 (US\$ 11,662,000)	11,662,000	49.00	312,918 (US\$ 11,235,821)	(34,164) (US\$ (1,234,690))	(16,741) (US\$ (604,998))	
	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	525,685 (US\$ 18,875,592)	19,603 (US\$ 691,846)	9,802 (US\$ 345,923)	
	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	925,220 (US\$ 33,225,307)	188,364 (US\$ 6,676,708)	94,181 (US\$ 3,338,354)	
	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	689,897 (US\$ 24,771,885)	91,593 (US\$ 3,233,737)	44,881 (US\$ 1,584,531)	

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2021	Accumulated Repatriation of Investment Income as of September 30, 2021	Note
					Outward	Inward							
Great Team Backend Foundry, Inc.	Processing and manufacturing of transistors	\$ 2,642,140 (US\$ 88,116,600)	b	\$ -	\$ -	\$ -	\$ -	\$ -	2.01	\$ -	\$ 40,577 (RMB 9,425,559)	\$ -	(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	-	-	-	(4) (RMB (996))	31.79	(1) (RMB (317))	246,755 (RMB 57,318,231)	-	-	
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	-	-	-	2,765 (RMB 637,485)	100.00	2,765 (RMB 637,485)	310,709 (RMB 72,174,006)	-	-	
Dongguan Gaocheng Precision Injection Molding Technology Co., Ltd.	Mould, plastic case for mobile phones	395,526 (US\$ 12,055,034)	b	-	-	-	975 (RMB 225,242)	100.00	975 (RMB 225,242)	-	-	-	
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	-	-	-	207,531 (RMB 47,725,605)	31.79	65,974 (RMB 15,171,970)	1,019,174 (RMB 236,742,031)	-	-	
Dongguan Baoqiao Electronic Technology Co., Ltd.	Production and marketing of other optical appliances and instruments	147,645 (US\$ 4,500,000)	b	-	-	-	43,009 (RMB 9,920,731)	100.00	43,009 (RMB 9,920,731)	231,258 (RMB 53,718,364)	-	-	
Poushun Paper Products Manufacturing Co., Ltd.	Production and sale of shoe inner boxes, cartons	68,901 (US\$ 2,100,000)	b	-	-	-	3,815 (RMB 882,833)	10.22	390 (RMB 90,226)	5,255 (RMB 1,220,636)	-	-	
Beijing Advazone Electronic Limited Company	Development and production of computer software	512,019 (US\$ 16,100,000)	b	-	-	-	4 (RMB 863)	32.00	1 (RMB 276)	-	-	-	
Pouhong Footwear Industrial Ltd.	Production and operation of casual shoes, sports shoes	49,215 (US\$ 1,500,000)	b	-	-	-	(26,161) (RMB (6,031,869))	51.11	(13,371) (RMB (3,082,888))	29,003 (RMB 6,736,940)	-	-	
Shanggao Yisen Industry Co., Ltd.	Production and sale of finished shoes, semi-finished products, components and moulds	945,204 (US\$ 30,390,000)	b	-	-	-	125,356 (RMB 29,455,203)	51.11	64,069 (RMB 15,054,554)	935,334 (RMB 217,266,868)	-	-	
Bao Hong (Yangzhou) Shoes Co., Ltd.	Production of needles, woven garments, footwear and sales of self-produce products	2,591,184 (US\$ 86,291,730)	b	-	-	-	(48,751) (RMB (11,238,536))	51.11	(24,917) (RMB (5,744,016))	462,043 (RMB 107,327,172)	-	-	
Dong Guan Yu Yuen Mold Co., Ltd.	Production and sale of molds for non-metallic products	62,011 (US\$ 1,890,000)	b	-	-	-	(10,125) (RMB (2,323,795))	51.11	(5,175) (RMB (1,187,691))	33,398 (RMB 7,757,860)	-	-	
Zhong Shan Glory Shoes Ind., Ltd.	Production and operation of various types of leather shoes products	951,490 (US\$ 29,000,000)	b	-	-	-	(39,751) (RMB (9,222,215))	23.00	(9,143) (RMB (2,121,109))	439,191 (RMB 102,018,851)	-	-	
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	-	-	-	173 (RMB 39,881)	23.00	40 (RMB 9,173)	10,005 (RMB 2,323,929)	-	-	

