

(For the convenience of readers, the meeting handbook has 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 shall prevail.)

Pou Chen Corporation
2022 Annual Shareholders' Meeting Minutes
(Summary Translation)

Date and Time: June 15, 2022 (Wednesday) at 9:30 a.m.

Location: Conference room on the 3rd floor of the Company's office building in the Fu Hsin Industrial Park located at No. 2, Fu-Kong Rd., Fu Hsin Hsian, Chang Hwa, Taiwan

Total outstanding shares of the Company: 2,946,787,213 shares.

Total shares represented by Shareholders' presented in person or by proxy: 2,308,003,092 shares.
(Including 1,882,465,157 votes casted electronically)

Percentage of shares held by Shareholders' present in person or by proxy: 78.32%

Chairperson: Chan, Lu-Min, the chairman of the Board of Directors

Recorder: Ho, Ming-Kun

Directors present: Chan, Lu-Min (the chairman of the Board of Directors), Lu, Chin-Chu (Director), Chen, Huan-Chung (Independent Director)

Directors present (via video conference): Tsai, Pei-Chun (Director), Tsai, Min-Chieh (Director), Wu, Pan-Tsu (Director), Ho, Yue-Ming (Director), Chen, Bor-Liang (Independent Director), Chiu, Tien-I (Independent Director)

Attendees: Shyu, Wen-Yea (CPA), Henry Han (Lawyer)

As the aggregate shareholding of the shareholders present in person or by proxy constituted a quorum, the chairperson called the meeting to order.

Chairperson Remarks: (Omitted)

A. Reported Matters

1. 2021 Business and Financial Reports: please refer to Appendix I.
2. Audit Committee's Review Report on the 2021 Financial Statements: please refer to Appendix II.
3. Report on the 2021 Distribution of Employees' Compensation and Directors' Remuneration.
 - a. The Company's profit in 2021 was NT\$14,322,980,799. ("profit" shall mean the income before income tax less employees' compensation and Directors' remuneration). It is proposed that 1.6% and 0.8% of the profit, which is equal to NT\$229,168,000 and NT\$114,584,000, will be allocated as employees' compensation and Directors' remuneration. The distribution shall be made in cash.
 - b. The above amount is consistent with the estimate for the fiscal year.

4. Report on the distribution for cash dividend of 2021 earnings.

- a. The Company's 2021 net income was NT\$14,439,306,557. The shareholders dividends of NT\$4,420,180,819 will be distributed to shareholders in proportion to their shareholdings at NT\$1.5 per share, rounded down to the nearest New Taiwan Dollar. Dividends distributed under NT\$1 will be recognized as "Other Income" of the Company.
- b. The proposal is approved by the Board of Directors and the Chairman of the Board is authorized to set the record date, payment date and other relevant matters. If there is a subsequent change in the Company's share capital that results in a change of cash distribution ratio, the Chairman of the Board is authorized to make any adjustments as necessary.

B. Acknowledged Matters

1. Acknowledgement of 2021 Business Report, Financial Statements and Profit Distribution Plan. (proposed by the Board of Directors)
 - a. The Audit Committee of the Company has reviewed 2021 Business Report, Financial Statements (including consolidated and separate balance sheets, statements of comprehensive income, statements of changes in equity and statements of cash flows) and the profit distribution table. The Financial Statements were audited by independent certified public accountants, Hong, Kuo-Tyan and Shyu, Wen-Yea, of Deloitte & Touche.
 - b. 2021 Business Report, Financial Statements please refers to Appendix 1 and the profit distribution plan please refers to following page.

Pou Chen Corporation
2021 Profit Distribution Plan

(in NT\$)

Beginning unappropriated retained earnings	\$ 54,786,893,296
Changes in retained earnings from investments accounted for equity method	(5,908,894)
Transfer to retained earnings of cumulative income (loss) on the disposal of investments in equity instruments at fair value through other comprehensive income by associates and joint ventures	(5,661,195)
Amount recognized in retained earnings of remeasurement of defined benefit plan	(35,243,222)
Unappropriated retained earnings after adjustment	54,740,079,985
Net income of 2021	14,439,306,557
Less: 10% legal reserve	(1,439,249,325)
2021 Earnings available for distribution	67,740,137,217
Distribution item:	
Shareholders dividend - cash dividend (NT\$1.5/share) ^{1&2}	4,420,180,819
Unappropriated retained earnings	\$ 63,319,956,398

Chan, Lu-Min



Chairman of the Board

Lu, Chin-Chu



President

Ho, Ming-Kun



Head of Accounting Dept.

¹ Shareholders dividends distributed are computation of 2,946,787,213 shares outstanding as of April 17, 2022.

² The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision at the shareholders' meeting in accordance with Article 23-1 of the Company's Articles of Incorporation.

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares represented at the time of voting: 2,308,003,092 votes.

Voting results*	% of the total represented share present
Votes in favor: 2,048,874,026 votes (1,633,479,745 votes)	88.77%
Votes against: 1,618,048 votes (1,618,048 votes)	0.07%
Votes abstained/No votes: 257,511,018 votes (247,367,364 votes)	11.15%

*including votes casted electronically (numbers in brackets)

C. Matters for Discussion

1. Discussion on the amendments to the Company’s “Procedures for Acquisition and Disposal of Assets”.

(proposed by the Board of Directors)

a. To amend the Company’s “Procedures for Acquisition and Disposal of Assets” in accordance with certain provisions of the “Regulation Governing the Acquisition and Disposal of Assets by Public Companies” as amended and promulgated by the Financial Supervisory Commission on January 28, 2022 Letter No. Financial-Supervisory-Securities-Coporate-1110380465.

b. Comparisons of pre-amended and amended “Procedures for Acquisition and Disposal of Assets” are set forth below.

Article No	Amended Provisions	Pre-amended Provisions	Commentary
Article 7	Procedures for acquisition or disposal of real estate, right-of-use real estate, equipment or right-of-use equipment (omitted) 4. Appraisal report on real estate, right-of-use real estate, equipment or right-of-use equipment In the event of the Company’s acquisition or disposal of real estate, right-of-use real estate, equipment or right-of-use equipment where the transaction amount reaches	Procedures for acquisition or disposal of real estate, right-of-use real estate, equipment or right-of-use equipment (omitted) 4. Appraisal report on real estate, right-of-use real estate, equipment or right-of-use equipment In the event of the Company’s acquisition or disposal of real estate, right-of-use real estate, equipment or right-of-use equipment where the transaction amount reaches	“Regulations Governing the Acquisition and Disposal of Assets by Public Companies” was amended on January 28, 2022. Considering this amendment and that Article 6 of these Procedures is compliant with the criteria for the issuance of the

