

Pou Chen Corporation and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Pou Chen Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Pou Chen Corporation (the "Company") and its subsidiaries (collectively, the "Group") as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, 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 material accounting policy information (collectively referred to as the "consolidated financial statements").

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

Scope of Review

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

Conclusion

Based on our reviews and the reports of other auditors (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, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

The Group's investments in Ruen Chen Investment Holding Co., Ltd., Nan Shan Life Insurance Co., Ltd. and Elitegroup Computer Systems Co., Ltd. were accounted for by using the equity method based on its financial statements which were reviewed by other auditors. Our conclusion, insofar as it relates to the Group's investments in Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd., is based solely on the review reports of other auditors. As of September 30, 2023 and 2022, the carrying amounts of investments in Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd were \$42,031,103 thousand and \$0 thousand, respectively, representing 12.40% and 0.00%, respectively, of the Group's consolidated total assets. For the three months ended September 30, 2023 and 2022, the amounts of profit of the associates were \$4,007,772 thousand and \$2,388,626 thousand, respectively, representing 50.77% and 29.07%, respectively, of the income which the Group recognized before income tax, and for the nine months ended September 30, 2023 and 2022, the amounts of profit of the associates were \$6,748,292 thousand and \$8,921,083 thousand, respectively, representing 42.51% and 39.84%, respectively, of the income which the Group recognized before income tax. As of September 30, 2023, the carrying amount of the investments in Elitegroup Computer Systems Co., Ltd. was \$1,524,545 thousand, representing 0.45% of the Group's consolidated total assets. For the three months ended September 30, 2023, the amount of profit of the associates was \$38,135 thousand, representing 0.48% of the income which the Group recognized before income tax, and for the nine months ended September 30, 2023, the amount of profit of the associates was \$101,379 thousand, representing 0.64% of the income which the Group recognized before income tax.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 14, 2023

Notice to Readers

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

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

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022 (Retrospectively Adjusted)		September 30, 2022 (Retrospectively Adjusted)		January 1, 2022 (Retrospectively Adjusted)	
	Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS								
Cash and cash equivalents (Note 6)	\$ 47,465,413	14	\$ 39,317,629	12	\$ 43,374,379	13	\$ 28,450,346	8
Financial assets at fair value through profit or loss - current (Note 7)	1,213,640	-	2,783,815	1	6,167,183	2	3,341,742	1
Financial assets at fair value through other comprehensive income - current (Note 8)	21,875,962	7	17,501,573	5	17,956,752	5	20,035,436	5
Financial assets at amortized cost - current (Note 9)	7,794,340	2	1,901,597	1	2,182,377	1	8,630,004	2
Notes receivable (Note 10)	623	-	39	-	46	-	54	-
Accounts receivable (Notes 10 and 35)	26,921,198	8	28,711,291	9	36,013,437	11	26,539,565	7
Other receivables (Note 10)	6,414,518	2	4,462,211	1	6,512,521	2	3,771,410	1
Inventories - manufacturing and retailing (Note 11)	41,838,539	12	50,014,348	15	56,768,904	18	57,084,097	16
Inventories - construction (Note 11)	3,690,859	1	3,703,765	1	3,703,765	1	3,718,519	1
Non-current assets held for sale (Note 12)	-	-	-	-	-	-	-	-
Other current assets (Note 13)	11,847,039	4	11,000,965	4	12,320,827	4	11,323,500	3
Total current assets	169,062,131	50	159,397,233	49	185,000,191	57	162,894,673	44
NON-CURRENT ASSETS								
Financial assets at fair value through profit or loss - non-current (Note 7)	943,614	-	761,033	-	727,438	-	747,994	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	732,773	-	840,456	-	747,716	-	958,593	-
Financial assets at amortized cost - non-current (Notes 9 and 36)	2,581,862	1	3,099,525	1	3,308,306	1	3,158,906	1
Investments accounted for using the equity method (Note 15)	62,881,156	18	56,873,101	17	21,437,319	7	96,210,213	26
Property, plant and equipment (Note 16)	61,763,356	18	64,012,887	20	67,042,342	21	62,786,453	17
Right-of-use assets (Note 17)	17,040,258	5	18,087,170	5	18,852,772	6	20,066,402	5
Investment properties (Note 18)	5,800,572	2	5,806,082	2	5,753,966	2	2,918,076	1
Goodwill (Note 19)	8,767,147	3	8,452,023	3	8,674,966	3	7,774,185	2
Other intangible assets (Note 20)	1,985,520	1	1,816,164	1	1,670,902	-	1,607,270	1
Deferred tax assets (Notes 3 and 4)	6,034,780	2	6,188,604	2	6,891,351	2	6,533,317	2
Other non-current assets (Note 13)	1,305,709	-	1,555,526	-	2,043,090	1	4,207,465	1
Total non-current assets	169,836,747	50	167,492,571	51	137,150,168	43	206,968,874	56
TOTAL	\$ 338,898,878	100	\$ 326,889,804	100	\$ 322,150,359	100	\$ 369,863,547	100
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Short-term borrowings (Note 21)	\$ 24,348,928	7	\$ 20,611,809	6	\$ 31,631,486	10	\$ 25,552,433	7
Short-term bills payable (Note 21)	3,826,119	1	1,580,101	-	2,851,076	1	2,563,093	1
Financial liabilities at fair value through profit or loss - current (Note 7)	158,411	-	155,274	-	268,645	-	78,720	-
Notes payable (Note 22)	5,453	-	3,994	-	5,285	-	5,785	-
Accounts payable (Notes 22 and 35)	17,639,776	5	12,536,177	4	17,386,080	6	17,406,222	5
Other payables (Note 23)	19,074,500	6	21,540,287	7	23,163,901	7	20,547,217	5
Current tax liabilities (Note 4)	2,865,442	1	3,581,025	1	3,444,318	1	1,776,193	-
Lease liabilities (Note 17)	2,923,171	1	3,486,555	1	3,847,186	1	4,323,157	1
Current portion of long-term borrowings (Note 21)	7,915,450	2	11,923,464	4	9,889,952	3	9,791,986	3
Other current liabilities	6,323,362	2	6,010,519	2	6,260,115	2	6,764,167	2
Total current liabilities	85,080,612	25	81,429,205	25	98,748,044	31	88,808,973	24
NON-CURRENT LIABILITIES								
Financial liabilities at fair value through profit or loss - non-current (Note 7)	-	-	-	-	-	-	232,011	-
Long-term borrowings (Note 21)	43,304,345	13	50,002,184	15	58,167,946	18	56,387,335	15
Deferred tax liabilities (Notes 3 and 4)	3,097,172	1	3,317,797	1	3,585,180	1	3,879,108	1
Lease liabilities - non-current (Note 17)	5,953,349	2	6,713,172	2	7,202,619	2	8,357,819	3
Long-term payables (Note 23)	160,157	-	155,166	-	158,493	-	170,621	-
Net defined benefit liabilities (Note 4)	3,452,540	1	3,061,851	1	4,895,089	2	4,482,434	1
Other non-current liabilities	67,250	-	82,951	-	84,288	-	48,494	-
Total non-current liabilities	56,034,813	17	63,333,121	19	74,093,615	23	73,557,822	20
Total liabilities	141,115,425	42	144,762,326	44	172,841,659	54	162,366,795	44
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)								
Share capital								
Ordinary shares	29,467,872	8	29,467,872	9	29,467,872	9	29,467,872	8
Capital surplus	4,420,165	1	4,420,389	1	4,420,394	1	4,419,400	1
Retained earnings								
Legal reserve	19,300,806	6	17,986,740	6	17,986,740	6	16,547,491	4
Special reserve	57,646,766	17	-	-	-	-	-	-
Unappropriated earnings	24,250,181	7	76,460,614	23	78,750,328	24	69,179,387	19
Total retained earnings	101,197,753	30	94,447,354	29	96,737,068	30	85,726,878	23
Other equity	(14,455,567)	(4)	(21,323,594)	(6)	(57,779,730)	(18)	19,818,804	6
Total equity attributable to owners of the Company	120,630,223	35	107,012,021	33	72,845,604	22	139,432,954	38
NON-CONTROLLING INTERESTS	77,153,230	23	75,115,457	23	76,463,096	24	68,063,798	18
Total equity	197,783,453	58	182,127,478	56	149,308,700	46	207,496,752	56
TOTAL	\$ 338,898,878	100	\$ 326,889,804	100	\$ 322,150,359	100	\$ 369,863,547	100

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

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

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 35)	\$ 58,295,948	100	\$ 68,975,710	100	\$ 185,757,970	100	\$ 204,576,945	100
OPERATING COSTS (Notes 24, 27 and 35)	<u>44,334,052</u>	<u>76</u>	<u>51,618,573</u>	<u>75</u>	<u>141,359,453</u>	<u>76</u>	<u>155,271,423</u>	<u>76</u>
GROSS PROFIT	<u>13,961,896</u>	<u>24</u>	<u>17,357,137</u>	<u>25</u>	<u>44,398,517</u>	<u>24</u>	<u>49,305,522</u>	<u>24</u>
OPERATING EXPENSES (Notes 24 and 27)								
Selling and marketing expenses	6,569,678	11	7,140,461	10	21,047,579	11	22,610,395	11
General and administrative expenses	4,636,835	8	5,275,548	8	14,248,135	8	14,026,927	7
Research and development expenses	<u>1,233,717</u>	<u>2</u>	<u>1,345,628</u>	<u>2</u>	<u>3,759,195</u>	<u>2</u>	<u>4,109,546</u>	<u>2</u>
Total operating expenses	<u>12,440,230</u>	<u>21</u>	<u>13,761,637</u>	<u>20</u>	<u>39,054,909</u>	<u>21</u>	<u>40,746,868</u>	<u>20</u>
INCOME FROM OPERATIONS	<u>1,521,666</u>	<u>3</u>	<u>3,595,500</u>	<u>5</u>	<u>5,343,608</u>	<u>3</u>	<u>8,558,654</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 27)	484,098	1	258,862	-	1,229,083	1	604,418	-
Other income (Note 27)	1,363,040	2	1,433,214	2	2,600,892	1	2,784,254	2
Other gains and (losses) (Note 27)	739,129	1	451,799	1	944,346	-	1,492,017	1
Net loss on derecognition of financial assets at amortized cost	(5,988)	-	-	-	(80,397)	-	(13,610)	-
Finance costs (Note 27)	(832,172)	(1)	(699,315)	(1)	(2,481,217)	(1)	(1,688,441)	(1)
Share of profit of associates and joint ventures (Note 15)	<u>4,624,247</u>	<u>8</u>	<u>3,176,010</u>	<u>5</u>	<u>8,318,325</u>	<u>4</u>	<u>10,654,220</u>	<u>5</u>
Total non-operating income and expenses	<u>6,372,354</u>	<u>11</u>	<u>4,620,570</u>	<u>7</u>	<u>10,531,032</u>	<u>5</u>	<u>13,832,858</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	7,894,020	14	8,216,070	12	15,874,640	8	22,391,512	11
INCOME TAX EXPENSE (Notes 4 and 28)	<u>902,457</u>	<u>2</u>	<u>1,063,889</u>	<u>2</u>	<u>2,512,963</u>	<u>1</u>	<u>3,095,334</u>	<u>1</u>
NET PROFIT	<u>6,991,563</u>	<u>12</u>	<u>7,152,181</u>	<u>10</u>	<u>13,361,677</u>	<u>7</u>	<u>19,296,178</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	-	-	14,746	-	-	-	14,746	-
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(74,453)	-	(2,049,349)	(3)	4,292,589	2	(2,408,419)	(1)
Share of other comprehensive loss of associates and joint ventures	(77,495)	-	(174,608)	-	(384,093)	-	(213,775)	-

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POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ 5,981,031	10	\$ 8,326,908	12	\$ 6,486,905	4	\$ 17,243,106	8
Share of other comprehensive loss of associates and joint ventures	<u>(6,802,648)</u>	<u>(12)</u>	<u>(2,688,837)</u>	<u>(4)</u>	<u>(1,251,064)</u>	<u>(1)</u>	<u>(85,666,623)</u>	<u>(42)</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(973,565)</u>	<u>(2)</u>	<u>3,428,860</u>	<u>5</u>	<u>9,144,337</u>	<u>5</u>	<u>(71,030,965)</u>	<u>(35)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 6,017,998</u>	<u>10</u>	<u>\$ 10,581,041</u>	<u>15</u>	<u>\$ 22,506,014</u>	<u>12</u>	<u>\$ (51,734,787)</u>	<u>(25)</u>
NET INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 6,083,119	10	\$ 5,728,469	8	\$ 10,581,173	6	\$ 15,427,707	8
Non-controlling interests	<u>908,444</u>	<u>2</u>	<u>1,423,712</u>	<u>2</u>	<u>2,780,504</u>	<u>1</u>	<u>3,868,471</u>	<u>2</u>
	<u>\$ 6,991,563</u>	<u>12</u>	<u>\$ 7,152,181</u>	<u>10</u>	<u>\$ 13,361,677</u>	<u>7</u>	<u>\$ 19,296,178</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,454,066	4	\$ 6,100,392	9	\$ 17,449,249	9	\$ (62,168,163)	(30)
Non-controlling interests	<u>3,563,932</u>	<u>6</u>	<u>4,480,649</u>	<u>6</u>	<u>5,056,765</u>	<u>3</u>	<u>10,433,376</u>	<u>5</u>
	<u>\$ 6,017,998</u>	<u>10</u>	<u>\$ 10,581,041</u>	<u>15</u>	<u>\$ 22,506,014</u>	<u>12</u>	<u>\$ (51,734,787)</u>	<u>(25)</u>
EARNINGS PER SHARE								
(Note 29)								
Basic	<u>\$ 2.06</u>		<u>\$ 1.94</u>		<u>\$ 3.59</u>		<u>\$ 5.23</u>	
Diluted	<u>\$ 2.06</u>		<u>\$ 1.94</u>		<u>\$ 3.58</u>		<u>\$ 5.22</u>	

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

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

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company										
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Others			
BALANCE AT JANUARY 1, 2022	\$ 29,467,872	\$ 4,419,400	\$ 16,547,491	\$ -	\$ 69,179,387	\$ (7,414,850)	\$ 14,613,616	\$ 12,620,038	\$ 139,432,954	\$ 68,063,798	\$ 207,496,752
Appropriation of 2021 earnings (Note 25)	-	-	1,439,249	-	(1,439,249)	-	-	-	-	-	-
Legal reserve	-	-	1,439,249	-	(1,439,249)	-	-	-	(4,420,181)	-	(4,420,181)
Cash dividends	-	-	-	-	(4,420,181)	-	-	-	-	-	(4,420,181)
	-	-	1,439,249	-	(5,859,430)	-	-	-	(4,420,181)	-	(4,420,181)
Net profit for the nine months ended September 30, 2022	-	-	-	-	15,427,707	-	-	-	15,427,707	3,868,471	19,296,178
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	3,544	9,736,581	(60,376,648)	(26,959,347)	(77,595,870)	6,564,905	(71,030,965)
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	15,431,251	9,736,581	(60,376,648)	(26,959,347)	(62,168,163)	10,433,376	(51,734,787)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates (Note 25)	-	-	-	-	(880)	-	880	-	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	(238)	-	-	-	-	-	-	(238)	-	(238)
Unclaimed dividends by shareholders	-	1,232	-	-	-	-	-	-	1,232	-	1,232
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(2,034,078)	(2,034,078)
Changes in equity for the nine months ended September 30, 2022	-	994	1,439,249	-	9,570,941	9,736,581	(60,375,768)	(26,959,347)	(66,587,350)	8,399,298	(58,188,052)
BALANCE AT SEPTEMBER 30, 2022	\$ 29,467,872	\$ 4,420,394	\$ 17,986,740	\$ -	\$ 78,750,328	\$ 2,321,731	\$ (45,762,152)	\$ (14,339,309)	\$ 72,845,604	\$ 76,463,096	\$ 149,308,700
BALANCE AT JANUARY 1, 2023	\$ 29,467,872	\$ 4,420,389	\$ 17,986,740	\$ -	\$ 76,460,614	\$ (273,894)	\$ (3,520,843)	\$ (17,528,857)	\$ 107,012,021	\$ 75,115,457	\$ 182,127,478
Appropriation of 2022 earnings (Note 25)	-	-	1,314,066	-	(1,314,066)	-	-	-	-	-	-
Legal reserve	-	-	1,314,066	-	(1,314,066)	-	-	-	-	-	-
Special reserve	-	-	-	57,646,766	(57,646,766)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,830,823)	-	-	-	(3,830,823)	-	(3,830,823)
	-	-	1,314,066	57,646,766	(62,791,655)	-	-	-	(3,830,823)	-	(3,830,823)
Net profit for the nine months ended September 30, 2023	-	-	-	-	10,581,173	-	-	-	10,581,173	2,780,504	13,361,677
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	3,843,071	1,474,495	1,550,510	6,868,076	2,276,261	9,144,337
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	10,581,173	3,843,071	1,474,495	1,550,510	17,449,249	5,056,765	22,506,014
Disposal of associates accounted for using the equity method (Note 25)	-	(1,346)	-	-	19	-	(19)	-	(1,346)	-	(1,346)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates (Note 25)	-	-	-	-	30	-	(30)	-	-	-	-
Unclaimed dividends by shareholders	-	1,122	-	-	-	-	-	-	1,122	-	1,122
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(3,018,992)	(3,018,992)
Changes in equity for the nine months ended September 30, 2023	-	(224)	1,314,066	57,646,766	(52,210,433)	3,843,071	1,474,446	1,550,510	13,618,202	2,037,773	15,655,975
BALANCE AT SEPTEMBER 30, 2023	\$ 29,467,872	\$ 4,420,165	\$ 19,300,806	\$ 57,646,766	\$ 24,250,181	\$ 3,569,177	\$ (2,046,397)	\$ (15,978,347)	\$ 120,630,223	\$ 77,153,230	\$ 197,783,453