(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2021	Accumulated Repatriation of Investment Income as of September 30, 2021	Note
					Outward	Inward							
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	\$ -	\$ -	\$ -	\$ -	\$ 18,284 (RMB 4,165,803)	20.34	\$ 3,719 (RMB 847,324) b, 1)	\$ 615,694 (RMB 143,018,263)	\$ -	
ShangGao Yisen Ka Yuen Industry Co., Ltd.	Production and sale of footwear products	77,432 (US\$ 2,360,000)	b	-	-	-	-	62,768 (RMB 14,472,894)	25.56	16,044 (RMB 3,699,272) b, 1)	56,670 (RMB 13,163,752)	-	
Bao Sheng Dao Ji (BeiJing) Trading Company Ltd.	Retail business of sports goods and accessories	1,988,061 (US\$ 65,000,000)	b	-	-	-	-	(389,485) (RMB (90,219,320))	31.79	(123,817) (RMB (28,680,722)) b, 1)	782,866 (RMB 181,850,443)	-	
Qingdao Pou-Sheng International Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	94,800 (RMB 20,000,000)	b	-	-	-	-	289,867 (RMB 66,550,218)	22.89	66,351 (RMB 15,233,345) b, 1)	224,126 (RMB 52,061,696)	-	
Guizhou Pou-Sheng Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	322,886 (US\$ 10,000,000)	b	-	-	-	-	12,975 (RMB 2,910,527)	31.79	4,125 (RMB 925,256) b, 1)	152,197 (RMB 35,353,511)	-	
Nanning Pou-Kung Sport Products Co., Ltd.	Retail business of sports goods and accessories	42,653 (US\$ 1,300,000)	b	-	-	-	-	(17,799) (RMB (4,140,458))	31.79	(5,658) (RMB (1,316,252)) b, 1)	(6,324) (RMB (1,469,060))	-	
Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	Retail business of sports goods and accessories	1,567,250 (US\$ 50,000,000)	b	-	-	-	-	339,335 (RMB 77,777,755)	31.79	107,875 (RMB 24,725,548) b, 1)	2,255,403 (RMB 523,903,193)	-	
Diodite (China) Sports Good Co., Ltd.	Retail and wholesale business of sporting goods and accessories	639,800 (US\$ 20,000,000)	b	-	-	-	-	503 (RMB 114,771)	31.79	160 (RMB 36,486) b, 1)	44,707 (RMB 10,384,886)	-	
Taicang YYSPO RTS Business Trading Co., Ltd.	Retail business of sports goods and accessories series products	164,050 (US\$ 5,000,000)	b	-	-	-	-	5,274 (RMB 1,215,554)	31.79	1,677 (RMB 386,424) b, 1)	134,450 (RMB 31,231,225)	-	
Yangzhou Baoyi Shoes Manufacturing Co., Ltd.	Vulcanized shoes, sports shoes, casual shoes and other footwear manufacturing, marketing	729,906 (US\$ 22,456,800)	b	-	-	-	-	32,792 (RMB 7,405,954)	25.56	8,382 (RMB 1,892,962) b, 1)	218,884 (RMB 50,844,027)	-	
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	-	-	-	-	6,248 (RMB 1,433,872)	31.79	1,986 (RMB 455,828) b, 1)	451,866 (RMB 104,962,983)	-	
YYSPO RTS (Chengdu) Business Trading Co., Ltd.	Retail business of sports goods and accessories	689,194 (US\$ 22,400,000)	b	-	-	-	-	1,757 (RMB 402,045)	31.79	559 (RMB 127,810) b, 1)	144,949 (RMB 33,669,971)	-	
Fujian Baomin Sporting Goods Co., Ltd.	Retail business of sports goods and accessories	147,645 (US\$ 4,500,000)	b	-	-	-	-	218 (RMB 50,319)	28.61	62 (RMB 14,396) b, 1)	67,959 (RMB 15,785,962)	-	
Guangzhou Pou-Yuen Trading Co., Ltd.	Retail business of sports goods and accessories	710,251 (US\$ 23,310,000)	b	-	-	-	-	(5,105) (RMB (1,163,030))	31.79	(1,623) (RMB (369,727)) b, 1)	246,038 (RMB 57,151,758)	-	
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	-	-	-	-	13,473 (RMB 3,108,130)	31.79	4,283 (RMB 988,074) b, 1)	479,446 (RMB 111,369,480)	-	
Shend Dao (Yang Zhou) Sporting Goods Dev Co., Ltd.	Shopping mall management and property management	2,111,340 (US\$ 66,000,000)	b	-	-	-	-	30,916 (RMB 7,121,373)	31.79	9,828 (RMB 2,263,884) b, 1)	684,384 (RMB 158,974,242)	-	