Article No	Amended Provisions	Pre-amended Provisions	Commentary
	<p>20% of the Company’s paid-in capital or NT\$ 300 million or more, except for transactions with domestic governments, engaging others to build on their land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use equipment for business use, the Company shall obtain an appraisal report from a professional appraiser prior to the date of occurrence and shall comply with the following provisions: (omitted)</p> <p>(3) In the event where the appraisal results of the professional appraisers encounter any of the following circumstances, except for all of the appraisal results of the assets to be acquired exceeding the transaction amount, or all of the appraisal results of the assets to be disposed of that are less than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and to provide a specific opinion regarding the reason for the discrepancy and the</p>	<p>20% of the Company’s paid-in capital or NT\$ 300 million or more, except for transactions with domestic governments, engaging others to build on their land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use equipment for business use, the Company shall obtain an appraisal report from a professional appraiser prior to the date of occurrence and shall comply with the following provisions: (omitted)</p> <p>(3) In the event where the appraisal results of the professional appraisers encounter any of the following circumstances, except for all of the appraisal results of the assets to be acquired exceeding the transaction amount, or all of the appraisal results of the assets to be disposed of that are less than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20</u></p>	<p>opinions by external experts, The Company removed the text of Subparagraph 3, Paragraph 4 of this article regarding accountants’ compliance with the provisions of Statements of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation.</p>

Article No	Amended Provisions	Pre-amended Provisions	Commentary
	<p>appropriateness of the transaction price:</p> <p>A. Where the discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>B. Where the discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(omitted)</p>	<p><u>published by the ROC Accounting Research and Development Foundation (“ARDF”)</u> and to provide a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. Where the discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>B. Where the discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(omitted)</p>	
Article 8	<p>Procedures for acquisition or disposal of securities (omitted)</p> <p>4. Obtaining Professional Opinion</p> <p>(1) In the event of the Company’s acquisition or disposal of securities, if the transaction amount reaches 20% of the Company’s paid-in capital or NT\$ 300 million or more, the Company shall obtain an</p>	<p>Procedures for acquisition or disposal of securities (omitted)</p> <p>4. Obtaining Professional Opinion</p> <p>(1) In the event of the Company’s acquisition or disposal of securities, if the transaction amount reaches 20% of the Company’s paid-in capital or NT\$ 300 million or more, the Company shall obtain an</p>	The amendment reason is same as Article 7

Article No	Amended Provisions	Pre-amended Provisions	Commentary
	<p>opinion concerning the reasonableness of the transaction price from a certified public accountant prior to the date of occurrence. If the certified public accountant needs to use the report of an expert. However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by the regulations announced by the Financial Supervisory Commission (“FSC”).</p> <p>(omitted)</p>	<p>opinion concerning the reasonableness of the transaction price from a certified public accountant prior to the date of occurrence. If the certified public accountant needs to use the report of an expert, <u>he/she shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by the regulations announced by the Financial Supervisory Commission (“FSC”).</p> <p>(omitted)</p>	
Article 9	<p>Procedures for acquisition or disposal of assets with a related party</p> <p>(omitted)</p> <p>2. Assessment and Operating Procedures</p> <p><u>(1)</u> In the event where the Company engages in any acquisition or disposal of real estate or right-of-use real estate from or to a related party, or engages in any acquisition or</p>	<p>Procedures for acquisition or disposal of assets with a related party</p> <p>(omitted)</p> <p>2. Assessment and Operating Procedures</p> <p>In the event where the Company engages in any acquisition or disposal of real estate or right-of-use real estate from or to a related party, or engages in any acquisition or disposal</p>	<p>1. Adjustments to Subparagraphs under Paragraph 2:</p> <p>(1) Subparagraph 2 before the amendment became Subparagraph 5 after the amendment.</p> <p>(2) Subparagraphs 3 and 4 before the amendment</p>

Article No	Amended Provisions	Pre-amended Provisions	Commentary
	<p>disposal of assets other than real estate or right-of-use real estate from or to a related party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$ 300 million or more, except for the trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction agreement or make a payment until the following matters have been approved by the board of Directors and the audit committee:</p> <p><u>(A)</u> The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p><u>(B)</u> The reasons for choosing the related party as a trading counterparty.</p>	<p>of assets other than real estate or right-of-use real estate from or to a related party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$ 300 million or more, except for the trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction agreement or make a payment until the following matters have been approved by the board of Directors and the audit committee:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reasons for choosing the related party as a trading counterparty.</p> <p>(3) In the event where the Company acquires real estate or right-of-use real estate from a related party, information concerning the</p>	<p>became Subparagraphs 2 and 3 after the amendment.</p> <p>2. "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" was amended on January 28, 2022. Subparagraph 4 under Paragraph 2 was added, and Subparagraph 5 under Paragraph 2 was amended, specifying the submission of calculated transaction amount to the shareholders' meeting for approval.</p>

Article No	Amended Provisions	Pre-amended Provisions	Commentary
	<p><u>(C)</u> In the event where the Company acquires real estate or right-of-use real estate from a related party, information concerning the evaluation of the reasonableness of the preliminary terms of the transaction in accordance with from subparagraphs (1) to (4), paragraph 3 of this Article.</p> <p><u>(D)</u> The date and price at which the related party originally acquired the real estate, its original trading counterparty, and the counterparty's relationship to the Company and the related party.</p> <p><u>(E)</u> Monthly cash flow forecasts for the coming year commencing from the anticipated month of executing the agreement, and the evaluation of the necessity of the transaction and the reasonableness of the utilization of the funds.</p>	<p>evaluation of the reasonableness of the preliminary terms of the transaction in accordance with from subparagraphs (1) to (4), paragraph 3 of this Article.</p> <p>(4) The date and price at which the related party originally acquired the real estate, its original trading counterparty, and the counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cash flow forecasts for the coming year commencing from the anticipated month of executing the agreement, and the evaluation of the necessity of the transaction and the reasonableness of the utilization of the funds.</p> <p>(6) The appraisal report provided by a professional appraiser and the opinion of a certified public accountant obtained in accordance with the preceding paragraph.</p> <p>(7) The restrictive terms of this transaction and other important</p>	

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	<p>(F) The appraisal report provided by a professional appraiser and the opinion of a certified public accountant obtained in accordance with the preceding paragraph.</p> <p>(G) The restrictive terms of this transaction and other important agreements in connection with the transaction.</p> <p>(2) With respect to the types of transactions listed below use between the Company and its subsidiary, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, if the transaction amount is within NT\$ 500 million, the chairman is authorized to approve the transaction. The chairman’s approval shall subsequently be submitted to and ratified by the next board of Directors’ meeting:</p> <p>(A) Acquisition or disposal of equipment or right-of-use equipment thereof held for</p>	<p>agreements in connection with the transaction.</p> <p>The transaction amount under <u>this paragraph</u> shall be calculated in accordance with subparagraph (8), paragraph 1 of Article 14. The term “within one year” as used herein means the year preceding the date of occurrence of this transaction. Items that have been approved by the board of Directors and the audit committee will not be counted towards the calculation. With respect to the types of transactions listed below use between the Company and its subsidiary, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, if the transaction amount is within NT\$ 500 million, the chairman is authorized to approve the transaction. The chairman’s approval shall subsequently be submitted to and ratified by the next board of Directors’ meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use equipment thereof held for business use.</p> <p>(2) Acquisition or disposal of</p>	