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

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

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 15,874,640	\$ 22,391,512
Adjustments for:		
Depreciation expense	10,247,087	11,439,615
Amortization expense	97,928	87,774
Expected credit loss recognized on accounts receivable and other receivables	47,459	167,161
Net gain on fair value changes of financial instruments at fair value through profit or loss	(1,255,012)	(1,486,764)
Finance costs	2,481,217	1,688,441
Net loss on derecognition of financial assets at amortized cost	80,397	13,610
Interest income	(1,229,083)	(604,418)
Dividend income	(738,845)	(818,175)
Compensation cost of employee share options	95,550	107,135
Share of profit of associates and joint ventures	(8,318,325)	(10,654,220)
Net (gain) loss on disposal of property, plant and equipment	(93,356)	133,843
Net gain on disposal of investment properties	(7,857)	-
Net loss on disposal of other assets	-	6,219
Net gain on disposal of associates and joint ventures	(121,195)	(107,010)
Impairment loss of assets	-	26,458
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,645,743	(1,360,207)
Notes receivable	(584)	8
Accounts receivable	1,761,991	(9,655,788)
Other receivables	(1,845,140)	(2,948,033)
Inventories	8,223,189	292,682
Other current assets	(766,840)	(1,335,469)
Other operating assets	(22,131)	(17,928)
Notes payable	1,459	(500)
Accounts payable	5,103,599	(8,490)
Other payables	(2,927,661)	1,358,830
Other current liabilities	312,843	(504,052)
Net defined benefit liabilities	390,689	437,556
Other operating liabilities	(8,421)	11,020
Cash generated from operations	30,029,341	8,660,810
Interest paid	(2,497,279)	(1,645,392)
Income tax paid	(3,349,543)	(1,628,335)
Net cash generated from operating activities	<u>24,182,519</u>	<u>5,387,083</u>

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 4,609	\$ -
Proceeds from return of capital of financial assets at fair value through other comprehensive income	60,898	2,732
Purchases of financial assets at amortized cost	(9,923,353)	(7,140,512)
Proceeds from sale of financial assets at amortized cost	4,609,787	14,221,488
Proceeds from disposal of associates and joint ventures	378,694	415,842
Proceeds from disposal of subsidiaries	-	17,558
Proceeds from return of capital of associates	-	65,015
Acquisition of property, plant and equipment	(4,473,317)	(4,903,297)
Proceeds from disposal of property, plant and equipment	2,627,116	167,069
Decrease in refundable deposits	100,289	74,175
Decrease in other receivables	-	169,481
Payments for intangible assets	(269,729)	(142,550)
Payments for right-of-use assets	(110,573)	(9,242)
Payments for investment properties	(4,178)	-
Proceeds from disposal of investment properties	12,857	-
Increase in prepayment for equipment and long-term prepayment	(379,059)	(496,540)
Interest received	1,196,156	640,554
Dividends received	2,032,938	2,571,798
Proceeds from disposal of right-of-use assets	-	27,367
Net cash (used in) generated from investing activities	<u>(4,136,865)</u>	<u>5,680,938</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,737,119	6,079,053
Proceeds from short-term bills payable	2,250,500	290,400
Proceeds from long-term borrowings	-	1,860,110
Repayments of long-term borrowings	(10,732,604)	-
Increase in guarantee deposits	-	12,646
Decrease in guarantee deposits	(2,289)	-
Repayment of principal portion of lease liabilities	(2,888,532)	(3,715,818)
Cash dividends	(3,830,823)	(4,420,181)
Changes in non-controlling interests	(2,325,313)	(839,385)
Unclaimed dividends by shareholders	1,122	1,232
Net cash used in financing activities	<u>(13,790,820)</u>	<u>(731,943)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,892,950</u>	<u>4,587,955</u>

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 8,147,784	\$ 14,924,033
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>39,317,629</u>	<u>28,450,346</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 47,465,413</u>	<u>\$ 43,374,379</u>

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

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

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 14, 2023.

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

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

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

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

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

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

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

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

Refer to Note 4 for related accounting policy information.

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

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

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

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

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

Impact on assets, liabilities and equity for the current year

	September 30, 2023
Increase in deferred tax assets	<u>\$ 2,015,487</u>
Increase in assets	<u>\$ 2,015,487</u>
Increase in deferred tax liabilities	<u>\$ 2,015,487</u>
Increase in liabilities	<u>\$ 2,015,487</u>

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

Impact on assets, liabilities and equity for the prior year

	As Originally Stated	Adjustments Arising from Initial Application	Restated
<u>December 31, 2022</u>			
Deferred tax assets	<u>\$ 3,828,203</u>	<u>\$ 2,360,401</u>	<u>\$ 6,188,604</u>
Total effect on assets	<u>\$ 3,828,203</u>	<u>\$ 2,360,401</u>	<u>\$ 6,188,604</u>
Deferred tax liabilities	<u>\$ 957,396</u>	<u>\$ 2,360,401</u>	<u>\$ 3,317,797</u>
Total effect on liabilities	<u>\$ 957,396</u>	<u>\$ 2,360,401</u>	<u>\$ 3,317,797</u>
<u>September 30, 2022</u>			
Deferred tax assets	<u>\$ 4,319,570</u>	<u>\$ 2,571,781</u>	<u>\$ 6,891,351</u>
Total effect on assets	<u>\$ 4,319,570</u>	<u>\$ 2,571,781</u>	<u>\$ 6,891,351</u>
Deferred tax liabilities	<u>\$ 1,013,399</u>	<u>\$ 2,571,781</u>	<u>\$ 3,585,180</u>
Total effect on liabilities	<u>\$ 1,013,399</u>	<u>\$ 2,571,781</u>	<u>\$ 3,585,180</u>
<u>January 1, 2022</u>			
Deferred tax assets	<u>\$ 3,560,596</u>	<u>\$ 2,972,721</u>	<u>\$ 6,533,317</u>
Total effect on assets	<u>\$ 3,560,596</u>	<u>\$ 2,972,721</u>	<u>\$ 6,533,317</u>
Deferred tax liabilities	<u>\$ 906,387</u>	<u>\$ 2,972,721</u>	<u>\$ 3,879,108</u>
Total effect on liabilities	<u>\$ 906,387</u>	<u>\$ 2,972,721</u>	<u>\$ 3,879,108</u>

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

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group’s exposure to Pillar Two income taxes. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

b. The IFRSs endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

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

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

1) Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

The amendments clarify that the liability that arises from a sale and leaseback transaction - that satisfies the requirements in IFRS 15 to be accounted for as a sale - is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

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

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

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

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

3) Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, the suppliers are paid. The amendments stipulate that the Group shall disclose the relevant information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the Group’s liabilities and cash flows and on the Group’s exposure to liquidity risk.

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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 21 “Lack of Exchangeability”

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

Refer to Note 14 to the consolidated financial statements, Table 10 “Information on Investees” and Table 11 “Information on investments in mainland China” of Note 40 to the consolidated financial statements for detailed information on subsidiaries, including the percentages of ownership and main businesses.

d. Other material accounting policies

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

1) Retirement benefits

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

2) Other long-term employee benefits

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

3) Income tax expense

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

4) Deferred tax

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 15,998	\$ 20,301	\$ 42,405
Checking accounts and demand deposits	17,205,072	15,422,738	21,697,109
Cash equivalents (investments with original maturities of less than three months or less)			
Time deposits	29,861,239	23,869,790	21,634,865
Repurchase agreements collateralized by bonds	<u>383,104</u>	<u>4,800</u>	<u>-</u>
	<u>\$ 47,465,413</u>	<u>\$ 39,317,629</u>	<u>\$ 43,374,379</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets at FVTPL</u>			
Financial assets mandatorily as at FVTPL			
Hybrid financial assets			
Structured deposits (a)	\$ -	\$ 2,254,267	\$ 4,143,446
Derivative financial assets (not under hedge accounting)			
Interest rate swap contracts (b)	-	214,874	273,148
Forward exchange contracts (c)	21,253	17,718	14,615
Exchange rate option contracts (d)	7,750	-	-
Exchange rate swap contracts (e)	555,266	127,907	1,494,098
Cross-currency swap contracts (f)	6,609	-	-
Non-derivative financial assets			
Mutual funds	<u>1,566,376</u>	<u>930,082</u>	<u>969,314</u>
	<u>\$ 2,157,254</u>	<u>\$ 3,544,848</u>	<u>\$ 6,894,621</u>
Current	\$ 1,213,640	\$ 2,783,815	\$ 6,167,183
Non-current	<u>943,614</u>	<u>761,033</u>	<u>727,438</u>
	<u>\$ 2,157,254</u>	<u>\$ 3,544,848</u>	<u>\$ 6,894,621</u>

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial liabilities at FVTPL</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts (c)	\$ 42,090	\$ 57,479	\$ 99,239
Exchange rate option contracts (d)	115,271	60,252	151,913
Exchange rate swap contracts (e)	<u>1,050</u>	<u>37,543</u>	<u>17,493</u>
	<u>\$ 158,411</u>	<u>\$ 155,274</u>	<u>\$ 268,645</u>
Current	<u>\$ 158,411</u>	<u>\$ 155,274</u>	<u>\$ 268,645</u> (Concluded)

a. Structured deposits

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

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

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

December 31, 2022

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 250,000	2023.07	3.335-3.340	5.11471-5.34971
US\$ 300,000	2023.03	0.485-0.720	4.72900

September 30, 2022

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 250,000	2023.07	3.335-3.340	3.50586-3.64186
US\$ 300,000	2023.03	0.485-0.720	3.60386

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

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

September 30, 2023

Notional Amount (In Thousands)	Forward Exchange Rate
US\$ 117,305	Sell US\$/Buy IDR at 15,250 to 15,450
NT\$ 1,398,012	Sell NT\$/Buy US\$ at 30.649 to 31.503

December 31, 2022

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

September 30, 2022

Notional Amount (In Thousands)	Forward Exchange Rate
US\$ 65,525	Sell US\$/Buy IDR at 14,540 to 14,570
RMB 60,750	Sell RMB/Buy US\$ at 6.727 to 6.737

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

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

September 30, 2023

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 294,000	Put	Sell	2023.10-2025.07	US\$:RMB 6.7500-7.0200
US\$ 242,000	Put	Sell	2023.10-2025.08	US\$:NT\$ 32.5600-33.0000
US\$ 73,350	Put	Sell	2023.10-2024.02	US\$:IDR 15,100-15,500
US\$ 109,000	Call	Sell	2023.10-2025.04	US\$:HK\$ 7.7210-7.7440
RMB 1,078,000	Call	Sell	2023.10-2024.03	US\$:RMB 6.5000

December 31, 2022

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 261,000	Put	Sell	2023.01-2024.07	US\$:RMB 6.7500-7.0200
US\$ 490,000	Put	Sell	2023.01-2023.04	US\$:NT\$ 32.8000-32.9100
US\$ 60,000	Call	Sell	2023.05-2024.11	US\$:HK\$ 7.7440
US\$ 12,000	Call	Sell	2023.01-2023.04	US\$:RMB 6.7500

September 30, 2022

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 303,000	Put	Sell	2022.10-2024.07	US\$:RMB 6.7500-7.0200
US\$ 200,000	Put	Sell	2022.10-2022.11	US\$:NT\$32.8100-33.3700

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

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

September 30, 2023

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 422,500	2023.10-2024.02	US\$:NT\$ 28.6400-31.7885
RMB 868,460	2023.10-2024.06	RMB:NT\$ 4.3072-4.3653

December 31, 2022

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 773,030	2023.02-2023.12	US\$:NT\$ 28.1070-31.1800
RMB 1,010,460	2023.03-2023.12	RMB:NT\$ 4.3173-4.3719
RMB 42,076	2023.03-2023.04	US\$:RMB 6.4524-6.4606

September 30, 2022

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 624,830	2022.12-2023.09	US\$:NT\$ 27.6630-31.1800
RMB 70,460	2023.03-2023.09	RMB:NT\$ 4.3280-4.3433
RMB 42,076	2023.03-2023.04	US\$:RMB 6.4524-6.4606

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

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

September 30, 2023

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

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2023	December 31, 2022	September 30, 2022
Domestic investments			
Listed shares	\$ 22,392,916	\$ 18,042,399	\$ 18,518,809
Unlisted shares	71,273	66,792	63,178
Foreign investments			
Unlisted shares	<u>144,546</u>	<u>232,838</u>	<u>122,481</u>
	<u>\$ 22,608,735</u>	<u>\$ 18,342,029</u>	<u>\$ 18,704,468</u>
Current	\$ 21,875,962	\$ 17,501,573	\$ 17,956,752
Non-current	<u>732,773</u>	<u>840,456</u>	<u>747,716</u>
	<u>\$ 22,608,735</u>	<u>\$ 18,342,029</u>	<u>\$ 18,704,468</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
Domestic investments			
Time deposits with original maturities of more than three months	\$ 3,836,801	\$ 2,162,814	\$ 2,515,035
Restricted deposits of repatriated offshore funds	3,344	18,419	84,385
Foreign investments			
Time deposits with original maturities of more than three months	3,785,239	-	-
Bonds	<u>2,750,818</u>	<u>2,819,889</u>	<u>2,891,263</u>
	<u>\$ 10,376,202</u>	<u>\$ 5,001,122</u>	<u>\$ 5,490,683</u>
Current	\$ 7,794,340	\$ 1,901,597	\$ 2,182,377
Non-current	<u>2,581,862</u>	<u>3,099,525</u>	<u>3,308,306</u>
	<u>\$ 10,376,202</u>	<u>\$ 5,001,122</u>	<u>\$ 5,490,683</u>

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

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
Notes receivable - operating	\$ 623	\$ 39	\$ 46
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 27,699,325	\$ 29,435,832	\$ 36,402,184
Less: Allowance for impairment loss	(778,127)	(724,541)	(388,747)
	<u>\$ 26,921,198</u>	<u>\$ 28,711,291</u>	<u>\$ 36,013,437</u>
<u>Other receivables</u>			
Tax refund receivables	\$ 4,188,751	\$ 2,985,457	\$ 2,889,187
Others	2,246,258	1,477,613	3,624,193
Less: Allowance for impairment loss	(20,491)	(859)	(859)
	<u>\$ 6,414,518</u>	<u>\$ 4,462,211</u>	<u>\$ 6,512,521</u>

a. Notes receivable

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

b. Accounts receivable

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

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

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

September 30, 2023

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 18,084,937	\$ 8,807,832	\$ 806,556	\$ 27,699,325
Loss allowance (lifetime ECLs)	-	-	(778,127)	(778,127)
Amortized cost	<u>\$ 18,084,937</u>	<u>\$ 8,807,832</u>	<u>\$ 28,429</u>	<u>\$ 26,921,198</u>

December 31, 2022

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

September 30, 2022

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 21,659,883	\$ 14,034,943	\$ 707,358	\$ 36,402,184
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(11,779)</u>	<u>(376,968)</u>	<u>(388,747)</u>
Amortized cost	<u>\$ 21,659,883</u>	<u>\$ 14,023,164</u>	<u>\$ 330,390</u>	<u>\$ 36,013,437</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 724,541	\$ 202,341
Add: Impairment losses recognized on receivable	28,102	166,930
Less: Net remeasurement of loss allowance	(4,872)	(1,968)
Foreign exchange gains and losses	<u>30,356</u>	<u>21,444</u>
Balance at September 30	<u>\$ 778,127</u>	<u>\$ 388,747</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 859	\$ 859
Add: Impairment losses recognized on receivable	19,357	231
Less: Net remeasurement of loss allowance	(859)	(231)
Foreign exchange gains and losses	<u>1,134</u>	<u>-</u>
Balance at September 30	<u>\$ 20,491</u>	<u>\$ 859</u>

11. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Inventories - manufacturing and retail	\$ 41,838,539	\$ 50,014,348	\$ 56,768,904
Inventories - construction	<u>3,690,859</u>	<u>3,703,765</u>	<u>3,703,765</u>
	<u>\$ 45,529,398</u>	<u>\$ 53,718,113</u>	<u>\$ 60,472,669</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Raw materials	\$ 7,500,706	\$ 9,267,060	\$ 11,304,347
Work in progress	5,124,388	5,073,217	6,843,862
Finished goods and merchandise	<u>29,213,445</u>	<u>35,674,071</u>	<u>38,620,695</u>
	<u>\$ 41,838,539</u>	<u>\$ 50,014,348</u>	<u>\$ 56,768,904</u>

For the three months ended September 30, 2023 and 2022, the cost of manufacturing and retail inventories recognized as cost of goods sold was \$44,320,672 thousand and \$51,618,573 thousand, respectively, and for the nine months ended September 30, 2023 and 2022, the cost of manufacturing and retail inventories recognized as cost of goods sold was \$141,308,173 thousand and \$155,271,423 thousand, respectively.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Land and buildings held for development	\$ 3,538,152	\$ 3,537,396	\$ 3,537,396
Land and buildings held for sale	41,815	55,477	55,477
Land held for construction sites	<u>110,892</u>	<u>110,892</u>	<u>110,892</u>
	<u>\$ 3,690,859</u>	<u>\$ 3,703,765</u>	<u>\$ 3,703,765</u>

The cost of construction inventories recognized as cost of goods sold for the three months ended September 30, 2023 and for the nine months ended September 30, 2023 was \$13,380 thousand and \$51,280 thousand, respectively.

12. NON-CURRENT ASSETS HELD FOR SALE

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current assets held for sale</u>			
Investments accounted for using the equity method	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

In September 2023, Yue Yuen resolved to dispose of all the shares of its associates, Full Pearl International Ltd., to unrelated parties and, therefore, had its assets reclassified as “non-current assets held for sale”. The carrying amount of the assets was zero as of September 30, 2023. Yue Yuen completed this transaction as of October 30, 2023, and the transaction amount was RMB42,500 thousand.

13. OTHER ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
Prepayments	\$ 10,401,049	\$ 9,380,804	\$ 10,611,748
Refundable deposits	546,528	646,817	669,490
Defined benefit assets	43,754	43,754	43,754
Prepayments for equipment and long-term prepayment	652,443	824,102	1,270,413
Others	<u>1,508,974</u>	<u>1,661,014</u>	<u>1,768,512</u>
	<u>\$ 13,152,748</u>	<u>\$ 12,556,491</u>	<u>\$ 14,363,917</u>
Current	\$ 11,847,039	\$ 11,000,965	\$ 12,320,827
Non-current	<u>1,305,709</u>	<u>1,555,526</u>	<u>2,043,090</u>
	<u>\$ 13,152,748</u>	<u>\$ 12,556,491</u>	<u>\$ 14,363,917</u>

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

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

The information of Wealthplus' major subsidiaries is as follows:

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

Win Fortune Investments Limited ("Win Fortune") invested in Yue Yuen (as of September 30, 2023, December 31, 2022 and September 30, 2022, the ownership percentage was 1.07%). Investing is its primary operation activity.