(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2021	Accumulated Repatriation of Investment Income as of September 30, 2021	Note
					Outward	Inward							
Zhong Shan O Li Su Shoe Making Machine Ltd.	Manufacturing shoes and boots or repairing machinery	\$ 181,314 (US\$ 5,900,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 5,015 (RMB 1,156,333)	51.11	\$ 2,563 (RMB 591,002) b, 2)	\$ 13,415 (RMB 3,116,113)	\$ -	
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	-	-	-	-	234,881 (RMB 53,678,081)	31.79	74,669 (RMB 17,064,262) b, 1)	2,561,810 (RMB 595,077,826)	-	
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	-	-	-	-	(28,781) (RMB (6,596,154))	31.79	(9,150) (RMB (2,096,917)) b, 1)	472,977 (RMB 109,866,835)	-	
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	-	-	-	-	(9,970) (RMB (2,292,587))	51.11	(5,096) (RMB (1,171,741)) b, 1)	125,759 (RMB 29,212,365)	-	
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	-	-	-	-	(213,795) (RMB (49,167,985))	51.11	(109,270) (RMB (25,129,757)) b, 1)	653,565 (RMB 151,815,307)	-	
Jiangxi Province Yutai Shoe Co., Ltd.	Production and sale of footwear products and semi-finished products	918,125 (US\$ 30,000,000)	b	-	-	-	-	(17,300) (RMB (3,988,926))	51.11	(8,842) (RMB (2,038,740)) b, 1)	62,813 (RMB 14,590,806)	-	
Dongguan Yu Xiang Shoes Material Co., Ltd.	Production and sale of footwear products	295,820 (US\$ 9,500,000)	b	-	-	-	-	39,171 (RMB 9,171,683)	51.11	20,020 (RMB 4,687,647) b, 1)	299,063 (RMB 69,468,759)	-	
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	-	-	-	-	(4,599) (RMB (1,057,183))	19.42	(893) (RMB (205,305)) b, 1)	14,833 (RMB 3,445,544)	-	
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	-	-	-	-	70,260 (RMB 16,228,308)	51.11	35,910 (RMB 8,294,288) b, 1)	1,143,316 (RMB 265,578,695)	-	
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	-	-	-	-	-	51.11	- b, 1)	35,460 (RMB 8,236,989)	-	
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	-	-	-	-	53,589 (RMB 12,262,792)	31.79	17,036 (RMB 3,898,341) b, 1)	488,253 (RMB 113,415,233)	-	
Dongguan De Chang Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	4,636 (RMB 1,069,185)	51.11	2,370 (RMB 546,460) b, 1)	26,115 (RMB 6,066,190)	-	
Zhong Shan Bao Song Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	2,458 (RMB 567,624)	51.11	1,256 (RMB 290,113) b, 1)	23,844 (RMB 5,538,772)	-	