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	<p>business use.</p> <p><u>(B) Acquisition or disposal of real estate right-of-use assets held for business use.</u></p> <p><u>(3) In the event where matters are submitted to the board of Directors for discussion, the board of Directors shall take each independent Director's opinion into consideration. If an independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of Directors' meeting.</u></p> <p><u>(4) The Company shall submit the materials in all the subparagraphs of Paragraph 1 to the shareholders' meeting for approval before the transaction contracts may be entered into and any payment made if the Company or its subsidiary that is not a domestic public company engages in transactions stated in Paragraph 1 with a transaction amount reaching 10% or more of the total assets of the Company. However, this restriction does not apply to transactions between the Company and its</u></p>	<p>real estate right-of-use assets held for business use.</p> <p>In the event where matters are submitted to the board of Directors for discussion <u>pursuant to this Article</u>, the board of Directors shall take each independent Director's opinion into consideration. If an independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of Directors' meeting.</p> <p>(omitted)</p>	

Article No	Amended Provisions	Pre-amended Provisions	Commentary
	<p><u>subsidiaries or between its subsidiaries.</u></p> <p>(5) The transaction amount <u>under subparagraph (1) and preceding subparagraph</u> shall be calculated in accordance with subparagraph (8), paragraph 1 of Article 14. The term “within one year” as used herein means the year preceding the date of occurrence of this transaction. Items that have been approved by <u>Shareholders’ meeting</u>, the board of Directors and the audit committee will not be counted towards the calculation.</p> <p>(omitted)</p>		
Article 10	<p>Procedures for acquisition or disposal of intangible assets or right-of-use intangible assets or memberships</p> <p>(omitted)</p> <p>4. The Company shall engage a certified public accountant to render a specific opinion if the transaction amount reach certain condition In the event where the transaction amount of the Company’s acquisition or disposal of intangible assets or right-of-use intangible assets or memberships reaches NT\$ 300 million or more, except for trading</p>	<p>Procedures for acquisition or disposal of intangible assets or right-of-use intangible assets or memberships</p> <p>(omitted)</p> <p>4. The Company shall engage a certified public accountant to render a specific opinion if the transaction amount reach certain condition In the event where the transaction amount of the Company’s acquisition or disposal of intangible assets or right-of-use intangible assets or memberships reaches NT\$ 300 million or more, except</p>	The amendment reason is same as Article 7

Article No	Amended Provisions	Pre-amended Provisions	Commentary
	with domestic governments, the Company shall engage a certified public accountant to issue an opinion on the reasonableness of the transaction price prior to the date of occurrence.	for trading with domestic governments, the Company shall engage a certified public accountant to issue an opinion on the reasonableness of the transaction price prior to the date of occurrence, <u>The certified public accountant shall issue his/her opinion in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u>	
Article 14	<p>Procedures of public disclosure</p> <p>1. Items and standards for public announcement and report (omitted)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six provisions or an investment in the mainland China area reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided that this shall not apply to any of the following circumstances:</p> <p>A. Trading <u>of domestic government bonds or foreign government bonds with a rating that is not lower than</u></p>	<p>Procedures of public disclosure</p> <p>1. Items and standards for public announcement and report (omitted)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six provisions or an investment in the mainland China area reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided that this shall not apply to any of the following circumstances:</p> <p>A. Trading domestic government bonds.</p> <p>B. Trading of bonds under repurchase and resale agreements, or</p>	<p>“Regulations Governing the Acquisition and Disposal of Assets by Public Companies” was amended on January 28, 2022. Item 1 of Subparagraph 7 under Paragraph 1 was added, specifying exemption from public disclosure when trading in foreign government bonds with a rating that is not lower than sovereign rating of Taiwan</p>

Article No	Amended Provisions	Pre-amended Provisions	Commentary
	<p><u>sovereign rating of Taiwan.</u></p> <p>B. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(omitted)</p>	<p>subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(omitted)</p>	
Article 17	<p>Implementation and amendment</p> <p><u>1.</u> After the Procedure has been approved by the board of Directors, the Procedure shall be submitted to the audit committee and then to a shareholders' meeting for approval. The same procedure shall apply to any amendment to this Procedure thereafter. If an independent Director objects to or expresses reservations about any matter during discussion of the board of Directors, such objections or reservations shall be recorded in the minutes of the board of Directors' meeting.</p> <p><u>2.</u> During discussion of the audit committee in accordance with the preceding paragraph, in the absence of approval by more than half of all members of</p>	<p>Implementation and amendment</p> <p>After the Procedure has been approved by the board of Directors, the Procedure shall be submitted to the audit committee and then to a shareholders' meeting for approval. The same procedure shall apply to any amendment to this Procedure thereafter. If an independent Director objects to or expresses reservations about any matter during discussion of the board of Directors, such objections or reservations shall be recorded in the minutes of the board of Directors' meeting. During discussion of the audit committee in accordance with the preceding paragraph, in the absence of approval by more than half of all members of the audit committee, the approval of more than two thirds of all members of the board of</p>	Added paragraph

Article No	Amended Provisions	Pre-amended Provisions	Commentary
	<p>the audit committee, the approval of more than two thirds of all members of the board of Directors shall apply, and such resolution of the audit committee shall be recorded in the board of Directors' meeting minutes.</p> <p>3. All members of the audit committee and all members of the board of Directors referred to by the preceding paragraph shall count in the incumbent ones.</p>	<p>Directors shall apply, and such resolution of the audit committee shall be recorded in the board of Directors' meeting minutes.</p> <p>All members of the audit committee and all members of the board of Directors referred to by the preceding paragraph shall count in the incumbent ones.</p>	

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares represented at the time of voting: 2,308,003,092 votes.

Voting results*	% of the total represented share present
Votes in favor: 2,032,395,110 votes (1,617,000,829 votes)	88.05%
Votes against: 1,103,333 votes (1,103,333 votes)	0.04%
Votes abstained/No votes: 274,504,649 votes (264,360,995 votes)	11.89%

*including votes casted electronically (numbers in brackets)

D.Election Matters

1. Election of all Directors, including three independent Directors, of the Company.

(Proposed by the Board of Directors)

- a. The term of the 23rd Board of Directors will expire on June 12, 2022, and the election of the 24th Board of Directors is scheduled at the annual shareholders' meeting on June 15, 2022.
- b. Pursuant to Article 192-1 of the Company Act and Article 15 of the Company's "Articles of Incorporation", the proposed election of nine directors (including three independent directors) shall be conducted by adopting a candidate nomination system, and shall be elected from the list of candidates at the shareholders' meeting.
- c. The newly appointed directors shall assume office as of the date of election and shall serve for a term of three years starting from June 15, 2022 to June 14, 2025
- d. List of director (including independent director) candidates is as follows:

Pou Chen Corporation
List of Candidates proposed by the Board of Directors

Nomination Type	Candidate's Name	Gender	Education	Experience	Shareholdings (Shares)
Director	Chuan Mou Investments Co., Limited (Representative: Chan, Lu-Min)	Male	Statistics Department, National Chung Hsing University	Chairman of the Company; President of Administration Management Department of the Company; Executive Director of Yue Yuen Industrial (Holdings) Limited	163,425,022
Director	Tsai, Pei-Chun	Female	Economic and Finance Department, Wharton School of the University of Pennsylvania, USA	Director of the Company; Managing Director and Executive Director of Yue Yuen Industrial (Holdings) Limited; Non-executive Director of Pou Sheng International (Holdings) Limited	4,177,779
Director	Tzong Ming Investments Co., Ltd. (Representative: Tsai, Min-Chieh)	Female	Economic and Finance Department, Wharton School of the University of Pennsylvania, USA	Representative of Juristic-Person Director of the Company; Financial Analytics, Bloomberg News (USA)	6,340,933
Director	Ever Green Investments Corporation (Representative: Lu, Chin-Chu)	Male	Master Degree in Business Administration, National Chung Hsing University	Representative of Juristic-Person Director of the Company; President of the Company; Chairman and Executive Director of Yue Yuen Industrial (Holdings) Limited	23,216,045
Director	Sheachang Enterprise Corporation (Representative: Wu, Pan-Tsu)	Male	Banking and Insurance Department, Tamkang University	Representative of Juristic-Person Director of the Company; President of Retail Department of the Company; Chairman and Executive Director of Pou Sheng International (Holdings) Limited; Vice President, Corporate Banking Division, Taishin Bank; Vice President, Business Department, BNP Paribas; Vice President, Business Department, Chase Manhattan Bank	4,413,010
Director	Shun Tai Investments Co., Ltd. (Representative: Ho, Yue-Ming)	Male	Master of Laws, National Taiwan University	Representative of Juristic-Person Director of the Company; Vice President of the Company; Vice President of HTC Corporation	24,367,867

Nomination Type	Candidate's Name	Gender	Education	Experience	Shareholdings (Shares)
Independent Director	Chen, Huan-Chung	Male	Industrial Management Department, National Taiwan University of Science and Technology	Independent Director, convener of the Audit Committee, member of Nomination Committee of the Company; Independent Non-executive Director of Pou Sheng International (Holdings) Limited; Partner of Wang Tong & Co., CPAs; Vice President of E.Sun Bills Finance Corporation	0
Independent Director	Hsu, Chu-Sheng	Male	Master of Science in Computer Science, Stevens Institute of Technology, USA	Adjunct Professor of Leadership Program at National Taiwan University; Adjunct Professor of Institute of Technology Management at National Tsing Hua University General Manager of General Electric International Inc, Taiwan Branch (USA); Managing Director of IBM Taiwan Corporation; Independent Director of inergy Technology Inc.; Independent Director of Fubon Bank (China); Independent Director of Alexander Marine Co., Ltd.	0
Independent Director	Chang, Shih-Chieh	Male	Ph.D. in Statistics, University of Wisconsin-Madison	Professor of the College of Risk Management and Insurance, National Chengchi University; Chairman of Risk Management Society of Taiwan; Independent Director of CTBC Bank Co., Ltd.; Independent Director of CTBC Financial Holdings Co., Ltd.	0

e. Hereby submitted for election.

Results of the election: The Directors (including independent Directors) with votes received was as followed:

Title	ID Number	Name	Voted received
Director	00037675	Chuan Mou Investments Co., Limited (Representative: Chan, Lu-Min)	2,268,692,990
Director	00179619	Tsai, Pei-Chun	2,134,145,948
Director	00065990	Tzong Ming Investments Co., Ltd. (Representative: Tsai, Min-Chieh)	2,030,413,497
Director	00065988	Ever Green Investments Corporation (Representative: Lu, Chin-Chu)	2,096,365,595
Director	00031497	Sheachang Enterprise Corporation (Representative: Wu, Pan-Tsu)	1,762,586,566
Director	00039024	Shun Tai Investments Co., Ltd. (Representative: Ho, Yue-Ming)	1,731,345,238
Independent Director	D10144****	Chen, Huan-Chung	1,599,562,979
Independent Director	A12229****	Hsu, Chu-Sheng	1,591,744,439
Independent Director	B12073****	Chang, Shih-Chieh	1,591,548,936

E. Other Proposals

1. Proposal for the release of newly appointed Directors of the Company from non-competition restrictions. (Proposed by the Board of Directors)
 - a. Pursuant to Article 209 of the Company Act, a director who engages in activities either for himself/herself or on behalf of another person that are within the scope of the Company's business, he/she shall explain the essential contents of the act to the shareholders' meeting and obtain its approval.
 - b. The details of proposal to release the prohibition on the director candidates of the Company from participation in competitive business as follows:

Nomination Type	Candidate's Name	Current Position within Other Companies	
		Yue Yuen Industrial (Holdings) Limited	Executive Director
Director	Chan, Lu-Min	Pearl Dove International Limited	Director
		Brilliant Ocean Limited	Director
		Oftenrich Holdings Limited	Director
		Golden Brands Developments Limited	Director
		Footwear & Recreation Technology Research Institute	Director

Nomination Type	Candidate's Name	Current Position within Other Companies	
		Director	Tsai, Pei-Chun
Pou Sheng International (Holdings) Limited	Non-executive Director		
Director	Lu, Chin-Chu	Yue Yuen Industrial (Holdings) Limited	Chairman and Executive Director
		San Fang Chemical Industry Co., Ltd.	Director
Director	Wu, Pan-Tsu	Pou Sheng International (Holdings) Limited	Chairman and Executive Director
		Pau Yuen Trading Corporation	Chairman
		Taiwan Taisong Trading Co., Limited	Chairman
		Pcg Bros Sports Management Co., Limited	Chairman
Director	Ho, Yue-Ming	Elitegroup Computer Systems Co., Limited	Director
		Hua Jian Industrial Holding Co., Limited	Director
Independent Director	Chen, Huan-Chung	Pou Sheng International (Holdings) Limited	Independent Non-executive Director
Independent Director	Hsu, Chu-Sheng	Alexander Marine Co., Limited	Independent Director
		inergy Technology Inc.	Independent Director

c. Proposed for resolution.

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares represented at the time of voting: 2,308,003,092 votes.

Voting results*	% of the total represented share present
Votes in favor: 1,880,440,892 votes (1,465,046,611 votes)	81.47%
Votes against: 120,856,370 votes (120,856,370 votes)	5.23%
Votes abstained/No votes: 306,705,830 votes (296,562,176 votes)	13.28%

*including votes casted electronically (numbers in brackets)

F. Extemporary Motions: None

G. Adjournment Time: The meeting was adjourned at 10:13 a.m.

2021 Business and Financial Reports

a. Business Report

i. Result of Operations

The global economy exhibited a clear upward trend in 2021, mainly attributed to a strong rebound of major economies, but emerging markets and developing countries were still undergoing a struggle with COVID-19. International trade and supply chain lost its balance, and the economy recovered strongly, but not evenly.