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

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			September 30, 2023	December 31, 2022	September 30, 2022
Pearl Dove International Limited	British Virgin Islands	Investment holdings	100.00	100.00	100.00

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

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

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

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

Refer to Table 10 "Information on Investees" of Note 40 to the consolidated financial statements for business location and business item of the material associates.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended September 30		For the Nine Months Ended September 30		September 30, 2023	December 31, 2022	September 30, 2022
	2023	2022	2023	2022			
Yue Yuen Industrial (Holdings) Limited	\$ 821,552	\$ 1,396,512	\$ 2,042,341	\$ 3,815,336	\$ 62,355,319	\$ 61,002,763	\$ 62,003,645
Pou Sheng International (Holdings) Limited	(2,186)	137,579	496,407	154,778	14,592,010	14,166,369	14,380,496

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, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 128,534,680	\$ 127,247,648	\$ 143,118,963
Non-current assets	111,823,707	111,986,475	117,728,203
Current liabilities	(60,348,582)	(61,422,845)	(75,772,253)
Non-current liabilities	<u>(37,637,243)</u>	<u>(38,859,113)</u>	<u>(43,721,973)</u>
Equity	<u>\$ 142,372,562</u>	<u>\$ 138,952,165</u>	<u>\$ 141,352,940</u>
Equity attributable to:			
Owners of the Company	\$ 65,574,514	\$ 64,140,313	\$ 65,198,468
Non-controlling interests of Yue Yuen	62,355,319	61,002,763	62,003,465
Non-controlling interests of Yue Yuen's subsidiaries	<u>14,442,729</u>	<u>13,809,089</u>	<u>14,151,007</u>
	<u>\$ 142,372,562</u>	<u>\$ 138,952,165</u>	<u>\$ 141,352,940</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue	\$ 58,034,094	\$ 68,774,699	\$ 184,959,078	\$ 204,003,449
Net income	\$ 1,758,627	\$ 2,882,093	\$ 4,892,153	\$ 7,862,838
Other comprehensive loss	(234,176)	(3,034,410)	(2,560,592)	(5,503,294)
Total comprehensive income (loss)	<u>\$ 1,524,451</u>	<u>\$ (152,317)</u>	<u>\$ 2,331,561</u>	<u>\$ 2,359,544</u>
Net income attributable to:				
Owners of the Company	\$ 856,820	\$ 1,464,967	\$ 2,121,230	\$ 4,001,040
Non-controlling interests of Yue Yuen	821,552	1,396,512	2,042,341	3,815,336
Non-controlling interests of Yue Yuen's subsidiaries	<u>80,255</u>	<u>20,614</u>	<u>728,582</u>	<u>46,462</u>
	<u>\$ 1,758,627</u>	<u>\$ 2,882,093</u>	<u>\$ 4,892,153</u>	<u>\$ 7,862,838</u>
Total comprehensive income (loss) attributable to:				
Owners of the Company	\$ 755,509	\$ 379,996	\$ 1,182,279	\$ 2,022,114
Non-controlling interests of Yue Yuen	724,679	359,071	1,144,522	1,923,100
Non-controlling interests of Yue Yuen's subsidiaries	<u>44,263</u>	<u>(891,384)</u>	<u>4,760</u>	<u>(1,585,670)</u>
	<u>\$ 1,524,451</u>	<u>\$ (152,317)</u>	<u>\$ 2,331,561</u>	<u>\$ 2,359,544</u>
			For the Nine Months Ended September 30	
			2023	2022
Net cash inflow (outflow) from:				
Operating activities			\$ 25,579,312	\$ 14,415,703
Investing activities			(5,024,263)	(2,358,137)
Financing activities			<u>(15,532,114)</u>	<u>(5,665,620)</u>
Net cash inflow			<u>\$ 5,022,935</u>	<u>\$ 6,391,946</u>
Dividends paid to:				
Non-controlling interests of Yue Yuen			<u>\$ 2,173,824</u>	<u>\$ 587,305</u>
Non-controlling interests of Yue Yuen's subsidiaries			<u>\$ 152,400</u>	<u>\$ 138,350</u>

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2023	December 31, 2022	September 30, 2022
Investments in associates	\$ 57,331,395	\$ 51,237,635	\$ 15,680,734
Investments in joint ventures	<u>5,549,761</u>	<u>5,635,466</u>	<u>5,756,585</u>
	<u>\$ 62,881,156</u>	<u>\$ 56,873,101</u>	<u>\$ 21,437,319</u>

a. Investments in associates

	September 30, 2023	December 31, 2022	September 30, 2022
Material associate			
Ruen Chen Investment Holding Co., Ltd.	\$ 41,565,354	\$ 35,917,433	\$ -
Associates that are not individually material	<u>15,766,041</u>	<u>15,320,202</u>	<u>15,680,734</u>
	<u>\$ 57,331,395</u>	<u>\$ 51,237,635</u>	<u>\$ 15,680,734</u>

1) Material associate

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

- a) Due to inflation and the increase in interest rates, the global economy has fluctuated dramatically. In the third quarter of 2022, the other comprehensive loss of Ruen Chen Investment Holding Co., Ltd. has enlarged, and its net value has turned to negative, which was due to its subsidiary, Nan Shan Life Insurance Company Ltd., having recognized the loss on valuation of bonds and stock investments. As of September 30, 2022, as the other comprehensive loss that the Group has recognized already exceeded the carrying amount of the share of profit of associates of Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Company Ltd., the Group decided not to recognize any further loss when the carrying amount became zero. As of September 30, 2022, the amount of other comprehensive losses that the Group had not recognized was \$22,415,052 thousand.
- b) As of December 6, 2022, the Company had purchased 8,000 thousand ordinary shares with \$10 per share in the amount of \$80,000 thousand.

- 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, 2023	December 31, 2022	September 30, 2022
Assets	\$ 5,456,511,616	\$ 5,264,490,661	\$ 5,087,528,352
Liabilities	(5,218,971,031)	(5,058,171,956)	(5,205,660,598)
Non-controlling interests	<u>(29,417,253)</u>	<u>(26,434,978)</u>	<u>7,329,883</u>
Owners of Ruen Chen Investment Holding Co., Ltd.	<u>\$ 208,123,332</u>	<u>\$ 179,883,727</u>	<u>\$ (110,802,363)</u>
Proportion of the Group's interest	20%	20%	20%
Equity attributable to the Group	\$ 41,624,666	\$ 35,976,745	\$ (22,160,473)
Other adjustments	<u>(59,312)</u>	<u>(59,312)</u>	<u>22,160,473</u>
Carrying amount	<u>\$ 41,565,354</u>	<u>\$ 35,917,433</u>	<u>\$ -</u>

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2023	2022	2023	2022
Operating revenue	<u>\$ 132,067,454</u>	<u>\$ 122,011,791</u>	<u>\$ 378,449,194</u>	<u>\$ 382,434,503</u>
Net income	\$ 22,160,258	\$ 13,213,238	\$ 37,328,582	\$ 49,328,410
Other comprehensive loss	<u>(37,547,842)</u>	<u>(137,142,272)</u>	<u>(5,753,515)</u>	<u>(594,016,145)</u>
Total comprehensive (loss) income	<u>\$ (15,387,584)</u>	<u>\$ (123,929,034)</u>	<u>\$ 31,575,067</u>	<u>\$ (544,687,735)</u>

2) Associates that are not individually material

Name of Associate	<u>Proportion of Ownership and Voting Rights (%)</u>		
	September 30, 2023	December 31, 2022	September 30, 2022
Eagle Nice (International) Holdings Limited	35.97	35.97	35.97
San Fang Chemical Industry Co., Ltd.	44.72	44.72	44.72
Elitegroup Computer Systems Co., Ltd.	12.78	14.53	14.53
Brandblack Inc.	31.25	31.25	31.25
Full Pearl International Ltd.	-	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

(Continued)

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	September 30, 2023	December 31, 2022	September 30, 2022
Pou Ming Paper Products Manufacturing Co., Ltd.	20.00	20.00	20.00
Prosperlink Limited	38.00	38.00	38.00
Prosperous Industrial (Holdings) Ltd.	22.50	22.50	22.50
Rise Bloom International Limited	38.00	38.00	38.00
Venture Well Holdings Ltd.	31.55	31.55	31.55
Nan Pao Resins Chemical Co., Ltd.	17.59	17.59	17.59
Nan Shan Life Insurance Co., Ltd.	0.18	0.18	0.18

(Concluded)

- a) The Group holds less than 20% interest in Elitegroup Computer Systems Co., Ltd. However, the Group has the power to appoint two out of the nine directors of Elitegroup Computer Systems Co., Ltd. Therefore, the Group is able to exercise significant influence over Elitegroup Computer Systems Co., Ltd. Considering the effective integration of resources, the Company announced that it would dispose of no more than 68,884,949 shares as of November 10, 2023.
- b) In September 2023, the Group resolved to dispose of its associates, Full Pearl International Ltd., of all shares to unrelated parties and, therefore, had its assets reclassified as “non-current assets held for sale”.
- c) The Group holds less than 20% interest in Nan Pao Resins Chemical Co., Ltd. However, the Group has the power to appoint one out of the seven directors of Nan Pao. Therefore, the Group is able to exercise significant influence over Nan Pao.
- d) The Group holds less than 20% interest in Nan Shan Life Insurance Co., Ltd. However, the Group exercises significant influence over Ruen Chen Investment Holding Co., Ltd., which is the parent company of Nan Shan Life Insurance Co., Ltd. Therefore, Nan Shan Life Insurance Co., Ltd. is classified as an associate of the Group.
- e) The summarized financial information below represents the amounts shown in the financial statements of associates that are not individually material and 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	
	2023	2022	2023	2022
The Group’s share of:				
Net profit	\$ 500,412	\$ 624,628	\$ 1,273,648	\$ 1,443,508
Other comprehensive loss	<u>(406,355)</u>	<u>(273,655)</u>	<u>(513,558)</u>	<u>(1,337,729)</u>
Total comprehensive income	<u>\$ 94,057</u>	<u>\$ 350,973</u>	<u>\$ 760,090</u>	<u>\$ 105,779</u>

- 3) Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

Name of Associate	September 30, 2023	December 31, 2022	September 30, 2022
Eagle Nice (International) Holdings Limited	<u>\$ 3,481,319</u>	<u>\$ 3,060,951</u>	<u>\$ 3,393,608</u>
Prosperous Industrial (Holdings) Ltd.	<u>\$ 820,385</u>	<u>\$ 674,543</u>	<u>\$ 652,318</u>
San Fang Chemical Industry Co., Ltd.	<u>\$ 4,683,733</u>	<u>\$ 3,644,575</u>	<u>\$ 3,753,138</u>
Elitegroup Computer Systems Co., Ltd.	<u>\$ 2,112,972</u>	<u>\$ 1,668,928</u>	<u>\$ 2,106,414</u>
Nan Pao Resins Chemical Co., Ltd.	<u>\$ 4,404,557</u>	<u>\$ 2,818,333</u>	<u>\$ 2,957,563</u>

- 4) For the information of the associate's business location and business item, refer to Table 10 Information on investees of Note 40 to the financial statements.

b. Investments in joint ventures

	September 30, 2023	December 31, 2022	September 30, 2022
Joint ventures that are not individually material	<u>\$ 5,549,761</u>	<u>\$ 5,635,466</u>	<u>\$ 5,756,585</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	<u>Proportion of Ownership and Voting Rights (%)</u>		
	September 30, 2023	December 31, 2022	September 30, 2022
Cohen Enterprises Inc.	50.00	50.00	50.00
Great Skill Industrial Limited	-	-	50.00
Hangzhou Baohong Sports Goods Company Limited	50.00	50.00	50.00
Hua Jian Industrial Holding Co., Limited	22.41	22.41	22.41
Jilin Xinfangwei Sports Goods Company Limited	50.00	50.00	50.00
Jumbo Power Enterprises Limited	50.00	50.00	50.00
Ka Yuen Rubber Factory Limited	50.00	50.00	50.00
Top Units Developments Limited	49.00	49.00	49.00
Twinways Investments Limited	50.00	50.00	50.00
Zhong Ao Multiplex Management Group Limited (Formerly known as Zhong Ao Multiplex Management Limited)	46.82	46.82	46.82

- 1) Refer to Table 10 "Information on Investees" of Note 40 to the consolidated financial statements for business location and business items 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 and 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	
	2023	2022	2023	2022
The Group's share of:				
Net income	\$ 157,412	\$ 187,508	\$ 366,303	\$ 381,681
Other comprehensive loss	<u>(8,776)</u>	<u>(135,724)</u>	<u>(99,213)</u>	<u>(260,993)</u>
Total comprehensive income	<u>\$ 148,636</u>	<u>\$ 51,784</u>	<u>\$ 267,090</u>	<u>\$ 120,688</u>

16. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2023	December 31, 2022	September 30, 2022
Land	\$ 2,701,336	\$ 2,704,364	\$ 2,694,183
Buildings and improvements	43,412,770	44,816,292	46,474,049
Machinery and equipment	11,064,031	12,561,789	13,689,486
Transportation equipment	214,108	248,025	261,968
Office equipment	2,028,720	2,152,588	2,255,636
Other equipment	63,836	66,335	65,147
Construction in progress	<u>2,278,555</u>	<u>1,463,494</u>	<u>1,601,873</u>
	<u>\$ 61,763,356</u>	<u>\$ 64,012,887</u>	<u>\$ 67,042,342</u>

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

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

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

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022	
<u>Carrying amount</u>				
Land	\$ 8,747,079	\$ 8,342,652	\$ 8,356,491	
Buildings and improvements	8,286,638	9,734,519	10,485,598	
Machinery and equipment	-	3,206	4,004	
Transportation equipment	3,470	3,094	2,771	
Other equipment	<u>3,071</u>	<u>3,699</u>	<u>3,908</u>	
	<u>\$ 17,040,258</u>	<u>\$ 18,087,170</u>	<u>\$ 18,852,772</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Additions to right-of-use assets	<u>\$ 814,051</u>	<u>\$ 1,169,579</u>	<u>\$ 2,401,901</u>	<u>\$ 2,461,166</u>
Depreciation charge for right-of-use assets				
Land	\$ 61,571	\$ 31,171	\$ 182,076	\$ 109,251
Buildings and improvements	973,883	1,245,297	2,993,930	3,783,472
Machinery and equipment	-	757	1,326	2,907
Transportation equipment	699	718	2,048	2,307
Other equipment	<u>209</u>	<u>209</u>	<u>628</u>	<u>628</u>
	<u>\$ 1,036,362</u>	<u>\$ 1,278,152</u>	<u>\$ 3,180,008</u>	<u>\$ 3,898,565</u>

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amount</u>			
Current	\$ 2,923,171	\$ 3,486,555	\$ 3,847,186
Non-current	<u>5,953,349</u>	<u>6,713,172</u>	<u>7,202,619</u>
	<u>\$ 8,876,520</u>	<u>\$ 10,199,727</u>	<u>\$ 11,049,805</u>

Range of discount rates for lease liabilities was as follows:

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

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	\$ <u>62,002</u>	\$ <u>111,899</u>	\$ <u>185,667</u>	\$ <u>404,894</u>
Expenses relating to low-value asset leases	\$ <u>1,658</u>	\$ <u>1,468</u>	\$ <u>3,959</u>	\$ <u>3,199</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ <u>947,947</u>	\$ <u>925,769</u>	\$ <u>3,931,608</u>	\$ <u>3,398,907</u>
Total cash outflow for leases			\$ <u>7,308,804</u>	\$ <u>7,903,970</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.

18. INVESTMENT PROPERTIES

	September 30, 2023	December 31, 2022	September 30, 2022
Investment properties	\$ <u>5,800,572</u>	\$ <u>5,806,082</u>	\$ <u>5,753,966</u>

- Except for depreciation expenses recognized and reclassification, the Group had neither significant disposal nor impairment of investment properties during the three months ended September 30, 2023 and 2022 and during the nine months ended September 30, 2023 and 2022.
- The investment properties are depreciated using the straight-line method over 30-55 years.
- The fair values of the Group's investment properties as of December 31, 2022 and 2021 were \$12,967,385 thousand and \$5,573,665 thousand, respectively. The Group's management team evaluated except for the reclassification of the fair values of the investment properties, which were adjusted to \$11,145,621 thousand (the fair values as of December 31, 2021 were adopted), after the carrying amount increased because of the reclassification. The fair values of the investment properties did not change significantly during the nine months ended September 30, 2023 and 2022.

19. GOODWILL

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

20. OTHER INTANGIBLE ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
Computer software	\$ 1,741,401	\$ 1,541,637	\$ 1,386,354
Non-compete agreements	243,735	274,117	284,131
Trademarks	67	75	77
Patents	<u>317</u>	<u>335</u>	<u>340</u>
	<u>\$ 1,985,520</u>	<u>\$ 1,816,164</u>	<u>\$ 1,670,902</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, 2023 and 2022 and during the nine months ended September 30, 2023 and 2022.
- b. The abovementioned items of other intangible assets are amortized on a straight-line basis over their estimated useful life as follows:

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

21. BORROWINGS

- a. Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Credit borrowings	<u>\$ 24,348,928</u>	<u>\$ 20,611,809</u>	<u>\$ 31,631,486</u>

The ranges of effective interest rate on bank borrowings were 1.50%-6.00%, 1.00%-7.47% and 1.56%-6.00% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

- b. Short-term bills payable

September 30, 2023

	Properties	Annual Interest Rate	Amount
Commercial papers	Unsecured	1.40%-1.66%	\$ 3,831,500
Less: Unamortized discount on bills payable			<u>(5,381)</u>
			<u>\$ 3,826,119</u>

December 31, 2022

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

September 30, 2022

	Properties	Annual Interest Rate	Amount
Commercial papers	Unsecured	1.03%-1.32%	\$ 2,854,400
Less: Unamortized discount on bills payable			<u>(3,324)</u>
			<u>\$ 2,851,076</u>

c. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Bank loans	\$ 51,248,967	\$ 61,981,571	\$ 68,126,319
Less: Expenses for long-term borrowings	(29,172)	(55,923)	(68,421)
Less: Current portion	<u>(7,915,450)</u>	<u>(11,923,464)</u>	<u>(9,889,952)</u>
	<u>\$ 43,304,345</u>	<u>\$ 50,002,184</u>	<u>\$ 58,167,946</u>

Maturity dates and ranges of annual interest rates:

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Maturity date</u>			
Long-term borrowings	2024.10.15- 2026.11.29	2024.01.15- 2026.11.29	2023.10.15- 2026.11.29
Current portion of long-term borrowings	2023.10.15- 2024.09.16	2023.01.15- 2023.12.20	2022.10.09- 2023.09.27
<u>Ranges of interest rate</u>	0.94%-6.23%	0.94%-5.54%	0.92%-4.39%

22. NOTES PAYABLE AND ACCOUNTS PAYABLE

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes payable</u>			
Operating	\$ 2,610	\$ 2,671	\$ 2,314
Non-operating	<u>2,843</u>	<u>1,323</u>	<u>2,971</u>
	<u>\$ 5,453</u>	<u>\$ 3,994</u>	<u>\$ 5,285</u>
Accounts payable (included related parties)	<u>\$ 17,639,776</u>	<u>\$ 12,536,177</u>	<u>\$ 17,386,080</u>

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

23. OTHER PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
Payables for salaries	\$ 9,912,905	\$ 11,006,308	\$ 10,668,181
Payables for dividends	789,229	-	1,280,968
Payables for purchase of property, plant and equipment	1,150,258	1,297,784	1,288,154
Payables for annual leave	904,226	1,015,231	990,143
Compensation due to directors	127,828	178,867	184,729
Compensation of employees	481,548	483,415	525,345
Interest payables	112,595	292,424	233,898
Others	<u>5,756,068</u>	<u>7,421,424</u>	<u>8,150,976</u>
	<u>\$ 19,234,657</u>	<u>\$ 21,695,453</u>	<u>\$ 23,322,394</u>
Current	\$ 19,074,500	\$ 21,540,287	\$ 23,163,901
Non-current	<u>160,157</u>	<u>155,166</u>	<u>158,493</u>
	<u>\$ 19,234,657</u>	<u>\$ 21,695,453</u>	<u>\$ 23,322,394</u>

24. RETIREMENT BENEFIT PLANS

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating costs	\$ 115,706	\$ 128,718	\$ 342,841	\$ 398,443
Selling and marketing expenses	636	634	1,883	1,900
General and administrative expenses	12,898	8,289	38,837	33,845
Research and development expenses	<u>1,333</u>	<u>1,051</u>	<u>3,497</u>	<u>3,118</u>
	<u>\$ 130,573</u>	<u>\$ 138,692</u>	<u>\$ 387,058</u>	<u>\$ 437,306</u>

25. EQUITY

a. Share capital

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

b. Capital surplus

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

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
<u>May be used to offset a deficit only</u>			
Recognized from the changes in ownership to subsidiaries (Note 2)	\$ 27,234	\$ 27,234	\$ 27,234
Recognized from the share of changes in net assets of associates and joint ventures	131,825	133,171	133,171
Others	<u>30,766</u>	<u>29,644</u>	<u>29,649</u>
	<u>\$ 4,420,165</u>	<u>\$ 4,420,389</u>	<u>\$ 4,420,394</u> (Concluded)

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

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

c. Retained earnings and dividend policy

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

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

The board of directors proposes an earnings distribution in the form of new shares, which shall be approved following the resolution of the shareholders in their 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 to the shareholders in their meeting.