(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2021	Accumulated Repatriation of Investment Income as of September 30, 2021	Note
					Outward	Inward							
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	\$ -	\$ -	\$ -	\$ -	\$ (9,128) (RMB (2,106,112))	51.11	\$ (4,665) (RMB (1,076,434)) b, 1)	\$ 58,814 (RMB 13,661,722)	\$ -	
Jiangxi Uniscien Consulting Co., Ltd.	Business management consultation, marketing planning and other services	10,442 (US\$ 350,000)	b	-	-	-	-	1,392 (RMB 320,928)	51.11	712 (RMB 164,026) b, 1)	17,413 (RMB 4,044,731)	-	
Yu Xing (Jishui) Footwear Co., Ltd.	Production and sale of sports shoes	183,840 (US\$ 6,400,000)	b	-	-	-	-	(4,587) (RMB (1,057,230))	51.11	(2,344) (RMB (540,350)) b, 1)	40,457 (RMB 9,397,698)	-	
Dongguan Xingtai Consulting Co., Ltd.	Business management consultation, marketing planning and other services	30,805 (US\$ 1,000,000)	b	-	-	-	-	386 (RMB 88,600)	51.11	197 (RMB 45,283) b, 1)	30,586 (RMB 7,104,733)	-	
Yang Xin Zhang Yuan Shoe Co., Ltd.	Production and sale of footwear products	61,029 (US\$ 2,100,000)	b	-	-	-	-	(1,150) (RMB (265,207))	25.56	(294) (RMB (67,787)) b, 1)	6,256 (RMB 1,453,272)	-	
YangXin Pou Jia Yuen Shoes Manufacturing Co., Ltd.	Production and sale of rubber soles	87,258 (US\$ 3,000,000)	b	-	-	-	-	(9,725) (RMB (2,242,871))	25.56	(2,486) (RMB (573,278)) b, 1)	13,946 (RMB 3,239,554)	-	
Pou Sheng (China) Investment 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	-	-	-	-	352,431 (RMB 81,837,085)	31.79	112,038 (RMB 26,016,009) b, 1)	1,310,608 (RMB 304,438,480)	-	
Yichun Yisen Industry Co., Ltd.	Production and sale of footwear and mold products	410,130 (US\$ 14,000,000)	b	-	-	-	-	40,436 (RMB 9,411,060)	51.11	20,667 (RMB 4,809,993) b, 1)	373,329 (RMB 86,719,973)	-	
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	-	-	-	-	(77) (RMB (17,760))	51.11	(39) (RMB (9,077)) b, 1)	372 (RMB 86,315)	-	
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	-	-	-	-	34,976 (RMB 8,174,356)	51.11	17,876 (RMB 4,177,913) b, 1)	763,526 (RMB 177,357,882)	-	
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	-	-	-	-	(40,618) (RMB (9,274,551))	51.11	(20,760) (RMB (4,740,223)) b, 1)	783,999 (RMB 182,113,694)	-	
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	-	-	-	-	(33,354) (RMB (7,675,519))	51.11	(17,047) (RMB (3,922,958)) b, 1)	247,800 (RMB 57,560,977)	-	
Jilin Xinfangwei Sports Goods Company Limited	Sports goods sales	196,160 (RMB 40,000,000)	b	-	-	-	-	-	15.90	- b, 1)	-	-	
Zhang Yuan (Dong Guan) Shoe Materials Co., Ltd.	Prepare for research and development of shoe materials and composite materials	114,804 (RMB 23,000,000)	b	-	-	-	-	(13,010) (RMB (2,986,222))	25.56	(3,325) (RMB (763,278)) b, 1)	33,109 (RMB 7,690,938)	-	