The pandemic continued to overturn the world during 2020-2021, causing major changes and uncertainties to the business environment. The Company, nevertheless, insists on putting the health and safety of all its employees and business partners as the first priority and tackling challenges in a prudence manner to demonstrate corporate resilience. In the year ended December 31, 2021, the Company's non-consolidated operating revenue was NT\$8.3 billion, and the consolidated operating revenue was NT\$239.9 billion, representing a decrease of 4.0% compared to NT\$250 billion in the previous year. The net income attributable to owners of the Company was NT\$14.4 billion, a significant increase of 198.3% compared to NT\$4.8 billion in the previous year. (Schedule 1 and Schedule 1-1)

(1) Operating revenue

The Company's consolidated operating revenue was generated from its two core businesses, manufacturing of shoes, and retail of sporting goods and brand licensing business, accounting for 58% and 42% of consolidated operating revenue in 2021, respectively. (Schedule 2)

In terms of manufacturing of shoes, the Company's operating revenue decreased by NT\$2.2 billion in 2021 compared to the previous year. Despite seeing a solid recovery in the first half of the year, manufacturing operations in the third quarter were adversely affected by the lockdown in Vietnam. Although manufacturing activity resumed progressively in the fourth quarter, the shipments throughout the year were still lower than the previous year. In addition, the average selling price continued to grow amidst the positive development of its product portfolio optimization strategy.

With respect to retail of sporting goods and brand licensing business, consumer spending returned to pre-pandemic level in the first quarter of 2021, thus contributing a strong sales performance, but ever since the second quarter, a number of factors such as market dynamic and sporadic pandemic outbreaks, have weakened consumer sentiment and purchase intention, resulting in retail and licensing business to generate NT\$7.9 billion lower operating revenue for 2021 compared to 2020.

(2) Income from operations

The Company's consolidated gross profit for 2021 was NT\$58.2 billion, increase 6.3% from NT\$54.8 billion in the previous year, and the consolidated gross profit margin improved from 21.9% in 2020 to 24.3% in 2021. Such improvement was attributed to increased production efficiency and capacity utilization of manufacturing business compared to the previous year. In addition, the retail of sporting goods and brand licensing business continued to improve its discount controls and sales mix.

With the steady increase of the consolidated gross profit and strict expense controls, the Company's operating expenses decreased by NT\$1.1 billion for 2021 compared to 2020. Consolidated operating income was NT\$2.5 billion, up NT\$4.6 billion from NT\$2.1 billion operating net loss in the previous year, and consolidated operating profit margin recovered to 1.0%.

(3) Net income and Earnings per share

The net income attributable to owners of the Company in 2021 increased by NT\$9.6 billion compared to the previous year. The earnings per share was NT\$4.90 for 2021, an increase of NT\$3.26 compared to NT\$1.64 in the previous year.

Schedule 1: Consolidated Financial Statements

(In NT\$ thousands, except earnings per share)

Item	Year	2021		2020		+(-)%
		Amount	%	Amount	%	
Operating revenue		239,884,409	100%	249,954,311	100%	(4.03%)
Gross profit		58,223,025	24%	54,751,105	22%	6.34%
Income from operations		2,475,709	1%	(2,111,078)	(1%)	217.27%
Income before income tax		17,156,734	7%	5,961,326	3%	187.80%
Net income for the year		16,603,443	7%	3,919,417	2%	323.62%
Net income attributable to	Owners of the Company	14,439,307	6%	4,840,184	2%	198.32%
	Non-controlling interests	2,164,136	1%	(920,767)	-	335.04%
Earnings per share (Basic)		4.90		1.64		

Schedule 1-1: Separate Financial Statements

(In NT\$ thousands, except earnings per share)

Item	Year	2021		2020		+(-)%
		Amount	%	Amount	%	
Operating revenue		8,310,049	100%	8,219,523	100%	1.10%
Gross profit		4,480,572	54%	3,925,008	48%	14.15%
Income from operations		505,458	6%	474,916	6%	6.43%
Income before income tax		13,979,229	168%	6,226,300	76%	124.52%
Net income for the year		14,439,307	174%	4,840,184	59%	198.32%
Basic earnings per share		4.90		1.64		

Schedule 2: Consolidated Revenue

(In NT\$ thousands)

Primary business	Year	2021		2020	
		Amount	%	Amount	%
Manufacturing of shoes		137,659,922	58%	139,875,281	56%
Retailing of sporting goods and brand licensing business		101,485,349	42%	109,360,824	44%
Other		739,138	-	718,206	-
Total		239,884,409	100%	249,954,311	100%

ii. Research and Development

The Company's consolidated research and development expenses amounted to NT\$5.1 billion in 2021. This investment included continued improvements in automation, process engineering, and the introduction and refinement of key technologies to continuously improve operational efficiency and production flexibility. For each of the major branded customers has an R&D team, a parallel independent product development center exists to support the said R&D team. From product development to product prototyping, the Company works closely with its customers to incorporate innovative elements and sustainable materials into the design, thereby developing and producing high-quality footwear so as to quickly and flexibly respond to market demands.

iii. Corporate Social Responsibility

As a socially and environmentally responsible corporate citizen, the Company is committed to sustainable development and social responsibility. The Company values the rights and interests of its stakeholders, including shareholders/investors, customers, employees, suppliers, and communities. The Company plans to implement phased goals and continue to promote the following activities:

(1) Environmental Protection, Energy Conservation, and Carbon Reduction

To effectively manage environmental risks, the Company continues to improve and introduce appropriate and effective pollution prevention measures to reduce the environmental impact

of its manufacturing process and to keep up with international trends in carbon reduction and renewable energy. Using 2019 as the baseline year, the Company has set the five-year target with the expectation of achieving the goal of zero growth in carbon dioxide emissions in 2025 by continuously promoting energy conservation and expanding the use of renewable energy. Following the major customers, a further commitment was set to reduce greenhouse gas emissions by 46.2% in 2030 compared with the baseline year of 2019. This target has been verified by the World Resources Institute (WRI) and is in line with the Science-Based Target initiative (SBTi) setting methodology. It also demonstrates the Company's commitment to addressing sustainability issues, enhances its reputation within the international community and among customers, as well as ensuring sustainable in energy use.

(2) Safety and Health Management

The Company has established and implemented a top-down safety culture and dynamically adjusted pandemic prevention management to ensure that factories keep safe production activities. Given the resurgence of COVID-19 infections, the Company will continue using the Group's COVID-19 prevention guidelines in 2022 to reduce the impact on business operations. The adoption of environmental safety and health (ESH) management practices, risk mapping, and ESH buddy system, etc. will be continued to raise safety awareness and strengthen corporate safety culture. Risks will be mapped with region and personnel as units to help management identify risks and come up with solutions to control risks. The Company will continue to reinforce occupational hazard and fire hazard prevention works to enhance safety performance, reduce unnecessary risks and losses, and achieve the objective of autonomous safety management.