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

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

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

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

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

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

d. Special reserve

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ -	\$ -
Appropriations in respect of		
Debits to other equity items	21,323,594	-
Change in the fair value of the financial assets reclassified	<u>36,323,172</u>	<u>-</u>
Balance at September 30	<u>\$ 57,646,766</u>	<u>\$ -</u>

The Group's associate, Nan Shan Life Insurance Company Ltd., is an insurance company, and on October 1, 2022, Nan Shan Life Insurance Company Ltd. reclassified the financial assets at fair value through other comprehensive income to financial assets at amortized cost. In accordance with Rule No. 11104942741 issued by the Insurance Bureau of the FSC, Nan Shan Life Insurance Company Ltd. shall appropriate its earnings as a special reserve. When distributing the distributable retained earnings, the Group shall appropriate as a special reserve the amount of changes in the fair value of the financial assets reclassified by Nan Shan Life Insurance Company Ltd. based on the Group's shareholding percentage of Nan Shan Life Insurance Company Ltd. If there is a reversal in the changes in the fair value of the financial assets reclassified by Nan Shan Life Insurance Company Ltd. subsequently, the appropriated special reserve may be reversed based on the Group's shareholding percentage of Nan Shan Life Insurance Company Ltd. and is thereafter distributed. The balance of the special reserve appropriated or reversed by the Group shall not exceed the carrying amount of the Group's investment in Nan Shan Life Insurance Company Ltd.

e. Other equity item

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ (273,894)	\$ (7,414,850)
Exchange differences on translation of the financial statements of foreign operations	3,922,368	10,071,374
Share of exchange differences of associates and joint ventures accounted for using the equity method	<u>(79,297)</u>	<u>(334,793)</u>
Balance at September 30	<u>\$ 3,569,177</u>	<u>\$ 2,321,731</u>

2) Unrealized gain or loss on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ (3,520,843)	\$ 14,613,616
Unrealized gain (loss) from equity instruments	4,274,992	(2,215,413)
Cumulative unrealized (loss) gain on equity instruments transferred to retained earnings due to disposal	(30)	880
Disposal of associates accounted for using the equity method	(19)	-
Share of loss from associates and joint ventures accounted for using the equity method	<u>(2,800,497)</u>	<u>(58,161,235)</u>
Balance at September 30	<u>\$ (2,046,397)</u>	<u>\$ (45,762,152)</u>

3) Others

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ (17,528,857)	\$ 12,620,038
Share of gain (loss) from associates and joint ventures accounted for using the equity method	<u>1,550,510</u>	<u>(26,959,347)</u>
Balance at September 30	<u>\$ (15,978,347)</u>	<u>\$ (14,339,309)</u>

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 75,115,457	\$ 68,063,798
Share of non-controlling interests		
Net profit	2,780,504	3,868,471
Exchange differences on translation of the financial statements of foreign operations	2,456,575	6,789,940
Unrealized loss on financial assets at FVTOCI	(180,344)	(235,712)
Others	30	(525)
Remeasurement of defined benefit plans	-	11,202
Changes in non-controlling interests	<u>(3,018,992)</u>	<u>(2,034,078)</u>
Balance at September 30	<u>\$ 77,153,230</u>	<u>\$ 76,463,096</u>

26. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Sales revenue	\$ 58,102,352	\$ 68,794,858	\$ 185,140,243	\$ 204,056,667
Revenue from entertainment and resorts	144,598	132,361	417,574	339,668
Others	<u>48,998</u>	<u>48,491</u>	<u>200,153</u>	<u>180,610</u>
	<u>\$ 58,295,948</u>	<u>\$ 68,975,710</u>	<u>\$ 185,757,970</u>	<u>\$ 204,576,945</u>

27. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consists of the following:

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest income				
Cash in bank	\$ 409,861	\$ 206,607	\$ 1,049,536	\$ 464,746
Financial assets at amortized cost	74,201	52,155	179,467	138,438
Repurchase agreements collateralized by bonds	6	89	11	1,201
Others	<u>30</u>	<u>11</u>	<u>69</u>	<u>33</u>
	<u>\$ 484,098</u>	<u>\$ 258,862</u>	<u>\$ 1,229,083</u>	<u>\$ 604,418</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Rental income from operating lease	\$ 204,232	\$ 236,939	\$ 621,587	\$ 639,016
Dividend income	738,845	818,175	738,845	818,175
Others	<u>419,963</u>	<u>378,100</u>	<u>1,240,460</u>	<u>1,327,063</u>
	<u>\$ 1,363,040</u>	<u>\$ 1,433,214</u>	<u>\$ 2,600,892</u>	<u>\$ 2,784,254</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net (loss) gain on disposal of property, plant and equipment	\$ (3,029)	\$ (104,174)	\$ 93,356	\$ (133,843)
Net gain on disposal of investment properties	-	-	7,857	-
Net foreign exchange gain (loss)	442,552	(503,876)	(275,097)	269,179
Net gain on disposal of subsidiaries, associates and joint ventures	98,099	-	121,195	107,010
Net gain on fair value of financial instruments at FVTPL	292,716	1,128,858	1,255,012	1,486,764
Reversal (recognized) of impairment loss	-	2,034	-	(26,458)
Others	<u>(91,209)</u>	<u>(71,043)</u>	<u>(257,977)</u>	<u>(210,635)</u>
	<u>\$ 739,129</u>	<u>\$ 451,799</u>	<u>\$ 944,346</u>	<u>\$ 1,492,017</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on bank borrowings	\$ 717,749	\$ 571,100	\$ 2,142,711	\$ 1,290,717
Lease liabilities	98,072	121,159	299,038	381,152
Interest on short-term bills payable	16,330	7,017	39,387	16,502
Other interest expense	<u>21</u>	<u>39</u>	<u>81</u>	<u>70</u>
	<u>\$ 832,172</u>	<u>\$ 699,315</u>	<u>\$ 2,481,217</u>	<u>\$ 1,688,441</u>

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 2,315,563	\$ 2,482,884	\$ 6,942,979	\$ 7,418,716
Right-of-use assets	1,036,362	1,278,152	3,180,008	3,898,565
Investment properties	43,066	36,482	124,100	122,334
Other intangible assets	33,978	28,750	97,928	86,378
Long-term prepayments	<u>-</u>	<u>672</u>	<u>-</u>	<u>1,396</u>
	<u>\$ 3,428,969</u>	<u>\$ 3,826,940</u>	<u>\$ 10,345,015</u>	<u>\$ 11,527,389</u>
An analysis of depreciation by function				
Operating costs	\$ 1,430,054	\$ 1,481,955	\$ 4,213,965	\$ 4,341,315
Operating expenses	1,925,426	2,299,609	5,919,419	7,051,960
Non-operating expenses	<u>39,511</u>	<u>15,954</u>	<u>113,703</u>	<u>46,340</u>
	<u>\$ 3,394,991</u>	<u>\$ 3,797,518</u>	<u>\$ 10,247,087</u>	<u>\$ 11,439,615</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 33,978</u>	<u>\$ 29,422</u>	<u>\$ 97,928</u>	<u>\$ 87,774</u>

f. Direct operating expenses from investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Generated rental income	<u>\$ 12,304</u>	<u>\$ 11,670</u>	<u>\$ 38,751</u>	<u>\$ 33,836</u>

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term benefits	\$ 14,296,832	\$ 16,085,126	\$ 44,031,094	\$ 47,700,262
Post-employment benefits				
Defined contribution plans	1,926,115	2,308,310	6,122,803	5,836,350
Defined benefit plans	<u>130,573</u>	<u>138,692</u>	<u>387,058</u>	<u>437,306</u>
	2,056,688	2,447,002	6,509,861	6,273,656
Share-based payments				
Equity-settled	11,311	10,429	95,550	107,135
Termination benefits	<u>2,321</u>	<u>9,374</u>	<u>10,169</u>	<u>10,674</u>
	<u>\$ 16,367,152</u>	<u>\$ 18,551,931</u>	<u>\$ 50,646,674</u>	<u>\$ 54,091,727</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
An analysis of employee benefits expense by function				
Operating costs	\$ 10,727,418	\$ 12,326,957	\$ 33,228,112	\$ 36,494,971
Operating expenses	<u>5,639,734</u>	<u>6,224,974</u>	<u>17,418,562</u>	<u>17,596,756</u>
	<u>\$ 16,367,152</u>	<u>\$ 18,551,931</u>	<u>\$ 50,646,674</u>	<u>\$ 54,091,727</u> (Concluded)

As of September 30, 2023 and 2022, there were 269,968 and 317,239 employees, respectively, in the Group. The Group accounts for employee benefits expense based on the number of employees.

h. Compensation of employees and remuneration of directors

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

The compensation of employees and remuneration of directors for the nine months ended September 30, 2023 and 2022 were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2023	2022
Compensation of employees	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	
	2023	2022	2023	2022
Compensation of employees	\$ <u>104,841</u>	\$ <u>94,404</u>	\$ <u>185,502</u>	\$ <u>264,049</u>
Remuneration of directors	\$ <u>52,420</u>	\$ <u>47,202</u>	\$ <u>92,750</u>	\$ <u>132,024</u>

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

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

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

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

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

28. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 1,019,554	\$ 1,387,394	\$ 2,575,044	\$ 3,333,457
Income tax expense of unappropriated earnings	-	(573)	-	424,062
Adjustments for prior year's income tax	<u>-</u>	<u>-</u>	<u>4,840</u>	<u>(9,731)</u>
	<u>1,019,554</u>	<u>1,386,821</u>	<u>2,579,884</u>	<u>3,747,788</u>
Deferred tax				
In respect of the current period	<u>(117,097)</u>	<u>(322,932)</u>	<u>(66,921)</u>	<u>(652,454)</u>
Income tax expense recognized in profit or loss	<u>\$ 902,457</u>	<u>\$ 1,063,889</u>	<u>\$ 2,512,963</u>	<u>\$ 3,095,334</u>

b. Income tax assessments

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

29. EARNINGS PER SHARE

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
<u>Net income (in thousand dollars)</u>				
Earnings used in the computation of earnings per share	<u>\$ 6,083,119</u>	<u>\$ 5,728,469</u>	<u>\$ 10,581,173</u>	<u>\$ 15,427,707</u>
<u>Weighted average number of shares outstanding (in thousand shares)</u>				
Weighted average number of ordinary shares used in the computation of basic earnings per share	2,946,787	2,946,787	2,946,787	2,946,787
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>3,659</u>	<u>3,312</u>	<u>7,876</u>	<u>10,816</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>2,950,446</u>	<u>2,950,099</u>	<u>2,954,663</u>	<u>2,957,603</u>
<u>Earnings per share (in dollars)</u>				
Basic earnings per share	<u>\$ 2.06</u>	<u>\$ 1.94</u>	<u>\$ 3.59</u>	<u>\$ 5.23</u>
Diluted earnings per share	<u>\$ 2.06</u>	<u>\$ 1.94</u>	<u>\$ 3.58</u>	<u>\$ 5.22</u>

The Company may settle the compensation paid to employees by cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

30. SHARE-BASED PAYMENT ARRANGEMENTS

a. Information about Yue Yuen's employee share options

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

	For the Nine Months Ended September 30	
	2023	2022
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	1,470	1,740
Options granted	2,935	1,184
Options cancelled	(46)	(240)
Options exercised	<u>(2,609)</u>	<u>(1,184)</u>
Balance at September 30	<u>1,750</u>	<u>1,500</u>

Yue Yuen recognized \$86,980 thousand and \$95,329 thousand in compensation costs for the nine months ended September 30, 2023 and 2022, respectively.

b. Information about Pou Sheng's employee share options

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

	For the Nine Months Ended September 30	
	2023	2022
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	8,163	15,968
Options cancelled	(395)	(1,944)
Options exercised	<u>(2,173)</u>	<u>(6,777)</u>
Balance at September 30	<u>5,595</u>	<u>7,247</u>

Pou Sheng recognized \$8,570 thousand and \$11,806 thousand in compensation costs for the nine months ended September 30, 2023 and 2022, respectively.

31. DISPOSAL OF SUBSIDIARIES

The Group disposed of subsidiaries in the nine months ended September 30, 2022, the assets and liabilities on the date of disposal were as follows:

Assets

Cash and cash equivalents	\$ 30,512
Receivables and other receivables	41,783
Other current assets	5,588
Inventories	21,241
Other assets	12,573
Deferred tax assets	286

Liabilities

Payables and other payables	(25,273)
Lease liabilities	<u>(17,780)</u>
	<u>\$ 68,930</u>

a. Gain on disposal of subsidiaries

Consideration received in cash and cash equivalents	\$ 48,070
Net value of net assets disposed of	(68,930)
Non-controlling interests	<u>20,860</u>
Gain on disposal	<u>\$ -</u>

b. Net cash inflow on disposal of subsidiaries

Consideration received in cash and cash equivalents	\$ 48,070
Less: Cash and cash equivalents balance disposed of	<u>(30,512)</u>
	<u>\$ 17,558</u>

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 that are not measured at fair value

Except those listed in the table below, the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

September 30, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Corporate bonds	\$ 2,750,818	\$ -	\$ 2,613,813	\$ -	\$ 2,613,813

December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Corporate bonds	\$ 2,819,889	\$ -	\$ 2,675,680	\$ -	\$ 2,675,680

September 30, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Corporate bonds	\$ 2,891,263	\$ -	\$ 2,678,515	\$ -	\$ 2,678,515

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

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

1) The fair value hierarchy is as follows:

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 590,878	\$ -	\$ 590,878
Mutual funds	<u>742,228</u>	<u>-</u>	<u>824,148</u>	<u>1,566,376</u>
	<u>\$ 742,228</u>	<u>\$ 590,878</u>	<u>\$ 824,148</u>	<u>\$ 2,157,254</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 22,392,916	\$ -	\$ -	\$ 22,392,916
Domestic unlisted shares	-	-	71,273	71,273
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>144,546</u>	<u>144,546</u>
	<u>\$ 22,392,916</u>	<u>\$ -</u>	<u>\$ 215,819</u>	<u>\$ 22,608,735</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 158,411</u>	<u>\$ -</u>	<u>\$ 158,411</u>

December 31, 2022

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

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 1,781,861	\$ -	\$ 1,781,861
Structured deposits	-	4,143,446	-	4,143,446
Mutual funds	<u>357,135</u>	<u>-</u>	<u>612,179</u>	<u>969,314</u>
	<u>\$ 357,135</u>	<u>\$ 5,925,307</u>	<u>\$ 612,179</u>	<u>\$ 6,894,621</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 18,518,809	\$ -	\$ -	\$ 18,518,809
Domestic unlisted shares	-	-	63,178	63,178
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>122,481</u>	<u>122,481</u>
	<u>\$ 18,518,809</u>	<u>\$ -</u>	<u>\$ 185,659</u>	<u>\$ 18,704,468</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 268,645</u>	<u>\$ -</u>	<u>\$ 268,645</u>

- 2) There were no transfers between Levels 1 and 2 in the current and prior periods.
- 3) There was no reconciliation of Level 3 fair value measurements of financial assets except for additions, disposals, and changes in fair value recognized in other comprehensive income.
- 4) The fair value of Level 2 financial assets and financial liabilities is determined as follows:
 - a) The fair value of financial instruments with standard terms and conditions 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 are as follows:

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

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily at FVTPL	\$ 2,157,254	\$ 3,544,848	\$ 6,894,621
Financial assets at amortized cost (Note 1)	91,724,482	78,139,109	92,060,556
Financial assets at FVTOCI	22,608,735	18,342,029	18,704,468
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	158,411	155,274	268,645
Financial liabilities at amortized cost (Note 2)	116,321,497	118,402,239	143,303,947

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

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

d. Financial risk management objectives and policies

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

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities and the carrying amount of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 39 to the consolidated financial statements.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 1% increase (decrease) in New Taiwan dollars (i.e., 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	
	2023	2022
USD	\$ 44,972	\$ 9,453
RMB	(74,621)	(103,871)
HKD	(23,460)	(40,447)
VND	4,166	2,708
IDR	749	(2,148)

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, 2023	December 31, 2022	September 30, 2022
Cash flow interest rate risk			
Financial liabilities	\$ 74,565,617	\$ 75,530,185	\$ 89,789,259

Sensitivity analysis

The sensitivity analysis below was based on the Group's floating rate liabilities. The analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole period. If there had been a 1% increase in interest rates, it would have caused the Group to increase its cash outflow by \$559,242 thousand and \$673,420 thousand during the nine months ended September 30, 2023 and 2022, respectively.