(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2021	Accumulated Repatriation of Investment Income as of September 30, 2021	Note
					Outward	Inward							
Dong Guan Jia Yuan Shoe Materials Products Company Limited	Prepare shoe material	\$ 108,805 (RMB 21,600,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (10,462) (RMB (2,395,490))	51.11	\$ (5,347) (RMB (1,224,335)) b, 1)	\$ 639 (RMB 148,395)	\$ -	
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	-	-	-	-	(3,024) (RMB (694,143))	10.22	(309) (RMB (70,941)) b, 1)	3,985 (RMB 925,694)	-	
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	-	-	-	-	311,854 (RMB 71,887,059)	31.79	99,138 (RMB 22,852,896) b, 1)	191,749 (RMB 44,541,016)	-	
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	-	-	-	-	(1,470) (RMB (338,627))	6.80	(100) (RMB (23,027)) b, 1)	3,371 (RMB 783,030)	-	
Kun Shan Taisong Trading Co., Ltd.	Wholesale and retail of clothing, footwear, glasses and watches	790,110 (US\$ 26,500,000)	b	-	-	-	-	(36,549) (RMB (8,519,969))	31.79	(11,619) (RMB (2,708,498)) b, 1)	(150,919) (RMB (35,056,668))	-	
Shanghai Pou-Lo Sport Culture Co., Ltd.	Management consultants, wholesale of sports goods and equipment wholesale, other sports services and other art performance assistant services	16,093 (US\$ 500,000)	b	-	-	-	-	15,120 (RMB 3,512,165)	26.08	3,943 (RMB 915,973) b, 1)	3,777 (RMB 877,467)	-	
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	-	-	-	-	(359) (RMB (81,555))	26.08	(94) (RMB (21,270)) b, 1)	9,392 (RMB 2,181,675)	-	
Yisen (YiFeng) Mould Co., Ltd.	Production and sale of mould products	479,284 (US\$ 14,850,000)	b	-	-	-	-	(27,109) (RMB (6,261,713))	51.11	(13,855) (RMB (3,200,361)) b, 1)	142,906 (RMB 33,195,353)	-	
Zhu Hai Yu Yuan Industrial Co., Ltd.	Processing, production and sale of footwear products	1,408 (RMB 300,000)	b	-	-	-	-	6,317 (RMB 1,455,270)	51.11	3,229 (RMB 743,789) b, 1)	12,115 (RMB 2,814,072)	-	
Yang Xin Pou Shou Sporting Goods Co., Ltd.	Processing, production and sale of footwear products	236,574 (US\$ 7,800,000)	b	-	-	-	-	(29,946) (RMB (6,877,144))	51.11	(15,305) (RMB (3,514,908)) b, 1)	39,976 (RMB 9,285,853)	-	
Changsha YYSPO RTS Sport Products Co., Ltd.	Sales of sports goods and equipment	22,825 (RMB 5,000,000)	b	-	-	-	-	23,972 (RMB 5,508,261)	31.79	7,621 (RMB 1,751,076) b, 1)	29,136 (RMB 6,767,996)	-	
Henan YYSPO RTS Sport Products Co., Ltd.	Retail business of sports goods and accessories	9,130 (RMB 2,000,000)	b	-	-	-	-	113,832 (RMB 26,177,157)	31.79	36,187 (RMB 8,321,718) b, 1)	203,023 (RMB 47,159,811)	-	
Shenyang Pou-Yi Trading Co., Ltd.	Retail business of sports goods and accessories	182,600 (RMB 40,000,000)	b	-	-	-	-	37,956 (RMB 8,669,568)	31.79	12,066 (RMB 2,756,056) b, 1)	9,788 (RMB 2,273,718)	-	
Zhejiang Shengdao Sporting-Goods Co., Ltd.	Retail business of sports goods and accessories	228,250 (RMB 50,000,000)	b	-	-	-	-	389,342 (RMB 89,579,393)	31.79	123,772 (RMB 28,477,289) b, 1)	711,921 (RMB 165,370,831)	-	
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	-	-	-	-	8,926 (RMB 2,066,313)	31.79	2,837 (RMB 656,881) b, 1)	5,110 (RMB 1,186,963)	-	