(3) Compliance Management

The Company identifies deficiencies in daily factory operations by using routine inspection mechanisms coupled with annual auditing methods. The Company keeps track of improvement progress to reduce or eliminate the probability of major accidents and ensure that all factory operations conform to the Group's code of conduct, local government laws, customer's specifications, and international regulations, with the ultimate goal of fortifying customer relationships. In 2022, the Company will continue to act in line with the spirit and principles of UN's "Universal Declaration of Human Rights" and ILO's "Declaration on Fundamental Principles and Rights at Work" among other international human rights conventions, in an effort to create an environment where human rights are advocated and the legal rights and interests of our employees are protected.

(4) Friendly Workplace

Through training, interviews, grievance channels, and the use of risk definitions, the Company highlights management opportunities, keeps abreast of issues that are of concern to employees, and strives to quickly respond and implement risk prevention to create effective and positive mode of communication. In 2022, the Company will continue to organize

employee activities and participate in community services to strengthen internal solidarity and organizational identity, and to promote co-prosperity. The Company also maintains a positive interactive relationship with the unions to forge solid employee–employer relations, build an inclusive, harmonious and friendly workplace, and create a positive organizational culture.

iv. 2022 Business Plan

(1) Operating Guidelines

The Company will continue to uphold its core value of "professionalism, loyalty, innovation, and service". With robustness at the center of operations, the Company will concentrate on manufacturing of shoes and retail of sporting goods and licensing business, keep on sharpening its competitive edge, and focus on improving both quality and quantity in business. To this end, the Company will sequentially carry out the following works:

■ Manufacturing of shoes

(a) To flexibly allocate of diverse locations

By establishing diversified and balanced production bases that leverages the competitive advantages of each location, adequately disperse risks and strengthen the flexibility of its overall operations, the Company has set factories across Vietnam, Indonesia, mainland China, Cambodia, Bangladesh, and Myanmar, etc. In response to customers' long-term production demands, the Company will continually adopt a global macro strategy to be flexible in deploying production capacity. In 2022, the Company will launch a new round of production expansion to gradually increase the production scale of existing factories, and actively improve operating efficiency and production flexibility so as to prepare for the continued capacity growth in the next few years.

(b) To actively drive digital transformation

The Company will continue investing in strategic areas such as automation, digital technologies, and smart applications to drive innovation momentum. Data collection, analysis and applications will be integrated by the adoption of intelligent equipment and manufacturing processes so as to sharpen responsiveness, ensure stable production at manufacturing factories, and maximize manufacturing efficiency. In addition, the Company continues rolling out the implementation of SAP ERP system, applying proprietary business communication platform Microsoft Teams, as well as Robotic Process Automation (RPA) for routine operations to optimize internal operating procedures and improve both organizational efficiency and performance.

(c) To solidify relationship with brand customers

The Company will cement and fortify its cooperative relationship with existing customers while strengthening product portfolios and leveraging its core competencies and competitive advantages to provide total solutions that are oriented toward smart

manufacturing and innovative services, ranging from materials development, technical support, process improvement, flexible production, to product diversification. The Company will concurrently focus on taking its services to a higher level that is beneficial to its customers. The Company is committed to and follows a green, sustainable production model that demonstrates its irreplaceable unique value, thereby becoming the preferred strategic partner by brand customers.

(d) To promote continuous supply chain integration

In pursuit of fully utilizing the vertically integrated competitive niche, the Company has integrated the upstream, midstream, and downstream chains of the footwear manufacturing industry to continuously build a completely effective supply chain system. By integrating resources and improving management, the Company aims to achieve local and flexible supply that can deliver innovative services quickly to meet market demands. Without ceasing to strengthen quality and cost competitiveness, the Company will pay attention to the R&D activities of its suppliers and their sustainability capabilities, and collaborate with them to create maximum value through the application of innovative materials and environmental sustainability.

■ Retailing of Sporting Goods and Brand Licensing

(a) To improve operational efficiency of brick-and-mortar retail stores

Within a consumer-centric channel system, physical stores are newly positioned as a critical sales touchpoint where interactive experiences are created and enhanced. The Company will continue promoting structural changes to offline channels by investing in upgrading physical stores with growth potential, and plan to expand its experience-oriented stores to reach a broader consumer base. In addition, the Company continues to gain insights into consumer behavior through digital management to achieve more accurate procurement, and combines social media marketing, different membership programs, and sports service contents to drive seasonal sales, thus endeavoring to improve the operating performance of its brick-and-mortar stores.

(b) To accelerate the omni-strategy

COVID-19 has driven a digital-oriented consumer behavior, which will remain a global norm in the post-pandemic era. The Company will accelerate the integration of its entire sales structure with online channels, including third-party platforms such as Tmall, Jingdong, as well as expand the “Pan-WeChat Ecosystem” in which interaction with consumers is achieved directly through WeChat stores. In 2022, the Company will continue to promote the diversification and growth of online channels, reinforce the advantages of a product-sharing platform, optimize inventory portfolios, and effectively improve product conversion and sales performance, thereby realizing sustainable growth.

(c) To promote diverse sports services

Following the opening of the first pilot “Next Store” in Hsinchu, Taiwan in 2020, the

Company opened its second sports service store –“Next Store” in Shenyang, mainland China in 2021. As a service hub, “Next Stores” sells a wide and diverse range of sporting products, alongside sporting services including training courses, sporting consultations, and fitness meals to support the Company's omni-channel capabilities. The Company will also continue to promote sporting events, keep on introducing new innovative services to create experiences in different contexts, and maintain and fortify customer relationship management to enhance customer retention and customer loyalty.

(2)Prospects

The COVID-19 pandemic has plagued the world for more than two years. With increased accessibility of COVID-19 vaccines and medications, the economic development of various countries is gradually normalizing. This recovery trend is expected to continue through 2022, but economic growth will slow down as the accommodative monetary policies of developed economies start to change. In addition, the pandemic remains an uncertainty given the fast mutation rate of the coronaviruses. Global supply chain migration will continue, geopolitical risks will increase further, and energy shortage and inflation will shift consumer confidence toward a conservative stance. The overall economy is still clouded by downside risks.

COVID-19 has substantially changed lifestyles worldwide, which in turn promotes healthier diets or exercising more often. For this reason, the Company remains confident in the prospect of the sporting industry. In terms of manufacturing business, the Company aims to retain its diversified capacity strategy, accelerate digital transformation, and improve responsiveness so as to make the Company an integral and irreplaceable part of the industry’s value chain. In retail of sporting goods and brand licensing, the Company will further integrate online and offline resources to create a comprehensive ecosystem, in which innovative sporting services are provided and consumer trends are monitored using data analysis for optimal marketing and sales performance.