c) Other price risk

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

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had declined by 1%, income before income tax for the nine months ended September 30, 2023 and 2022 would have decreased by \$15,664 thousand and \$9,693 thousand, respectively. If equity prices had declined by 1% as a result of the changes in the fair value of financial assets at FVTPL, and the other comprehensive income for the nine months ended September 30, 2023 and 2022 would have decreased by \$224,118 thousand and \$185,377 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

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

2) Credit risk

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

3) Liquidity risk

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

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

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

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 21,505,101	\$ 6,916,007	\$ 8,299,350	\$ 145,042	\$ 61,155
Lease liabilities	248,924	656,764	2,318,943	5,370,211	1,216,966
Floating interest rate liabilities	13,914,759	9,091,703	10,321,450	41,237,705	-
Fixed interest rate liabilities	68,897	3,082,185	1,500,000	2,430,000	-
Financial guarantee contracts	1,544,064	-	-	-	-
	<u>\$ 37,281,745</u>	<u>\$ 19,746,659</u>	<u>\$ 22,439,743</u>	<u>\$ 49,182,958</u>	<u>\$ 1,278,121</u>

December 31, 2022

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

September 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 24,178,596	\$ 7,773,071	\$ 8,604,534	\$ 145,186	\$ 62,100
Lease liabilities	307,771	904,231	3,029,615	6,353,975	1,671,638
Floating interest rate liabilities	17,014,102	5,217,003	12,874,980	54,683,174	-
Fixed interest rate liabilities	3,880,253	1,565,199	5,309,757	4,930,000	-
Financial guarantee contracts	1,362,850	-	-	-	-
	<u>\$ 46,743,572</u>	<u>\$ 15,459,504</u>	<u>\$ 29,818,886</u>	<u>\$ 66,112,335</u>	<u>\$ 1,733,738</u>

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

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

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

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Forward exchange contracts	\$ 28,464	\$ 1,868	\$ 11,758	\$ -	\$ -
Exchange rate option contracts	2,054	-	113,217	-	-
Exchange rate swap contracts	-	1,050	-	-	-
	<u>\$ 30,518</u>	<u>\$ 2,918</u>	<u>\$ 124,975</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

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

September 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Forward exchange contracts	\$ -	\$ 56,870	\$ 42,369	\$ -	\$ -
Exchange rate option contracts	4,506	3,242	144,165	-	-
Exchange rate swap contracts	-	-	17,493	-	-
	<u>\$ 4,506</u>	<u>\$ 60,112</u>	<u>\$ 204,027</u>	<u>\$ -</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 upon consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party names and categories

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

b. Operating revenue

Account	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Sales	Associates	\$ 26,003	\$ 39,369	\$ 78,053	\$ 156,622
	Joint ventures	92,381	94,797	283,027	310,030
	Other related party	<u>37,957</u>	<u>-</u>	<u>112,978</u>	<u>-</u>
		<u>\$ 156,341</u>	<u>\$ 134,166</u>	<u>\$ 474,058</u>	<u>\$ 466,652</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	
		2023	2022	2023	2022
Purchases	Associates	\$ 855,140	\$ 892,750	\$ 2,413,654	\$ 2,487,703
	Joint ventures	<u>1,217,290</u>	<u>1,355,732</u>	<u>3,461,137</u>	<u>3,858,037</u>
		<u>\$ 2,072,430</u>	<u>\$ 2,248,482</u>	<u>\$ 5,874,791</u>	<u>\$ 6,345,740</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 Category	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable	Associates	\$ 36,078	\$ 21,439	\$ 29,006
	Joint ventures	46,947	10,686	8,775
	Other related party	<u>9,196</u>	<u>-</u>	<u>-</u>
		<u>\$ 92,221</u>	<u>\$ 32,125</u>	<u>\$ 37,781</u>

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

e. Payables to related parties

Account Items	Related Party Category	September 30, 2023	December 31, 2022	September 30, 2022
Accounts payable	Associates	\$ 757,316	\$ 575,581	\$ 811,580
	Joint ventures	<u>981,424</u>	<u>1,011,328</u>	<u>1,300,497</u>
		<u>\$ 1,738,740</u>	<u>\$ 1,586,909</u>	<u>\$ 2,112,077</u>

f. Financing provided

Refer to Table 1 “Financing provided to others” of Note 40 to the consolidated financial statements.

g. Endorsements/guarantees provided

Refer to Table 2 “Endorsements/guarantees provided” of Note 40 to the consolidated financial statements.

h. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 92,711	\$ 86,671	\$ 212,872	\$ 264,524
Post-retirement benefits	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>13,260</u>
	<u>\$ 92,711</u>	<u>\$ 86,671</u>	<u>\$ 226,372</u>	<u>\$ 277,784</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, 2023	December 31, 2022	September 30, 2022
Financial assets at amortized cost	<u>\$ 52,739</u>	<u>\$ 59,292</u>	<u>\$ 59,157</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: In Thousands of Foreign Currencies)

Foreign Currencies	September 30, 2023	December 31, 2022	September 30, 2022
USD	\$ 1,689	\$ 1,491	\$ 1,355
VND	9,185,381	9,185,381	9,185,381

- b. The Company entered into project agreements with the Institute for Information Industry. According to the project agreements, the Company has to provide promissory notes and bank guarantees to the Taipei Computer Association as guarantee.
- c. The Group entered into a memorandum of cooperation with the government of Tamil Nadu, India, on April 17, 2023. According to the memorandum, the Group will invest approximately INR23 billion (approximately US\$276 million) in two stages during the 12-year investment period from 2023 to 2035 to set up a production base in the Special Economic Zone of Tamil Nadu.

38. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

Refer to Note 15.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2023

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 44,064	32.270	\$ 1,421,937
NTD	1,594,633	1	1,594,633
RMB	2,638,541	4.415	11,649,157
HKD	594,611	4.123	2,451,582
VND	623,235,878	0.00131	816,439
IDR	92,543,750	0.00208	192,491
Non-monetary items			
USD	17,172	32.270	554,129
NTD	637,558	1	637,558
RMB	216,091	4.415	954,041
VND	83,236,641	0.00131	109,040

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 183,402	32.270	\$ 5,918,382
NTD	2,033,013	1	2,033,013
RMB	948,290	4.415	4,186,702
HKD	25,582	4.123	105,476
VND	1,039,870,992	0.00131	1,362,231
IDR	129,979,327	0.00208	270,357
Non-monetary items			
USD	21	32.270	668 (Concluded)

December 31, 2022

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

Financial liabilities

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

September 30, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 86,208	31.750	\$ 2,737,094
NTD	194,405	1	194,405
RMB	2,451,894	4.473	10,967,320
HKD	1,006,935	4.044	4,072,047
VND	896,637,121	0.00132	1,183,561
IDR	262,288,462	0.00208	545,560
Non-monetary items			
USD	48,912	31.750	1,552,956
NTD	668,211	1	668,211
RMB	613,609	4.473	2,744,674
<u>Financial liabilities</u>			
Monetary items			
USD	115,989	31.750	3,683,638
NTD	1,634,628	1	1,634,628
RMB	129,721	4.473	580,240
HKD	6,849	4.044	27,696
VND	1,167,424,242	0.00132	1,541,000
IDR	154,877,404	0.00208	322,145

For the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, net foreign exchange gains (losses) were \$442,552 thousand, \$(503,876) thousand, \$(275,097) thousand and \$269,179 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the functional currencies of the Group's entities.

40. 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 NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (Table 6)

- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 8)
 - 9) Trading in derivative instruments (Notes 7 and 34)
 - 10) Intercompany relationships and significant intercompany transactions (Table 9)
 - 11) Information on investees (Table 10)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 11)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party (None)
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned and the percentage of ownership of each shareholder (Table 12)

41. 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, 2023

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 117,368,308</u>	<u>\$ 67,695,056</u>	<u>\$ 694,606</u>	<u>\$ 185,757,970</u>
Segment income	<u>\$ 15,355,517</u>	<u>\$ 3,791,282</u>	<u>\$ 444,944</u>	\$ 19,591,743
Administrative costs and remuneration of directors				(14,248,135)
Interest income				1,229,083
Rental income				621,587
Dividend income				738,845
Other income				1,240,460
Net gain on disposal of property, plant and equipment				93,356
Net gain on disposal of investment properties				7,857
Net foreign exchange loss				(275,097)
Net gain on disposal of associates and joint ventures				121,195
Net gain on financial instruments at FVTPL				1,255,012
Other loss				(257,977)
Net loss on derecognition of financial assets at amortized cost				(80,397)
Finance costs				(2,481,217)
Share of profit of associates and joint ventures				<u>8,318,325</u>
Income before income tax				<u>\$ 15,874,640</u>

For the nine months ended September 30, 2022

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 140,446,216</u>	<u>\$ 63,529,003</u>	<u>\$ 601,726</u>	<u>\$ 204,576,945</u>
Segment income	<u>\$ 18,999,595</u>	<u>\$ 3,167,845</u>	<u>\$ 418,141</u>	\$ 22,585,581
Administrative costs and remuneration of directors				(14,026,927)
Interest income				604,418
Rental income				639,016
Dividend income				818,175
Other income				1,327,063
Net loss on disposal of property, plant and equipment				(133,843)
Net foreign exchange gain				269,179

(Continued)

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Net gain on disposal of joint ventures				\$ 107,010
Net gain on financial instruments at FVTPL				1,486,764
Impairment loss of assets				(26,458)
Other loss				(210,635)
Net loss on derecognition of financial assets at amortized cost				(13,610)
Finance costs				(1,688,441)
Share of profit of associates and joint ventures				<u>10,654,220</u>
Income before income tax				<u>\$ 22,391,512</u> (Concluded)

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

POU CHEN CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Financing Company	Borrowing Company	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note
													Item	Value			
1	Dong Guan Baoqiao Electronic Technology Co., Ltd.	Kunshan Yuanying Electronics Technology Co., Ltd. Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	\$ 12,224 (RMB 2,750,000)	\$ - (RMB 88,300)	\$ - (RMB 88,300)	- 3.00	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 247,498	\$ 247,498	
			Accounts receivable from related parties	Yes	(RMB 20,000,000)	(RMB 20,000,000)	(RMB 20,000,000)		2	-	-	-	-	-	-	247,498	247,498
2	Dongguan Yuming Electronic Technology Co., Ltd.	Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	44,450 (RMB 10,000,000)	44,150 (RMB 10,000,000)	44,150 (RMB 10,000,000)	3.00	2	-	Operating capital	-	-	-	325,008	325,008	
3	Wang Yi Construction Co., Ltd.	Barits Development Corporation	Accounts receivable from related parties	Yes	22,000	22,000	22,000	1.58	2	-	Operating capital	-	-	-	24,899	24,899	
4	Orisol Asia Limited	Orisol Vietnam Co., Ltd.	Accounts receivable from related parties	Yes	34,932 (US\$ 1,100,000)	19,362 (US\$ 600,000)	19,362 (US\$ 600,000)	3.00	2	-	Operating capital	-	-	-	564,519	564,519	
5	Prime Asia (S.E. Asia) Leather Corporation	Prime Asia (Vietnam) Co., Ltd.	Accounts receivable from related parties	Yes	571,179 (US\$ 17,700,000)	571,179 (US\$ 17,700,000)	571,179 (US\$ 17,700,000)	1.50	2	-	Operating capital	-	-	-	1,533,047	1,533,047	
6	Yue Yuen Industrial (Holdings) Limited	Pt. Pou Yuen Indonesia	Accounts receivable from related parties	Yes	5,296,115 (US\$ 164,500,000)	4,340,315 (US\$ 134,500,000)	4,340,315 (US\$ 134,500,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pt.Glostar Indonesia	Accounts receivable from related parties	Yes	4,344,470 (US\$ 137,000,000)	2,062,053 (US\$ 63,900,000)	2,062,053 (US\$ 63,900,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pt. Nikomas Gemilang	Accounts receivable from related parties	Yes	5,746,400 (US\$ 180,000,000)	3,872,400 (US\$ 120,000,000)	3,872,400 (US\$ 120,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pt. Pou Chen Indonesia	Accounts receivable from related parties	Yes	1,118,380 (US\$ 35,000,000)	1,097,180 (US\$ 34,000,000)	1,097,180 (US\$ 34,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pt. Selalu Cinta Indonesia	Accounts receivable from related parties	Yes	1,131,222 (US\$ 35,450,000)	659,922 (US\$ 20,450,000)	659,922 (US\$ 20,450,000)	6.27	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Prime Asia (Vietnam) Co., Ltd.	Accounts receivable from related parties	Yes	438,520 (US\$ 14,000,000)	193,620 (US\$ 6,000,000)	193,620 (US\$ 6,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pouyuen Vietnam Company Limited	Accounts receivable from related parties	Yes	10,275,860 (US\$ 323,000,000)	6,970,320 (US\$ 216,000,000)	6,970,320 (US\$ 216,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pou Hung Vietnam Company Limited	Accounts receivable from related parties	Yes	2,931,550 (US\$ 95,000,000)	1,129,450 (US\$ 35,000,000)	1,129,450 (US\$ 35,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pou Li Vietnam Company Limited	Accounts receivable from related parties	Yes	1,267,530 (US\$ 40,000,000)	871,290 (US\$ 27,000,000)	871,290 (US\$ 27,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pou Phong Vietnam Company Limited	Accounts receivable from related parties	Yes	2,110,835 (US\$ 67,000,000)	1,081,045 (US\$ 33,500,000)	1,081,045 (US\$ 33,500,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Yue De Vietnam Company Limited	Accounts receivable from related parties	Yes	3,502,255 (US\$ 113,000,000)	1,548,960 (US\$ 48,000,000)	1,548,960 (US\$ 48,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pt. Shoenary Javanusia Inc.	Accounts receivable from related parties	Yes	887,425 (US\$ 27,500,000)	887,425 (US\$ 27,500,000)	887,425 (US\$ 27,500,000)	6.27	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pou Sung Vietnam Company Limited	Accounts receivable from related parties	Yes	10,517,550 (US\$ 332,000,000)	5,744,060 (US\$ 178,000,000)	5,744,060 (US\$ 178,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pou Chen Vietnam Enterprise Ltd.	Accounts receivable from related parties	Yes	1,175,160 (US\$ 38,000,000)	- (US\$ -)	- (US\$ -)	-	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Pro Kingtex Industrial Company Limited	Accounts receivable from related parties	Yes	146,044 (US\$ 4,605,000)	75,512 (US\$ 2,340,000)	75,512 (US\$ 2,340,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Precious Full Investments Ltd.	Accounts receivable from related parties	Yes	1,070,396 (US\$ 33,170,000)	1,070,396 (US\$ 33,170,000)	1,070,396 (US\$ 33,170,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Solar Link International Inc.	Accounts receivable from related parties	Yes	380,641 (US\$ 12,080,000)	194,911 (US\$ 6,040,000)	194,911 (US\$ 6,040,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
		Ct TNHH Mtv Dich Vu Thuong Mai Tu Van Xuat Nhap Khau Van Thuan	Accounts receivable from related parties	Yes	14,522 (US\$ 450,000)	14,522 (US\$ 450,000)	14,522 (US\$ 450,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513	
Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	451,780 (US\$ 14,000,000)	451,780 (US\$ 14,000,000)	451,780 (US\$ 14,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513			
Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	322,700 (US\$ 10,000,000)	322,700 (US\$ 10,000,000)	322,700 (US\$ 10,000,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513			
Dongguan Yu Xiang Shoes Material Co., Ltd.	Accounts receivable from related parties	Yes	342,265 (US\$ 77,000,000)	339,955 (US\$ 77,000,000)	339,955 (US\$ 77,000,000)	2.56	2	-	Operating capital	-	-	-	52,634,513	52,634,513			
Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	42,274 (US\$ 1,310,000)	42,274 (US\$ 1,310,000)	42,274 (US\$ 1,310,000)	3.00	2	-	Operating capital	-	-	-	52,634,513	52,634,513			
7	Idea (Macao Commercial Offshore) Limited	Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	121,920 (US\$ 4,000,000)	-	-	-	2	-	Operating capital	-	-	-	4,261,476	4,261,476	
8	Mega International Trading Ltd.	Prodigy Management Ltd.	Accounts receivable from related parties	Yes	88,097 (US\$ 2,730,000)	88,097 (US\$ 2,730,000)	88,097 (US\$ 2,730,000)	-	2	-	Operating capital	-	-	-	223,729	223,729	
		United Ally Global Ltd.	Accounts receivable from related parties	Yes	8,713 (US\$ 270,000)	8,713 (US\$ 270,000)	8,713 (US\$ 270,000)	-	2	-	Operating capital	-	-	-	223,729	223,729	
9	Hero Luck Group Ltd.	High Glory Footwear India Private Ltd.	Accounts receivable from related parties	Yes	3,186,000 (US\$ 100,000,000)	709,940 (US\$ 22,000,000)	709,940 (US\$ 22,000,000)	3.00	2	-	Operating capital	-	-	-	3,764,360	3,764,360	