(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2021	Accumulated Repatriation of Investment Income as of September 30, 2021	Note
					Outward	Inward							
Widevision Investment (Shenzhen) Co., Ltd.	Business management consulting, economic information consulting and market management planning	\$ 13,833 (RMB 3,000,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 1,848 (RMB 425,121)	100.00	\$ 1,848 (RMB 425,121) b, 1)	\$ 20,901 (RMB 4,855,121)	\$ -	
Chongqing Baoyu Sports Goods Company Limited	Wholesale and retail of sports goods, sports equipment, clothing, shoes, caps and accessories and premises leasing	4,521 (RMB 1,000,000)	b	-	-	-	-	(11,157) (RMB (2,579,158))	31.79	(3,547) (RMB (819,914)) b, 1)	(15,119) (RMB (3,512,014))	-	
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	-	-	-	-	8,029 (RMB 1,890,703)	25.56	2,052 (RMB 483,264) b, 1)	28,755 (RMB 6,679,480)	-	
Akenz (ShangHai) Trading Co., Ltd.	Management consultants, wholesale of sports goods and equipment wholesale, other sports services and other art performance assistant services	233,522 (RMB 54,000,000)	b	-	-	-	-	(35,032) (RMB (8,097,804))	21.17	(7,416) (RMB (1,714,305)) b, 1)	29,209 (RMB 6,784,860)	-	
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	-	-	-	-	(13,412) (RMB (3,092,301))	51.11	(6,855) (RMB (1,580,475)) b, 1)	338,121 (RMB 78,541,486)	-	
Yifeng Kun Ching Foam Ltd.	Production, sales, processing of plastic foam and foam daily products	8,994 (US\$ 300,000)	b	-	-	-	-	(1,512) (RMB (349,574))	19.42	(294) (RMB (67,887)) b, 1)	2,926 (RMB 679,625)	-	
Zhongshan Hwa Ching Foam Co., Ltd.	Production of foam products	29,980 (US\$ 1,000,000)	b	-	-	-	-	1,905 (RMB 436,174)	19.58	373 (RMB 85,403) b, 1)	10,288 (RMB 2,389,831)	-	
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	-	-	-	-	(8,538) (RMB (1,975,737))	31.79	(2,714) (RMB (628,087)) b, 1)	(2,582) (RMB (599,708))	-	
Dong Guan Orisol Trading Company Ltd.	Wholesale or repair of shoe-related machinery and parts	27,850 (US\$ 1,000,000)	b	-	-	-	-	666 (RMB 154,643)	51.11	113 (RMB 26,346) b, 1)	92,545 (RMB 21,497,077)	-	

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2021	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
\$ -	\$ 19,993,456 (US\$ 717,897,889)	\$ 77,720,728

Note 1: Methods of investments have following types:

- Direct investment in mainland China.
- 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.
- Other.

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

- If it is in the preparation stage, there is no investment gains and losses, it should be noted.
- The amount of investment gain (loss) was recognized in following bases:
 - Based on the financial statements audited by an ROC CPA firm cooperating with an international CPA firm.
 - 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 Permission for Investment or Technical Cooperation in the Mainland Area" which was passed on August 29, 2008.

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2021	Accumulated Repatriation of Investment Income as of September 30, 2021	Note
					Outward	Inward							
Kunshan Yuanying Electronics Technology Co., Ltd.	Manufacturing and sale of alloy	\$ 85,936 (US\$ 2,620,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (4,201) (RMB (968,502))	100.00	\$ (4,201) (RMB (968,502)) b, 2)	\$ 60,693 (RMB 14,098,282)	\$ -	

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2021	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ -	\$ 160,694 (US\$ 5,770,000)	\$ 456,098

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 Permission for Investment or Technical Cooperation in the Mainland Area" which was passed on August 29, 2008.

POU CHEN CORPORATION AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
PC Brothers Corporation	213,280,710	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.