The business environment is constantly filled with competition and challenges. Determined to keep pace with the times, the Company will take on a proactive attitude to deeply cultivate its governance culture, carry out talent development and succession planning, formulate business strategies with sustainability at its core, keep on enhancing its competitiveness and resilience, focus on the continual improvement of operational performance, and commit to creating value and sustainable return for every stakeholder.

Chan, Lu- Min



Chairman of the Board

Lu, Chin- Chu



President

Ho, Ming-Kun



Head of Accounting Dept.

b. Financial Report

i. Consolidated Financial Statements and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Pou Chen Corporation

Opinion

We have audited the accompanying consolidated financial statements of Pou Chen Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the report of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Write-downs of Inventory

As of December 31, 2021, the carrying amount of finished goods related to the retail segment included in the inventories was \$32,953,151 thousand. For the related disclosures, refer to Notes 4, 5 and 12 to the consolidated financial statements.

The determination of net realizable value requires an evaluation of sales condition and quality of products and assessment of obsolete and slow-moving inventories; the evaluation involves significant judgments and estimations made by management. Therefore, we considered write-down of inventory as a key audit matter to the consolidated financial statements for the year ended December 31, 2021.

We obtained the inventory valuation sheets prepared by management, selected samples of estimated selling prices and traced them to the recent sales records to assess the rationale of the net realizable value determined by management. In addition, we selected samples from the inventory aging report prepared by management to verify the correctness of its classification and the reasonableness of the amount of inventory write-downs.

Impairment of Goodwill

As of December 31, 2021, goodwill allocated to the retailing business-retail and distribution of sportswear products of the Group amounted to \$2,305,024 thousand. For the related disclosures, refer to Notes 4, 5 and 20 to the consolidated financial statements.

Management evaluated the impairment of the abovementioned assets based on their recoverable amounts. The recoverable amounts are determined according to the forecast of the trading performance and future cash flows and the discount rate. The test of impairment involved significant judgments and estimations made by management. As a result, we considered the impairment of goodwill as a key audit matter to the consolidated financial statements for the year ended December 31, 2021.

Our audit procedures in response to this key audit matter included evaluation of the reasonableness of the significant assumptions, evaluation model, and basic information and recalculation used by management for impairment testing.

Other Matter

The Group's investments in Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd. accounted for by using the equity method were based on the financial statements which were audited by other auditors. Our opinion, 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 report of other auditors. As of December 31, 2021 and 2020, the carrying amounts of the investment in Ruen Chen Investment Holding Co., Ltd. were \$76,419,271 thousand and \$75,039,348 thousand, which constituted 20.83% and 20.34%, of the Group's consolidated total assets, respectively. For the years ended December 31, 2021 and 2020, the profit of the associate was \$10,505,361 thousand and \$6,385,558 thousand, which constituted 61.23% and 107.12%, of the income before income tax, respectively. As of December 31, 2021 and 2020, the carrying amounts of the investment in Nan Shan Life Insurance Co., Ltd. were \$826,576 thousand and \$812,298 thousand, which constituted 0.23% and 0.22%, of the Group's consolidated total assets, respectively. For the years ended December 31, 2021 and 2020, the profit of the associate was \$109,592 thousand and \$66,911 thousand, which constituted 0.64% and 1.12%, of the income before income tax, respectively.

We have also audited the parent company only financial statements of Pou Chen Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion with emphasis of other matter paragraph.

Responsibilities of Management and Those Charged with Governance for 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 IFRS, IAS, IFRIC, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2022

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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

POU CHEN CORPORATION AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 28,450,346	8	\$ 32,108,725	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,341,742	1	3,769,286	1
Financial assets at fair value through other comprehensive income - current (Notes 4 and 9)	20,035,436	5	16,685,548	5
Financial assets at amortized cost - current (Notes 4 and 10)	8,630,004	2	7,492,930	2
Notes receivable (Notes 4 and 11)	54	-	39	-
Accounts receivable (Notes 4, 11 and 35)	26,539,565	7	31,916,866	9
Other receivables (Notes 4 and 11)	3,771,410	1	5,312,322	1
Inventories - manufacturing and retailing (Notes 4 and 12)	57,084,097	16	45,214,271	12
Inventories - construction (Notes 4 and 12)	3,718,519	1	3,716,256	1
Non-current assets held for sale (Notes 4 and 13)	-	-	630,861	-
Other current assets (Notes 4 and 14)	11,323,500	3	8,648,792	2
Total current assets	162,894,673	44	155,495,896	42
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	747,994	-	997,231	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	958,593	-	1,050,168	-
Financial assets at amortized cost - non-current (Notes 4, 10 and 36)	3,158,906	1	3,472,325	1
Investments accounted for using the equity method (Notes 4 and 16)	96,210,213	26	97,988,994	27
Property, plant and equipment (Notes 4 and 17)	62,786,453	17	69,983,286	19
Right-of-use assets (Notes 4 and 18)	20,066,402	6	20,535,496	6
Investment properties (Notes 4 and 19)	2,918,076	1	2,827,040	1
Goodwill (Notes 4 and 20)	7,774,185	2	7,957,895	2
Other intangible assets (Notes 4 and 21)	1,607,270	1	1,874,808	-
Deferred tax assets (Notes 4 and 29)	3,560,596	1	2,757,568	1
Other non-current assets (Notes 4 and 14)	4,207,465	1	3,973,852	1
Total non-current assets	203,996,153	56	213,418,663	58
TOTAL	\$ 366,890,826	100	\$ 368,914,559	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 22)	\$ 25,552,433	7	\$ 23,732,375	6
Short-term bills payable (Note 22)	2,563,093	1	3,360,748	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	78,720	-	131,348	-
Financial liabilities for hedging - current (Notes 4 and 8)	-	-	278	-
Notes payable (Notes 4, 23 and 35)	5,785	-	7,402	-
Accounts payable (Notes 4, 23 and 35)	17,406,222	5	16,628,923	4
Other payables (Note 24)	20,547,217	5	21,217,044	6
Current tax liabilities (Note 4)	1,776,193	-	3,051,860	1
Lease liabilities - current (Notes 4 and 18)	4,323,157	1	4,640,954	1
Current portion of long-term borrowings (Note 22)	9,791,986	3	5,888,875	2
Other current liabilities	6,764,167	2	6,748,629	2
Total current liabilities	88,808,973	24	85,408,436	23
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	232,011	-	714,819	-
Long-term borrowings (Note 22)	56,387,335	16	66,328,779	18
Deferred tax liabilities (Notes 4 and 29)	906,387	-	1,461,216	-
Lease liabilities - non-current (Notes 4 and 18)	8,357,819	2	9,494,536	3
Long-term payables (Note 24)	170,621	-	148,032	-
Net defined benefit liabilities (Notes 4 and 25)	4,482,434	1	4,055,076	1
Other non-current liabilities	48,494	-	60,463	-
Total non-current liabilities	70,585,101	19	82,262,921	22
Total liabilities	159,394,074	43	167,671,357	45
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 26)				
Share capital				
Ordinary shares	29,467,872	8	29,467,872	8
Capital surplus	4,419,400	1	4,389,862	1
Retained earnings				
Legal reserve	16,547,491	4	16,064,775	4
Special reserve	-	-	-	-
Unappropriated earnings	69,179,387	19	56,743,003	16
Total retained earnings	85,726,878	23	72,807,778	20
Other equity	19,818,804	6	27,443,947	8
Total equity attributable to owners of the Company	139,432,954	38	134,109,459	37
NON-CONTROLLING INTERESTS	68,063,798	19	67,133,743	18
Total equity	207,496,752	57	201,243,202	55
TOTAL	\$ 366,890,826	100	\$ 368,914,559	100