(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			
10	Pou Chien Enterprise Co., Ltd.	I-Tech. Sporting Enterprise Ltd.	Accounts receivable from related parties	Yes	\$ 800,000	\$ -	\$ -	-	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 2,232,535	\$ 2,232,535	
		Yue Yuen Industrial (Holdings) Limited	Accounts receivable from related parties	Yes	2,230,502 (US\$ 69,120,000)	2,230,502 (US\$ 69,120,000)	1,916,838 (US\$ 59,400,000)	3.00	2	-	Operating capital	-	-	-	2,232,535	2,232,535	
11	Dongguan Yusheng Shoe Industry Co., Ltd.	Dong Guan Pou Chen Footwear Company Limited	Accounts receivable from related parties	Yes	1,111,250 (RMB 250,000,000)	1,103,750 (RMB 250,000,000)	176,600 (RMB 40,000,000)	2.59	2	-	Operating capital	-	-	-	1,676,620	1,676,620	
		Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	66,675 (RMB 15,000,000)	66,225 (RMB 15,000,000)	66,225 (RMB 15,000,000)	2.56	2	-	Operating capital	-	-	-	1,676,620	1,676,620	
		Yichun Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	111,125 (RMB 25,000,000)	110,375 (RMB 25,000,000)	110,375 (RMB 25,000,000)	2.56	2	-	Operating capital	-	-	-	1,676,620	1,676,620	
		Dongguan Yu Xiang Shoes Material Co., Ltd.	Accounts receivable from related parties	Yes	133,350 (RMB 30,000,000)	132,450 (RMB 30,000,000)	66,225 (RMB 15,000,000)	2.56	2	-	Operating capital	-	-	-	1,676,620	1,676,620	
12	Rui Jin Pou Yuen Footwear Development Co., Ltd.	Yu Xing (Jishui) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	28,443 (RMB 6,400,000)	28,256 (RMB 6,400,000)	28,256 (RMB 6,400,000)	2.56-3.33	2	-	Operating capital	-	-	-	245,445	245,445	
13	Yiyang Yujing Shoes Industrial Co., Ltd.	Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	31,115 (RMB 7,000,000)	30,905 (RMB 7,000,000)	-	3.33	2	-	Operating capital	-	-	-	147,959	147,959	
14	Yichun Yisen Industry Co., Ltd.	Yisen (YiFeng) Mould Co., Ltd.	Accounts receivable from related parties	Yes	22,225 (RMB 5,000,000)	22,075 (RMB 5,000,000)	22,075 (RMB 5,000,000)	3.33	2	-	Operating capital	-	-	-	566,792	566,792	
15	Shanggao Yisen Industry Co., Ltd.	Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	88,900 (RMB 20,000,000)	-	-	-	2	-	Operating capital	-	-	-	1,443,090	1,443,090	
16	Yue Yuen (Anfu) Footwear Co., Ltd.	Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	444,500 (RMB 100,000,000)	-	-	-	2	-	Operating capital	-	-	-	1,993,126	1,993,126	
17	Pouyuen Vietnam Company Limited	Powerknit Vietnam Company Limited	Accounts receivable from related parties	Yes	304,567 (US\$ 10,140,416)	-	-	-	2	-	Operating capital	-	-	-	5,648,478	5,648,478	
		Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	312,506 (US\$ 9,684,093)	312,506 (US\$ 9,684,093)	312,506 (US\$ 9,684,093)	3.00	2	-	Operating capital	-	-	-	5,648,478	5,648,478	
18	Pou Sung Vietnam Company Limited	Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	185,194 (US\$ 5,738,881)	185,194 (US\$ 5,738,881)	185,194 (US\$ 5,738,881)	3.00	2	-	Operating capital	-	-	-	4,117,200	4,117,200	
19	Pou Chen Vietnam Enterprise Ltd.	Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	158,737 (US\$ 4,919,041)	158,737 (US\$ 4,919,041)	158,737 (US\$ 4,919,041)	3.00	2	-	Operating capital	-	-	-	1,615,439	1,615,439	
20	Precious Full Investments Limited	Bangladesh Pou Hung Industrial Limited	Accounts receivable from related parties	Yes	733,174 (US\$ 22,720,000)	733,174 (US\$ 22,720,000)	733,174 (US\$ 22,720,000)	-	2	-	Operating capital	-	-	-	5,554,499	5,554,499	
21	Pt. Hardases Abadi Indonesia	Pt. Nikomas Gemilang	Accounts receivable from related parties	Yes	304,800 (US\$ 10,000,000)	-	-	-	2	-	Operating capital	-	-	-	1,133,743	1,133,743	
22	Wealthplus Holdings Limited	Pou Chen Corporation	Accounts receivable from related parties	Yes	14,646,451 (US\$ 268,000,000) (RMB 1,078,000,000) (NTS 1,398,012)	10,826,592 (US\$ 183,000,000) (RMB 798,000,000) (NTS 1,398,012)	10,826,592 (US\$ 183,000,000) (RMB 798,000,000) (NTS 1,398,012)	-	2	-	Operating capital	-	-	-	170,897,665	170,897,665	
23	Pou Sheng (China) Investment Group Co., Ltd.	Qingdao Pou-Sheng International Sport Products Co., Ltd.	Loans receivable	Yes	1,337,637 (RMB 300,930,700)	1,328,609 (RMB 300,930,700)	31,788 (RMB 7,200,000)	3.65	2	-	Operating capital	-	-	-	2,125,775	2,125,775	

Note 1: The Company is coded as follows:

- The Company is coded "0".
- The investee is coded consecutively beginning from "1" in the order presented in the table above.

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

- Business relationship is coded 1.
- The need for short-term financing is coded 2.

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

- The maximum amount permitted to a single borrower is listed based on the types of financing reasons as follows:
 - Business relationship: Each of the financing amount shall not exceed the amount of our business relationship. Business relationship means higher amount of the purchases from or sales to both sides in the current year or in the future year and shall not exceed 10% of the Company's net worth.
 - The need for short-term financing: Each of the financing amount shall not exceed 10% of the Company's net worth.
- The total maximum amount permitted to a single borrower is listed based on the types of financing reasons as follows:
 - Business relationship: Each of the financing amount shall not exceed 10% of the Company's net worth.
 - The need for short-term financing: Each of the financing amount shall not exceed 40% of the Company's net worth.
 - Among foreign companies which the Company holds 100% voting rights directly and indirectly, when financing is necessary, the amount is not limited by the above information. However, the limit amount of financing to others during one year shall not exceed the borrowers' net worth.

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

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship (Note 2)											
0	Pou Chen Corporation	Wealthplus Holdings Limited	b	\$ 118,177,187	\$ 30,333,800	\$ 30,333,800	\$ -	\$ -	26	\$ 236,354,374	Y	N	N	
		Pro Arch International Development Enterprise Inc.	b	118,177,187	37,800	22,680	22,680	-	-	236,354,374	Y	N	N	
		Barits Development Corporation	b	118,177,187	8,636,200	8,636,200	2,250,000	-	7	236,354,374	Y	N	N	
		Windsor Entertainment Co., Ltd.	b	118,177,187	80,000	80,000	30,000	-	-	236,354,374	Y	N	N	
		Yue Hong Realty Development Co., Ltd.	b	118,177,187	550,000	550,000	537,500	-	-	236,354,374	Y	N	N	
		Pou Shine Investments Co., Ltd.	b	118,177,187	1,750,000	1,750,000	376,500	-	1	236,354,374	Y	N	N	
		Pou Yuen Technology Co., Ltd.	b	118,177,187	100,000	100,000	-	-	-	236,354,374	Y	N	N	
		Pou Yui Development Co., Ltd.	b	118,177,187	400,000	400,000	89,400	-	-	236,354,374	Y	N	N	
1	Yue Yuen Industrial (Holdings) Limited	Cohen Enterprises Inc.	f	78,951,769	717,125	564,725	127,467	-	-	197,379,423	N	N	N	
		Innovative Track Limited	f	78,951,769	(US\$ 22,500,000) 615,100 (NT\$ 300,000) (US\$ 10,000,000)	(US\$ 17,500,000) 311,350 (NT\$ 150,000) (US\$ 5,000,000)	(US\$ 3,950,000) 250,000	-	-	197,379,423	N	N	N	
		Oftenrich Holdings Limited	f	78,951,769	806,364	667,989	4,792	-	1	197,379,423	N	N	N	
		Pt. Selalu Cinta Indonesia	b	78,951,769	(US\$ 25,200,000) 3,303,641	(US\$ 20,700,000) 3,303,641	(US\$ 148,500) 2,073,741	-	3	197,379,423	N	N	N	
		Orisol Taiwan Limited	b	78,951,769	90,000	90,000	90,000	-	-	197,379,423	N	N	N	
		Prime Asia Leather Corporation	b	78,951,769	2,393,400	1,936,200	906,500	-	1	197,379,423	N	N	N	
		Prime Asia Leather (Vietnam) Company Limited	b	78,951,769	(US\$ 75,000,000) 645,400	(US\$ 60,000,000) 645,400	-	-	-	197,379,423	N	N	N	
		Pou Chien Enterprise Co., Ltd.	b	78,951,769	(US\$ 20,000,000) 260,000	(US\$ 20,000,000) -	-	-	-	197,379,423	N	N	N	
		Pou Phong Vietnam Company Ltd.	b	78,951,769	290,430	290,430	-	-	-	197,379,423	N	N	N	
		Pt. KMK Global Sports	b	78,951,769	(US\$ 9,000,000) 2,178,225	(US\$ 9,000,000) 2,178,225	(US\$ 910,261) 28,207,670	-	2	197,379,423	N	N	N	
		Pt. Shoenary Javanesia Inc.	b	78,951,769	(US\$ 67,500,000) 1,282,733	(US\$ 67,500,000) 1,282,733	(US\$ 17,623,593) 568,714	-	1	197,379,423	N	N	N	
		Yue Dean Technology Corporation	b	78,951,769	(US\$ 39,750,000) 3,800,000	(US\$ 39,750,000) 1,900,000	740,000	-	1	197,379,423	N	N	N	
		I-Tech Sporting Enterprises Ltd.	b	78,951,769	1,800,000	900,000	850,000	-	1	197,379,423	N	N	N	
		Pou Chen (Cambodia) Co., Ltd.	b	78,951,769	2,536,850	1,774,850	-	-	1	197,379,423	N	N	N	
		Yue Yuen Industrial Limited	b	78,951,769	(US\$ 80,000,000) 322,700	(US\$ 55,000,000) 322,700	306,000	-	-	197,379,423	N	N	N	
					(US\$ 10,000,000)	(US\$ 10,000,000)								
2	Pou Sheng International (Holdings) Limited	Shaanxi Pousheng Trading Co., Ltd.	b	74,341,430	4,002,840	3,920,992	382	-	11	148,682,860	N	N	Y	
		Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	74,341,430	(RMB 421,415,350) (US\$ 66,000,000) 11,762,294	(RMB 405,701,422) (US\$ 66,000,000) 9,810,697	(RMB 86,462) 38,888	-	26	148,682,860	N	N	Y	
		Hefei Pouxun Sporting Goods Co., Ltd.	b	74,341,430	(RMB 2,169,328,631) (US\$ 66,000,000) 93,544	(RMB 1,739,723,044) (US\$ 66,000,000) 45,434	(RMB 8,808,272) 10,883	-	-	148,682,860	N	N	Y	
		Henan YYSPOrts Sport Products Co., Ltd.	b	74,341,430	(RMB 21,114,334) 120,112	(RMB 10,290,839) 33,181	(RMB 2,464,898) 10,466	-	-	148,682,860	N	N	Y	
		Zhejiang Shengdao Sporting-Goods Co., Ltd.	b	74,341,430	(RMB 27,072,536) 2,589,497	(RMB 7,515,578) 2,574,116	(RMB 2,370,560) -	-	7	148,682,860	N	N	Y	
		Yue Cheng (Kun Shan) Sports Co., Ltd.	b	74,341,430	(RMB 103,418,736) (US\$ 66,000,000) 4,109,587	(RMB 100,633,258) (US\$ 66,000,000) 2,477,948	-	-	7	148,682,860	N	N	Y	
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	74,341,430	(RMB 926,979,714) 72,841	(RMB 561,256,637) 27,236	-	-	-	148,682,860	N	N	Y	
		Bao Sheng Dao Ji (Beijing) Trading Company Ltd.	b	74,341,430	(RMB 16,428,828) 4,568,970	(RMB 6,168,997) 4,497,367	578	-	12	148,682,860	N	N	Y	
		Pou Yuen Trading Corporation	b	74,341,430	(RMB 548,782,418) (US\$ 66,000,000) 767,000	(RMB 536,250,852) (US\$ 66,000,000) 479,080	(RMB 130,955) 297,870	-	1	148,682,860	N	N	N	
		Taiwan Taisong Trading Co., Ltd.	b	74,341,430	(NT\$ 516,000) (US\$ 8,000,000) 90,000	(NT\$ 350,000) (US\$ 4,000,000) 40,000	-	-	-	148,682,860	N	N	N	
		Guangzhou Pou-Yuen Trading Co., Ltd.	b	74,341,430	(US\$ 2,129,820)	(US\$ 2,129,820)	-	-	6	148,682,860	N	N	Y	
					(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	Pou Sheng (China) Investment Group Co., Ltd.	b	\$ 74,341,430	\$ 8,672,740 (US\$ 66,000,000) (RMB 1,472,000,000)	\$ 8,549,230 (US\$ 66,000,000) (RMB 1,454,000,000)	\$ 1,551,704 (RMB 351,461,758)	\$ -	23	\$ 148,682,860	N	N	Y		
		Taicang Yue-Shen Sporting Goods Co., Ltd.	b	74,341,430	2,186,835 (US\$ 66,000,000) (RMB 12,858,946)	2,150,789 (US\$ 66,000,000) (RMB 4,749,548)	-	-	6	148,682,860	N	N	Y		
		Yue-Shen (Taicang) Footwear Co., Ltd.	b	74,341,430	55,435 (RMB 12,505,083)	22,075 (RMB 4,999,971)	-	-	-	-	148,682,860	N	N	Y	
		PCG Bros Sports Management Co., Ltd.	b	74,341,430	296,350 (NT\$ 135,000) (US\$ 5,000,000)	161,350 (US\$ 5,000,000)	116,000	-	-	-	148,682,860	N	N	N	
		Hainan Baoxun Electronic Commerce Co., Ltd.	b	74,341,430	21,770,945 (RMB 4,431,800,000) (US\$ 66,000,000)	13,127,144 (RMB 2,490,900,000) (US\$ 66,000,000)	997,555 (RMB 225,946,685)	-	-	35	148,682,860	N	N	Y	
		Hainan Shengwei Electronic Commerce Co., Ltd.	b	74,341,430	16,120,127 (RMB 3,147,425,675) (US\$ 66,000,000)	16,025,704 (RMB 3,147,425,675) (US\$ 66,000,000)	402,256 (RMB 91,111,187)	-	-	43	148,682,860	N	N	Y	
		Dalian YYSPO RTS Sport Industrial Development Co., Ltd.	b	74,341,430	19,118 (RMB 4,330,230)	19,118 (RMB 4,330,230)	-	-	-	-	148,682,860	N	N	Y	
3	Pou Sheng (China) Investment Group Co., Ltd.	Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	29,233,887	1,387,608 (RMB 312,220,000)	1,280,351 (RMB 290,000,000)	2,238 (RMB 506,935)	-	9	58,467,774	N	N	Y		
		Hefei Pouxun Sporting Goods Co., Ltd.	b	29,233,887	93,656 (RMB 21,100,000)	44,151 (RMB 10,000,000)	-	-	-	58,467,774	N	N	Y		
		Jiangxi Bao Yuan Trade Co., Ltd.	b	29,233,887	7,912 (RMB 1,780,000)	-	-	-	-	-	58,467,774	N	N	Y	
		Shaanxi Pousheng Trading Co., Ltd.	b	29,233,887	97,658 (RMB 22,000,000)	48,565 (RMB 11,000,000)	-	-	-	-	58,467,774	N	N	Y	
		Taicang Yue-Shen Sporting Goods Co., Ltd.	b	29,233,887	28,893 (RMB 6,500,000)	28,698 (RMB 6,500,000)	-	-	-	-	58,467,774	N	N	Y	
		Henan YYSPO RTS Sport Products Co., Ltd.	b	29,233,887	88,900 (RMB 20,000,000)	88,300 (RMB 20,000,000)	-	-	1	58,467,774	58,467,774	N	N	Y	
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	29,233,887	137,795 (RMB 31,000,000)	136,865 (RMB 31,000,000)	-	-	1	58,467,774	58,467,774	N	N	Y	
		Shenzhen Pou-Yuen Sport Products Co., Ltd.	b	29,233,887	889 (RMB 200,000)	-	-	-	-	-	58,467,774	N	N	Y	
		Shanghai Shengdao Sports Goods Company Limited	b	29,233,887	889,000 (RMB 200,000,000)	883,000 (RMB 200,000,000)	127,549 (RMB 28,889,878)	-	-	6	58,467,774	N	N	Y	
		Shanghai Shengjie Sports Goods Company Limited	b	29,233,887	878,421 (RMB 197,620,000)	-	-	-	-	-	58,467,774	N	N	Y	
		Changsha Shengdao Sports Goods Co.	b	29,233,887	48,763 (RMB 11,000,000)	48,565 (RMB 11,000,000)	-	-	-	-	58,467,774	N	N	Y	
		Kunshan Bao Kuen Smart Chain Information Technology Co.	b	29,233,887	101,791 (RMB 22,900,000)	101,104 (RMB 22,900,000)	-	-	1	58,467,774	58,467,774	N	N	Y	
		Shanghai Dongzhijie Sporting Goods Development Co., Ltd.	b	29,233,887	4,415 (RMB 1,000,000)	4,415 (RMB 1,000,000)	-	-	-	-	58,467,774	N	N	Y	

Note 1: The Company is coded as follows:

- The Company is coded "0".
- The investee is coded consecutively beginning from "1" in the order presented in the table above.

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

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

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

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

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2023

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note	
				Shares	Carrying Amount	Percentage of Ownership	Fair Value		
Pou Chen Corporation	Ordinary shares								
	Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	198,095,937	\$ 7,468,217	1.41	\$ 7,468,217		
	Taiwan Paiho Limited		Financial assets at FVTOCI - current	615,473	33,359	0.21	33,359		
	Zhiyuan Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	4,633,929	50,414	10.71	50,414		
	New Loulan Corporation., Ltd.		Financial assets at FVTOCI - non-current	100,000	790	4.00	790		
Wealthplus Holdings Limited	Ordinary shares								
	Golden Brands Developments Ltd.		Financial assets at FVTOCI - non-current	15,199,445	97,529	5.88	97,529		
		Great Team Backend Foundry, Inc.		Financial assets at FVTOCI - non-current	1,624,353	(US\$ 3,022,267)	6.69	(US\$ 3,022,267)	
							(US\$ 1,456,985)	(US\$ 1,456,985)	
	Bonds								
	Natwest Markets PL		Financial assets at amortized cost - current	-	442,422	-	444,523		
							(US\$ 13,710,000)	(US\$ 13,775,123)	
	Emirates Nbd Bank Pjsc. Senior Bond		Financial assets at amortized cost - non-current	-	141,128	-	142,781		
							(US\$ 4,373,351)	(US\$ 4,424,560)	
	Qatar National Bank Senior Bond		Financial assets at amortized cost - non-current	-	224,696	-	224,561		
							(US\$ 6,962,989)	(US\$ 6,958,826)	
	Standard Chartered Perpetual Bond		Financial assets at amortized cost - non-current	-	352,595	-	308,283		
							(US\$ 10,926,405)	(US\$ 9,553,250)	
	Barclay & Co., Ltd. Perpetual Bond		Financial assets at amortized cost - non-current	-	102,747	-	95,401		
							(US\$ 3,183,969)	(US\$ 2,956,350)	
	Natwest Markets PL Perpetual Bond		Financial assets at amortized cost - non-current	-	121,697	-	110,272		
							(US\$ 3,771,224)	(US\$ 3,417,173)	
	Deutsche Bank Perpetual Bond		Financial assets at amortized cost - non-current	-	126,536	-	107,940		
							(US\$ 3,921,168)	(US\$ 3,344,912)	
	Societe Generale Perpetual Bond		Financial assets at amortized cost - non-current	-	104,198	-	95,145		
						(US\$ 3,228,951)	(US\$ 2,948,400)		
Swedbank Perpetual Bond		Financial assets at amortized cost - non-current	-	98,297	-	92,802			
						(US\$ 3,046,086)	(US\$ 2,875,800)		
BNP Paribas Perpetual Bond		Financial assets at amortized cost - non-current	-	100,567	-	95,340			
						(US\$ 3,116,425)	(US\$ 2,954,460)		
Bank Of America Senior Bond		Financial assets at amortized cost - non-current	-	310,615	-	293,609			
						(US\$ 9,625,508)	(US\$ 9,098,500)		
The Goldman Sachs Group Inc. Senior Bond		Financial assets at amortized cost - non-current	-	317,264	-	301,776			
						(US\$ 9,831,537)	(US\$ 9,351,600)		
HSBC Holdings Senior Bond		Financial assets at amortized cost - non-current	-	276,375	-	270,282			
						(US\$ 8,564,450)	(US\$ 8,375,646)		
Groupe BPCE Subordinated Bond		Financial assets at amortized cost - non-current	-	31,681	-	31,098			
						(US\$ 981,756)	(US\$ 963,680)		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Win Fortune Investments Limited	<u>Fund</u> Prodigy Strategic Investment Fund XXII Segregated Portfolio		Financial assets mandatorily at FVTPL - non-current	32,700	\$ 119,466 (US\$ 3,702,078)	-	\$ 119,466 (US\$ 3,702,078)	
Pou Shine Investments Co., Ltd.	<u>Ordinary shares</u> Taiwan Paiho Limited Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current Financial assets at FVTOCI - current	775,170 129,277,128	42,014 4,873,748	0.26 0.92	42,014 4,873,748	
Pou Yuen Technology Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund <u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets mandatorily at FVTPL - current Financial assets at FVTOCI - current	788,519 17,605,078	10,033 663,711	- 0.13	10,033 663,711	
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	138,160,477 32,000 20,000	5,208,650 320 -	0.98 1.07 1.00	5,208,650 320 -	
Song Ming Investments Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund <u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets mandatorily at FVTPL - current Financial assets at FVTOCI - current	5,574,888 51,056,740	70,936 1,924,839	- 0.36	70,936 1,924,839	
Pro Arch International Development Enterprise Inc.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	2,199,305	27,985	-	27,985	
Pou Chin Development Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	1,028,200	13,083	-	13,083	
Wang Yi Construction Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	217,942	2,773	-	2,773	
Windsor Entertainment Co., Ltd.	<u>Fund</u> Jih Sun Money Market Fund Fuh Hwa You Li Money Market <u>Ordinary shares</u> Taichung International Entertainment Corporation		Financial assets mandatorily at FVTPL - current Financial assets mandatorily at FVTPL - current Financial assets at FVTOCI - non-current	626,303 111,342 3	9,523 1,533 11,550	- - 0.09	9,523 1,533 11,550	
Pou Yii Development Co., Ltd.	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	41,399,755	1,560,771	0.29	1,560,771	
Yue Yuen Industrial (Holdings) Limited	<u>Fund</u> Cathay Taiwan Money Market Fund BPEA Asia Private Equity <u>Ordinary shares</u> Evermore Chemical Industry Co., Ltd. Taiwan Paiho Limited Keg Big Dome Sports Co., Ltd.		Financial assets mandatorily at FVTPL - current Financial assets mandatorily at FVTPL - non-current Financial assets at FVTOCI - current Financial assets at FVTOCI - non-current Financial assets at FVTOCI - non-current	38,226,551 - 7,068,281 9,528,228 -	486,896 (US\$ 15,088,199) 824,148 (US\$ 25,539,131) 119,575 (US\$ 3,705,461) 516,954 (US\$ 16,019,657) 8,199 (US\$ 254,088)	- - - 7.11 3.20 11.76	486,896 (US\$ 15,088,199) 824,148 (US\$ 25,539,131) 119,575 (US\$ 3,705,461) 516,954 (US\$ 16,019,657) 8,199 (US\$ 254,088)	

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

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Company Name	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Yue Yuen Industrial (Holdings) Limited	Cathay Taiwan Money Market Fund	Financial assets measured at fair value through profit and loss - current	-	None	609,448	\$ 7,685 (US\$ 250,258)	77,814,646	\$ 984,671 (US\$ 31,294,189) (Note 1)	40,197,543	\$ 505,460 (US\$ 16,456,248)	\$ 505,460 (US\$ 16,456,248)	\$ -	38,226,551	\$ 486,896 (US\$ 15,088,199)
Barits Development Corporation	Elitegroup Computer Systems Co., Ltd.	Investments accounted for using the equity method	-	None	9,237,451	191,214	-	6,428 (Note 2)	9,047,854	303,126	193,588	109,538	189,597	4,054

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

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

POU CHEN CORPORATION AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Yue Yuen Industrial (Holdings) Limited	Public construction such as factories and dormitories	2023.01-2023.09	\$ 6,059,116 (US\$ 187,763,130)	Accumulated payment as of September 30, 2023 \$ 2,522,181 (US\$ 78,158,705)	-	None	-	-	-	-	Market price	Plant expansion	

POU CHEN CORPORATION AND SUBSIDIARIES

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED September 30, 2023
(In Thousands of New Taiwan Dollars)**

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

POU CHEN CORPORATION AND SUBSIDIARIES

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	The subsidiary in which the Company holds 51.11% indirectly at September 30, 2023	Sale	\$ (6,043,239)	(98)	D/A 45 days	-	-	\$ 1,375,044	99	
	Chang Yang Material Corp.	The subsidiary in which the Company holds 50% indirectly at September 30, 2023	Purchase	138,018	5	D/A 45 days	-	-	(16,084)	(3)	
Yue Yuen Industrial (Holdings) Limited	Pou Chen Corporation	The parent company	Purchase	6,043,239 (US\$ 195,205,974)	6	D/A 45 days	-	-	(1,375,044) (US\$ (42,610,598))	(8)	
	Ka Yuen Rubber Factory Limited	Investee accounted for by the equity method	Purchase	1,374,828 (US\$ 44,478,000)	1	D/A 45 days	-	-	(461,848) (US\$ (14,312,000))	(3)	
	Twinways Investments Limited	Investee accounted for by the equity method	Purchase	1,269,287 (US\$ 40,969,000)	1	D/A 45 days	-	-	(355,390) (US\$ (11,013,000))	(2)	
	Cohen Enterprises Inc.	Investee accounted for by the equity method	Purchase	135,793 (US\$ 4,434,000)	-	D/A 45 days	-	-	(6,680) (US\$ (207,000))	-	
	Top Units Developments Ltd.	Investee accounted for by the equity method	Purchase	537,520 (US\$ 17,382,000)	1	D/A 45 days	-	-	(141,375) (US\$ (4,381,000))	(1)	
	San Fang Chemical Industry Co., Ltd.	Investee accounted for by the equity method	Purchase	1,324,946 (US\$ 42,852,000)	1	D/A 45 days	-	-	(351,194) (US\$ (10,883,000))	(2)	
	Eastlion Industrial Ltd.	Investee accounted for by the equity method	Purchase	976,693 (US\$ 31,544,000)	1	D/A 45 days	-	-	(382,916) (US\$ (11,866,000))	(2)	
	Cohen Enterprises Inc.	Investee accounted for by the equity method	Sale	(245,171) (US\$ (7,934,000))	-	D/A 45 days	-	-	33,690 (US\$ 1,044,000)	-	
Pou Sheng International (Holdings) Limited	Shandong Zhuowei International Trading Co., Ltd.	Other related party	Sale	(112,978) (US\$ (3,655,000))	-	D/A 30 days	-	-	9,197 (US\$ 285,000)	-	

POU CHEN CORPORATION AND SUBSIDIARIES

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

SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	The subsidiary in which the Company holds 51.11% indirectly at September 30, 2023	\$ 1,375,044	5	\$ -	-	\$ 911,909	\$ -

POU CHEN CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	a	Operating revenue	\$ 6,043,239	D/A 45 days	3
		Yue Yuen Industrial (Holdings) Limited	a	Accounts receivable	1,375,044	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, 2023. 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, 2023.

POU CHEN CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2023	December 31, 2022	Shares	%	Carrying Amount			
Pou Chen Corporation	Wealthplus Holding Ltd.	British Virgin Islands	Investing in footwear, electronic and peripheral products	\$ 295,429 (US\$ 9,222,000)	\$ 295,429 (US\$ 9,222,000)	9,222,000	100.00	\$ 92,271,028 (US\$ 2,859,343,916)	\$ 2,328,797 (US\$ 75,198,461)	\$ 2,332,328 (US\$ 75,311,691)	
	Win Fortune Investments Limited	British Virgin Islands	Investing activities	3,230 (US\$ 100,000)	3,230 (US\$ 100,000)	100,000	100.00	2,380,125 (US\$ 73,756,580)	41,883 (US\$ 1,351,048)	42,075 (US\$ 1,357,296)	
	Windsor Hotel Co., Ltd.	ROC	Entertainment and resort operations	71,000	71,000	7,100,000	100.00	115,010	9,615	(10,271)	
	Pou Shine Investment Co., Ltd.	ROC	Investing activities	1,124,667	1,124,667	133,094,460	100.00	4,648,420	201,344	202,746	
	Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	5,000	5,000	-	100.00	12,726	2,285	2,285	
	Barits Development Corp.	ROC	Import and export of shoe-related materials and investing activities	2,117,292	2,117,292	322,719,192	99.49	11,299,493	395,282	398,646	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	966,450	966,450	30,456,252	97.82	506,645	29,047	23,967	
	Pro Arch International Development Enterprise Inc.	ROC	Design and manufacture of footwear products	2,643,184	2,643,184	20,000,000	100.00	260,415	20,460	20,452	
	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	40,320	40,320	7,875,000	15.00	230,948	73,634	11,045	
	Wang Yi Construction Co., Ltd.	ROC	Construction	5,356	5,356	367,305	7.82	-	5,232	754	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	3,245,815	3,245,815	68,884,949	12.36	1,473,651	718,482	88,792	
	Ruen Chen Investment Holding Co., Ltd.	ROC	Investment holding	15,452,000	15,452,000	6,227,400,000	20.00	41,565,354	33,391,868	6,678,374	
Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	370	370	10,000	-	330	37,671,279	38		
Wealthplus Holdings Limited	Yue Yuen Industrial (Holdings) Ltd.	Hong Kong	Manufacturing and sale of athletic and casual footwear and sports apparel	24,199,976 (US\$ 747,132,133)	24,199,976 (US\$ 747,132,133)	806,836,663	50.04	64,816,604 (US\$ 2,008,571,564)	4,163,570 (US\$ 134,412,668)	2,076,684 (US\$ 67,041,853)	
	Venture Well Holdings Ltd.	British Virgin Islands	Sale of electronic components	160,000 (US\$ 4,933,705)	160,000 (US\$ 4,933,705)	4,798,114	31.55	9,916 (US\$ 307,285)	754 (US\$ 24,912)	238 (US\$ 7,861)	
Win Fortune Investments Limited	Yue Yuen Industrial (Holdings) Ltd.	Hong Kong	Manufacturing and sale of athletic and casual footwear and sports apparel	404,026 (US\$ 12,769,118)	404,026 (US\$ 12,769,118)	17,307,172	1.07	1,391,012 (US\$ 43,105,422)	4,163,570 (US\$ 134,412,668)	44,546 (US\$ 1,438,103)	
Pou Shine Investments Co., Ltd.	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,583	2,583	414,662	0.13	14,468	395,282	505	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	1,322	23,637	41,715	0.01	895	718,482	870	
	Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	189,772	189,772	12,811,208	0.09	232,624	37,671,279	34,921	
Barits Development Corporation	Song Ming Investments Co., Ltd.	ROC	Investing activities	1,218,879	1,218,879	120,486,400	100.00	3,202,791	124,370	124,370	
	Wang Yi Construction Co., Ltd.	ROC	Construction	62,787	62,787	4,218,250	89.75	60,563	5,232	4,696	
	Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	200,000	200,000	20,000,000	100.00	198,998	(32)	(32)	
	Yue Hong Realty Development Co., Ltd.	ROC	Development of real estate	240,000	240,000	24,000,000	100.00	130,257	(11,722)	(11,722)	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	2,568	125,083	189,597	0.02	4,054	718,482	8,949	
Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	189,920	189,920	12,821,208	0.09	232,874	37,671,279	34,959		
Song Ming Investments Co., Ltd.	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	262,500	262,500	39,375,000	75.00	1,154,739	73,634	55,225	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	21,240	21,240	619,220	1.99	17,404	29,047	578	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	19,792	19,792	2,147,558	0.39	45,945	718,482	2,768	
Pou Yuen Technology Co., Ltd.	Pearl Dove International Limited	British Virgin Islands	Investment holding	78,348 (US\$ 2,573,883)	78,348 (US\$ 2,573,883)	25,901	100.00	11,822 (US\$ 366,342)	1,208 (US\$ 37,813)	1,208 (US\$ 37,813)	
Yue Yuen Industrial (Holdings) Ltd.	Eagle Nice (International) Holdings Limited	British Cayman Islands	Manufacturing and sale of wearing apparel and clothing accessories	1,297,712 (US\$ 39,972,084)	1,297,712 (US\$ 39,972,084)	192,000,000	35.97	3,019,722 (US\$ 93,576,764)	879,201 (US\$ 27,994,037)	316,249 (US\$ 10,069,455)	
	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	-	-	-	
	Oftenrich Holdings Limited	Bermuda	Manufacturing and sale of footwear	1,339,783 (US\$ 42,210,159)	1,339,783 (US\$ 42,210,159)	5,400	45.00	3,002,772 (US\$ 93,051,516)	283,241 (US\$ 9,331,011)	127,458 (US\$ 4,198,955)	
	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	579,184 (US\$ 18,828,057)	338,332 (US\$ 11,031,800)	76,124 (US\$ 2,482,155)	
	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	4,800,223 (US\$ 148,751,880)	597,515 (US\$ 19,278,886)	267,209 (US\$ 8,621,518)	
	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	2,184,972 (US\$ 67,709,088)	1,764,290 (US\$ 57,113,974)	310,339 (US\$ 10,046,348)	
	Just Lucky Investments Limited	British Virgin Islands	Property management	26,207 (US\$ 808,130)	26,207 (US\$ 808,130)	808,130	38.30	56,473 (US\$ 1,750,006)	2,363 (US\$ 74,342)	905 (US\$ 28,473)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2023	December 31, 2022	Shares	%	Carrying Amount			
Yue Yuen Industrial (Holdings) Ltd.	Natural Options Limited	British Virgin Islands	Manufacturing of foam	\$ 11,144	\$ 11,144	340,870	38.30	\$ 7,460	\$ (53)	\$ (20)	
	Rise Bloom International Limited	Hong Kong	Processing and sale of foam	(US\$ 343,638)	(US\$ 343,638)	760,000	38.00	(US\$ 231,181)	(US\$ (1,715))	(US\$ (657))	
	Prosperlink Limited	Samoa	Processing and sale of foam	(US\$ 24,312)	(US\$ 24,312)	570,000	38.00	(US\$ 34,994)	(US\$ 836)	(US\$ 317)	
	Pou Ming Paper Products Manufacturing Co., Ltd.	British Virgin Islands	Manufacturing and sale of paper products	(US\$ 760,000)	(US\$ 760,000)	1,000,000	20.00	(US\$ 1,084,397)	(US\$ 28,963)	(US\$ 11,006)	
	Brandblack Inc.	USA	Sale of footwear	(US\$ 17,432)	(US\$ 17,432)	1,135,796	31.25	(US\$ 21,381)	(US\$ 2,567)	(US\$ 975)	
	Jumbo Power Enterprises Limited	British Virgin Islands	Manufacturing and sale of footwear	(US\$ 570,000)	(US\$ 570,000)	8,000,000	50.00	(US\$ 662,550)	(US\$ 82,176)	(US\$ 31,227)	
	Ka Yuen Rubber Factory Limited	British Virgin Islands	Manufacturing and sale of rubber sole	(US\$ 66,937)	(US\$ 66,937)	11,500,000	50.00	(US\$ 8,214)	(US\$ 12,783)	(US\$ 2,557)	
	Hua Jian Industrial Holding Co., Limited	British Virgin Islands	Manufacturing and sale of women cloth and footwear	(US\$ 2,163,800)	(US\$ 2,163,800)	2,241	22.41	(US\$ 254,546)	(US\$ 413,005)	(US\$ 82,601)	
	Cohen Enterprises Inc.	British Virgin Islands	Manufacturing and sale of footwear leather products	(US\$ 68,762)	(US\$ 68,762)	20,000,000	50.00	(US\$ 50,436)	(US\$ -)	(US\$ -)	
	Twinways Investments Limited	British Virgin Islands	Manufacturing and sale of footwear accessory injection crepe	(US\$ 2,275,000)	(US\$ 2,275,000)	17,500,000	50.00	(US\$ 1,562,925)	(US\$ 77,353)	(US\$ 38,677)	
	Top Units Developments Ltd.	British Virgin Islands	Manufacturing of footwear accessories	(US\$ 259,742)	(US\$ 259,742)	5,390,000	49.00	(US\$ 557,374)	(US\$ 7,353)	(US\$ 38,677)	
				(US\$ 8,000,000)	(US\$ 8,000,000)			(US\$ 17,272,203)	(US\$ 2,492,362)	(US\$ 1,246,181)	

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outward	Inward							
Great Team Backend Foundry, Inc.	Processing and manufacturing of transistors	\$ 2,642,140 (US\$ 88,116,600)	b	\$ -	\$ -	\$ -	\$ -	\$ -	2.01	\$ -	\$ 47,017 (RMB 10,649,356)	\$ -	(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	-	-	-	9,725 (RMB 2,213,654)	31.97	3,109 (RMB 707,705) b,1)	212,393 (RMB 48,107,226)	-	-	
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	-	-	-	4,510 (RMB 1,027,350)	100.00	4,510 (RMB 1,027,350) b,1)	329,544 (RMB 74,641,810)	-	-	
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	-	-	-	256,884 (RMB 58,345,722)	31.97	82,126 (RMB 18,653,127) b,1)	1,160,585 (RMB 262,873,124)	-	-	
Dongguan Baoqiao Electronic Technology Co., Ltd.	Production and marketing of other optical appliances and instruments	147,645 (US\$ 4,500,000)	b	-	-	-	59,941 (RMB 13,640,844)	100.00	59,941 (RMB 13,640,844) b,2)	307,722 (RMB 69,699,283)	-	-	
Poushun Paper Products Manufacturing Co., Ltd.	Production and sale of shoe inner boxes, cartons	68,901 (US\$ 2,100,000)	b	-	-	-	12,257 (RMB 2,792,636)	10.22	1,253 (RMB 285,407) b,1)	8,130 (RMB 1,841,436)	-	-	
Pouhong Footwear Industrial Ltd.	Production and operation of casual shoes, sports shoes	49,215 (US\$ 1,500,000)	b	-	-	-	(3,906) (RMB (886,124))	51.11	(1,997) (RMB (452,898)) b,1)	21,730 (RMB 4,921,939)	-	-	
Shanggao Yisen Industry Co., Ltd.	Production and sale of finished shoes, semi-finished products, components and moulds	945,204 (US\$ 30,390,000)	b	-	-	-	149,099 (RMB 34,040,270)	51.11	76,205 (RMB 17,397,982) b,1)	814,376 (RMB 184,456,512)	-	-	
Bao Hong (Yangzhou) Shoes Co., Ltd.	Production of needles, woven garments, footwear and sales of self-produce products	2,591,184 (US\$ 85,291,730)	b	-	-	-	(53,018) (RMB (12,065,399))	51.11	(27,098) (RMB (6,166,626)) b,1)	389,873 (RMB 88,306,506)	-	-	
Dong Guan Yu Yuen Mold Co., Ltd.	Production and sale of molds for non-metallic products	62,011 (US\$ 1,890,000)	b	-	-	-	1,113 (RMB 253,273)	51.11	569 (RMB 129,448) b,1)	31,522 (RMB 7,139,707)	-	-	
Zhong Shan Glory Shoes Ind., Ltd.	Production and operation of various types of leather shoes products	951,490 (US\$ 29,000,000)	b	-	-	-	11,241 (RMB 2,571,041)	23.00	2,585 (RMB 591,339) b,1)	453,843 (RMB 102,795,739)	-	-	
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	-	-	-	(21,637) (RMB (4,954,900))	23.00	(4,976) (RMB (1,139,627)) b,1)	5,304 (RMB 1,201,360)	-	-	
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	-	-	-	(9,298) (RMB (2,097,880))	20.34	(1,891) (RMB (426,709)) b,1)	604,501 (RMB 136,919,726)	-	-	
ShangGao Yisen Ka Yuen Industry Co., Ltd.	Production and sale of footwear products	77,432 (US\$ 2,360,000)	b	-	-	-	50,507 (RMB 11,520,548)	25.56	12,910 (RMB 2,944,652) b,1)	54,607 (RMB 12,368,529)	-	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outward	Inward							
Bao Sheng Dao Ji (BeiJing) Trading Company Ltd.	Retail business of sports goods and accessories	\$ 1,988,061 (US\$ 65,000,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (168,791) (RMB (38,479,448))	31.97	\$ (53,962) (RMB (12,301,879)) b,1)	\$ 550,113 (RMB 124,600,850)	\$ -	
Qingdao Pou-Sheng International Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	94,800 (RMB 20,000,000)	b	-	-	-	-	413,626 (RMB 94,023,361)	23.02	95,217 (RMB 21,644,178) b,1)	272,490 (RMB 61,719,221)	-	
Guizhou Pou-Sheng Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	322,886 (US\$ 10,000,000)	b	-	-	-	-	(3,223) (RMB (726,937))	31.97	(1,030) (RMB (232,402)) b,1)	(144,204) (RMB (32,662,182))	-	
Nanning Pou-Kung Sport Products Co., Ltd.	Retail business of sports goods and accessories	42,653 (US\$ 1,300,000)	b	-	-	-	-	7,889 (RMB 1,803,320)	31.97	2,522 (RMB 576,521) b,1)	(37,522) (RMB (8,498,832))	-	
Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	Retail business of sports goods and accessories	1,567,250 (US\$ 50,000,000)	b	-	-	-	-	462,436 (RMB 105,109,202)	31.97	147,841 (RMB 33,603,412) b,1)	1,725,694 (RMB 390,870,623)	-	
Taicang YYSPO RTS Business Trading Co., Ltd.	Retail business of sports goods and accessories series products	-	b	-	-	-	-	2,450 (RMB 555,295)	31.97	783 (RMB 177,528) b,1)	-	-	Cancellation
Yangzhou Baoyi Shoes Manufacturing Co., Ltd.	Vulcanized shoes, sports shoes, casual shoes and other footwear manufacturing, marketing	729,906 (US\$ 22,456,800)	b	-	-	-	-	101,600 (RMB 23,166,856)	25.56	25,969 (RMB 5,921,448) b,1)	298,337 (RMB 67,573,610)	-	
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	-	-	-	-	40,282 (RMB 9,040,181)	31.97	12,878 (RMB 2,890,146) b,1)	558,259 (RMB 126,445,919)	-	
YYSPO RTS (Chengdu) Business Trading Co., Ltd.	Retail business of sports goods and accessories	689,194 (US\$ 22,400,000)	b	-	-	-	-	105,596 (RMB 24,002,047)	31.97	33,759 (RMB 7,673,455) b,1)	189,055 (RMB 42,820,997)	-	
Fujian Baomin Sporting Goods Co., Ltd.	Retail business of sports goods and accessories	147,645 (US\$ 4,500,000)	b	-	-	-	-	(4,820) (RMB (1,085,595))	28.77	(1,387) (RMB (312,326)) b,1)	68,832 (RMB 15,590,524)	-	
Guangzhou Pou-Yuen Trading Co., Ltd.	Retail business of sports goods and accessories	710,251 (US\$ 23,310,000)	b	-	-	-	-	(4,187) (RMB (996,653))	31.97	(1,339) (RMB (318,630)) b,1)	214,543 (RMB 48,594,161)	-	
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	-	-	-	-	(68,869) (RMB (15,799,076))	31.97	(22,017) (RMB (5,050,965)) b,1)	764,374 (RMB 173,131,118)	-	
Shend Dao (Yang Zhou) Sporting Goods Dev Co., Ltd.	Shopping mall management and property management	2,111,340 (US\$ 66,000,000)	b	-	-	-	-	15,639 (RMB 3,559,423)	31.97	5,000 (RMB 1,137,948) b,1)	721,228 (RMB 163,358,453)	-	
Zhong Shan O Li Su Shoe Making Machine Ltd.	Manufacturing shoes and boots or repairing machinery	181,314 (US\$ 5,900,000)	b	-	-	-	-	(1,221) (RMB (274,382))	51.11	(624) (RMB (140,237)) b,1)	17,651 (RMB 3,997,897)	-	
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	-	-	-	-	113,414 (RMB 25,642,492)	31.97	36,258 (RMB 8,197,905) b,1)	1,408,726 (RMB 319,077,126)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outward	Inward							
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	\$ -	\$ -	\$ -	\$ -	\$ (2,008) (RMB (463,647))	31.97	\$ (642) (RMB (148,228)) b,1)	\$ 120,895 (RMB 27,382,739)	\$ -	
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	-	-	-	-	(3,993) (RMB (908,756))	51.11	(2,041) (RMB (464,465)) b,1)	123,396 (RMB 27,949,284)	-	
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	-	-	-	-	140,024 (RMB 31,957,486)	51.11	71,566 (RMB 16,333,471) b,1)	632,873 (RMB 143,346,080)	-	
Jiangxi Province Yutai Shoe Co., Ltd.	Production and sale of footwear products and semi-finished products	918,125 (US\$ 30,000,000)	b	-	-	-	-	(15,570) (RMB (3,543,575))	51.11	(7,958) (RMB (1,811,121)) b,1)	115,190 (RMB 26,090,519)	-	
Dongguan Yu Xiang Shoes Material Co., Ltd.	Production and sale of footwear products	295,820 (US\$ 9,500,000)	b	-	-	-	-	(52,821) (RMB (11,887,261))	51.11	(26,997) (RMB (6,075,579)) b,1)	165,811 (RMB 37,556,308)	-	
Jiang Xi Hwa Ching Foam Ltd.	Manufacturing and sale of plastic foam, plastic packaging materials and other plastic products	63,600 (US\$ 2,000,000)	b	-	-	-	-	1,132 (RMB 261,135)	19.42	220 (RMB 50,712) b,1)	14,926 (RMB 3,380,660)	-	
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	-	-	-	-	163,292 (RMB 37,324,032)	51.11	83,459 (RMB 19,076,313) b,1)	1,102,909 (RMB 249,809,410)	-	
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	-	-	-	-	(1,110) (RMB (252,676))	51.11	(567) (RMB (129,143)) b,1)	4,480 (RMB 1,014,729)	-	
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	-	-	-	-	2,328 (RMB 532,773)	31.97	744 (RMB 170,328) b,1)	147,165 (RMB 33,332,862)	-	
Dongguan De Chang Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	5,274 (RMB 1,199,583)	51.11	2,696 (RMB 613,107) b,1)	15,912 (RMB 3,604,122)	-	
Zhong Shan Bao Song Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	1,825 (RMB 414,273)	51.11	933 (RMB 211,735) b,1)	11,611 (RMB 2,630,006)	-	
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	-	-	-	-	(11,422) (RMB (2,599,037))	51.11	(5,838) (RMB (1,328,368)) b,1)	69,757 (RMB 15,800,079)	-	
Jiangxi Uniscien Consulting Co., Ltd.	Business management consultation, marketing planning and other services	10,442 (US\$ 350,000)	b	-	-	-	-	1,984 (RMB 451,722)	51.11	1,014 (RMB 230,875) b,1)	8,712 (RMB 1,973,286)	-	
Yu Xing (Jishui) Footwear Co., Ltd.	Production and sale of sports shoes	183,840 (US\$ 6,400,000)	b	-	-	-	-	(8,414) (RMB (1,913,767))	51.11	(4,300) (RMB (978,126)) b,1)	32,984 (RMB 7,470,963)	-	

(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, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outward	Inward							
Yang Xin Zhang Yuan Shoe Co., Ltd.	Production and sale of footwear products	\$ 61,029 (US\$ 2,100,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (1,130) (RMB (257,288))	51.11	\$ (577) (RMB (131,500)) b,1)	\$ 11,227 (RMB 2,542,962)	-	
YangXin Pou Jia Yuen Shoes Manufacturing Co., Ltd.	Production and sale of rubber soles	87,258 (US\$ 3,000,000)	b	-	-	-	-	(7,834) (RMB (1,782,748))	25.56	(2,002) (RMB (455,671)) b,1)	7,422 (RMB 1,680,987)	-	
Pou Sheng (China) Investment Group Co., Ltd	Business of investment, technical services and wholesale, import and export sports goods, sportswear, sports shoes and leisure shoes	4,550,741 (US\$ 152,922,400)	b	-	-	-	-	1,147,904 (RMB 262,871,048)	31.97	366,985 (RMB 84,039,874) b,1)	5,009,531 (RMB1,134,661,608)	-	
Yichun Yisen Industry Co., Ltd.	Production and sale of footwear and mold products	410,130 (US\$ 14,000,000)	b	-	-	-	-	66,189 (RMB 15,062,014)	51.11	33,829 (RMB 7,698,195) b,1)	323,675 (RMB 73,312,596)	-	
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	-	-	-	-	(470) (RMB (107,569))	51.11	(240) (RMB (54,978)) b,1)	103 (RMB 23,410)	-	
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	-	-	-	-	47,773 (RMB 10,897,723)	51.11	24,417 (RMB 5,569,826) b,1)	752,531 (RMB 170,448,784)	-	
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	-	-	-	-	83,619 (RMB 18,999,518)	51.11	42,738 (RMB 9,710,654) b,1)	899,793 (RMB 203,803,643)	-	
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	-	-	-	-	(84,583) (RMB (19,305,644))	51.11	(43,230) (RMB (9,867,115)) b,1)	169,310 (RMB 38,348,788)	-	
Jilin Xinfangwei Sports Goods Company Limited	Sports goods sales	196,160 (RMB 40,000,000)	b	-	-	-	-	-	15.90	- b,1)	-	-	
Dong Guan Yue Guan Paper Products Co., Ltd.	Production and sale of cartons and engaged in research and development of cartons	48,693 (RMB 10,000,000)	b	-	-	-	-	2,238 (RMB 504,165)	10.22	229 (RMB 51,526) b,1)	4,679 (RMB 1,059,756)	-	
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	-	-	-	-	(7,218) (RMB (1,708,580))	31.97	(2,308) (RMB (546,233)) b,1)	19,244 (RMB 4,358,735)	-	
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	-	-	-	-	(409) (RMB (93,009))	6.80	(28) (RMB (6,325)) b,1)	3,379 (RMB 765,288)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outward	Inward							
Kun Shan Taisong Trading Co., Ltd.	Wholesale and retail of clothing, footwear, glasses and watches	\$ 790,110 (US\$ 26,500,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (62,483) (RMB (14,143,646))	31.97	\$ (19,976) (RMB (4,521,724)) b,1)	\$ (208,721) (RMB (47,275,534))	\$ -	
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	-	-	-	-	407 (RMB 93,984)	31.97	130 (RMB 30,047) b,1)	11,699 (RMB 2,649,882)	-	
Yisen (YiFeng) Mould Co., Ltd.	Production and sale of mould products	479,284 (US\$ 14,850,000)	b	-	-	-	-	1,671 (RMB 386,710)	51.11	854 (RMB 197,647) b,1)	146,281 (RMB 33,132,816)	-	
Zhu Hai Yu Yuan Industrial Co., Ltd.	Processing, production and sale of footwear products	1,408 (RMB 300,000)	b	-	-	-	-	3,989 (RMB 921,314)	51.11	2,039 (RMB 470,884) b,1)	6,380 (RMB 1,445,046)	-	
Yang Xin Pou Shou Sporting Goods Co., Ltd.	Processing, production and sale of footwear products	-	b	-	-	-	-	(10,743) (RMB (2,419,068))	51.11	(5,491) (RMB (1,236,386)) b,1)	-	-	Cancellation
Changsha YYSPO RTS Sport Products Co., Ltd.	Sales of sports goods and equipment	22,825 (RMB 5,000,000)	b	-	-	-	-	13,820 (RMB 3,034,439)	31.97	4,418 (RMB 970,110) b,1)	(7,011) (RMB (1,587,994))	-	
Henan YYSPO RTS Sport Products Co., Ltd.	Retail business of sports goods and accessories	9,130 (RMB 2,000,000)	b	-	-	-	-	101,289 (RMB 22,964,433)	31.97	32,382 (RMB 7,341,729) b,1)	29,153 (RMB 6,603,229)	-	
Shenyang Pou-Yi Trading Co., Ltd.	Retail business of sports goods and accessories	182,600 (RMB 40,000,000)	b	-	-	-	-	(9,531) (RMB (2,201,514))	31.97	(3,047) (RMB (703,824)) b,1)	(19,816) (RMB (4,488,425))	-	
Zhejiang Shengdao Sporting-Goods Co., Ltd.	Retail business of sports goods and accessories	228,250 (RMB 50,000,000)	b	-	-	-	-	102,641 (RMB 23,163,033)	31.97	32,814 (RMB 7,405,222) b,1)	269,685 (RMB 61,083,775)	-	
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	-	-	-	-	10,872 (RMB 2,473,677)	31.97	3,476 (RMB 790,835) b,1)	12,436 (RMB 2,816,867)	-	
Widevision Investment (Shenzhen) Co., Ltd.	Business management consulting, economic information consulting and market management planning	13,833 (RMB 3,000,000)	b	-	-	-	-	(1,446) (RMB (328,310))	100.00	(1,446) (RMB (328,310)) b,1)	14,919 (RMB 3,379,068)	-	
Chongqing Baoyu Sports Goods Company Limited	Wholesale and retail of sports goods, sports equipment, clothing, shoes, caps and accessories and premises leasing	8,994 (RMB 2,000,000)	b	-	-	-	-	(23,047) (RMB (5,281,995))	31.97	(7,368) (RMB (1,688,654)) b,1)	(26,386) (RMB (5,976,346))	-	
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	-	-	-	-	(3,630) (RMB (822,452))	25.56	(928) (RMB (210,219)) b,1)	28,240 (RMB 6,396,474)	-	
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	-	-	-	-	(28,669) (RMB (6,524,486))	51.11	(14,653) (RMB (3,334,665)) b,1)	274,821 (RMB 62,247,219)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outward	Inward							
Yifeng Kun Ching Foam Ltd.	Production, sales, processing of plastic foam and foam daily products	\$ 8,994 (US\$ 300,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 3,535 (RMB 806,399)	19.42	\$ 686 (RMB 156,603) b,1)	\$ 3,458 (RMB 783,330)	\$ -	
Zhongshan Hwa Ching Foam Co., Ltd.	Production of foam products	29,980 (US\$ 1,000,000)	b	-	-	-	-	8,401 (RMB 1,916,745)	19.58	1,645 (RMB 375,299) b,1)	12,150 (RMB 2,752,016)	-	
Hubei PouShou Sports Goods Trading Company Limited	Management consultants, retail of sports goods, sports equipment, clothing, shoes, caps and accessories and advertising design agency	4,191 (RMB 1,000,000)	b	-	-	-	-	(11,400) (RMB (2,596,719))	31.97	(3,645) (RMB (830,171)) b,1)	(11,205) (RMB (2,537,892))	-	
Dong Guan Orisol Trading Company Ltd.	Wholesale or repair of shoe-related machinery and parts	27,850 (US\$ 1,000,000)	b	-	-	-	-	(630) (RMB (140,374))	51.11	(322) (RMB (71,745)) b,1)	15,142 (RMB 3,429,626)	-	
Shanghai Shengjie Sports Goods Co., Ltd.	Retail business of sports goods and accessories	67,095 (RMB 15,000,000)	b	-	-	-	-	86,697 (RMB 19,718,567)	31.97	27,717 (RMB 6,304,026) b,1)	59,105 (RMB 13,387,249)	-	
Suzhou Baocheng Sports Goods Trading Co., Ltd	Retail business of sports goods and accessories	2,204 (RMB 500,000)	b	-	-	-	-	(1,683) (RMB (374,727))	31.97	(538) (RMB (119,800)) b,1)	(691) (RMB (156,497))	-	
Fujian Pou Yuan Sporting Goods Co., Ltd.	Retail business of sports goods and accessories	856,400 (RMB 200,000,000)	b	-	-	-	-	6,339 (RMB 1,451,516)	31.97	2,027 (RMB 464,050) b,1)	284,344 (RMB 64,404,050)	-	

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
\$ -	\$ 23,697,193 (US\$ 734,341,282)	\$ 72,378,134

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 the Examination of Investment or Technical Cooperation in Mainland China" which was passed on August 29, 2008.

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outward	Inward							
Kunshan Yuanying Electronics Technology Co., Ltd.	Manufacturing and sale of alloy	\$ 85,936 (US\$ 2,620,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (1,027) (RMB (230,237))	100	\$ (1,027) (RMB (230,237)) b, 2)	\$ 54,134 (RMB 12,261,292)	\$ -	

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ -	\$ 186,198 (US\$ 5,770,000)	\$ 525,044

Note 1: Methods of investments have following types:

- a. Direct investment in mainland China.
- b. Indirect investment in the Company located in mainland China through a third region of Pearl Dove International Limited.
- c. Other.

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

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

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

POU CHEN CORPORATION AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2023**

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

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