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

(With Deloitte & Touche auditors' report dated March 16, 2022)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 27 and 35)	\$ 239,884,409	100	\$ 249,954,311	100
OPERATING COSTS (Notes 25, 28 and 35)	<u>181,661,384</u>	<u>76</u>	<u>195,203,206</u>	<u>78</u>
GROSS PROFIT	<u>58,223,025</u>	<u>24</u>	<u>54,751,105</u>	<u>22</u>
OPERATING EXPENSES (Notes 25 and 28)				
Selling and marketing expenses	33,366,556	14	31,835,128	13
General and administrative expenses	17,287,482	7	19,459,894	8
Research and development expenses	<u>5,093,278</u>	<u>2</u>	<u>5,567,161</u>	<u>2</u>
Total operating expenses	<u>55,747,316</u>	<u>23</u>	<u>56,862,183</u>	<u>23</u>
INCOME (LOSS) FROM OPERATIONS	<u>2,475,709</u>	<u>1</u>	<u>(2,111,078)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 28)	734,497	-	639,635	-
Other income (Note 28)	3,500,349	1	3,435,429	2
Other gains and (losses) (Note 28)	1,358,214	1	(1,496,270)	-
Net (loss) gain on derecognition of financial assets at amortized cost	(20,636)	-	3,214	-
Finance costs (Note 28)	(1,868,689)	(1)	(2,407,297)	(1)
Share of the profit of associates and joint ventures (Notes 4 and 16)	<u>10,977,290</u>	<u>5</u>	<u>7,897,693</u>	<u>3</u>
Total non-operating income and expenses	<u>14,681,025</u>	<u>6</u>	<u>8,072,404</u>	<u>4</u>
INCOME BEFORE INCOME TAX	17,156,734	7	5,961,326	3
INCOME TAX EXPENSE (Notes 4 and 29)	<u>553,291</u>	<u>-</u>	<u>2,041,909</u>	<u>1</u>
NET INCOME FOR THE YEAR	<u>16,603,443</u>	<u>7</u>	<u>3,919,417</u>	<u>2</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 25)	(118,461)	-	(290,488)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	3,313,385	1	(313,926)	(1)
Share of the other comprehensive income (loss) of associates and joint ventures	963,883	1	(174,988)	-

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ (3,375,883)	(2)	\$ (4,726,138)	(2)
(Loss) gain on hedging instruments	(1,195)	-	1,195	-
Share of the other comprehensive (loss) income of associates and joint ventures	<u>(9,397,706)</u>	<u>(4)</u>	<u>19,266,213</u>	<u>8</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(8,615,977)</u>	<u>(4)</u>	<u>13,761,868</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 7,987,466</u>	<u>3</u>	<u>\$ 17,681,285</u>	<u>7</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 14,439,307	6	\$ 4,840,184	2
Non-controlling interests	<u>2,164,136</u>	<u>1</u>	<u>(920,767)</u>	<u>-</u>
	<u>\$ 16,603,443</u>	<u>7</u>	<u>\$ 3,919,417</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 6,773,495	3	\$ 20,587,697	8
Non-controlling interests	<u>1,213,971</u>	<u>-</u>	<u>(2,906,412)</u>	<u>(1)</u>
	<u>\$ 7,987,466</u>	<u>3</u>	<u>\$ 17,681,285</u>	<u>7</u>
EARNINGS PER SHARE (Note 30)				
Basic	<u>\$ 4.90</u>		<u>\$ 1.64</u>	
Diluted	<u>\$ 4.89</u>		<u>\$ 1.64</u>	

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

(With Deloitte & Touche auditors' report dated March 16, 2022)

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company						Other Equity				Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Others	Total		
			Legal Reserve	Special Reserve								
BALANCE AT JANUARY 1, 2020	\$ 29,467,872	\$ 4,592,397	\$ 14,881,914	\$ 22,293,369	\$ 34,488,820	\$ (2,498,149)	\$ 13,759,473	\$ -	\$ 423,243	\$ 117,408,939	\$ 72,460,088	\$ 189,869,027
Appropriation of 2019 earnings (Note 26)	-	-	1,182,861	-	(1,182,861)	-	-	-	-	-	-	-
Legal reserve	-	-	1,182,861	-	(1,182,861)	-	-	-	-	-	-	-
Special reserve	-	-	-	(22,293,369)	22,293,369	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,683,484)	-	-	-	-	(3,683,484)	-	(3,683,484)
	-	-	1,182,861	(22,293,369)	17,427,024	-	-	-	-	(3,683,484)	-	(3,683,484)
Net profit (loss) for the year ended December 31, 2020	-	-	-	-	4,840,184	-	-	-	-	4,840,184	(920,767)	3,919,417
Other comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	(163,929)	(2,993,220)	10,697,670	1,195	8,205,797	15,747,513	(1,985,645)	13,761,868
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	4,676,255	(2,993,220)	10,697,670	1,195	8,205,797	20,587,697	(2,906,412)	17,681,285
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Notes 4 and 26)	-	(230,093)	-	-	-	-	-	-	-	(230,093)	-	(230,093)
Share of changes in equities of subsidiaries (Notes 4 and 26)	-	-	-	-	(1,158)	-	-	-	-	(1,158)	-	(1,158)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates (Notes 4 and 26)	-	-	-	-	152,062	-	(152,062)	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Notes 4 and 26)	-	335	-	-	-	-	-	-	-	335	-	335
Unclaimed dividends by shareholders	-	27,223	-	-	-	-	-	-	-	27,223	-	27,223
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,419,933)	(2,419,933)
Changes in equity for the year ended December 31, 2020	-	(202,535)	1,182,861	(22,293,369)	22,254,183	(2,993,220)	10,545,608	1,195	8,205,797	16,700,520	(5,326,345)	11,374,175
BALANCE AT DECEMBER 31, 2020	29,467,872	4,389,862	16,064,775	-	56,743,003	(5,491,369)	24,305,081	1,195	8,629,040	134,109,459	67,133,743	201,243,202
Appropriation of 2020 earnings (Note 26)	-	-	482,716	-	(482,716)	-	-	-	-	-	-	-
Legal reserve	-	-	482,716	-	(482,716)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,473,394)	-	-	-	-	(1,473,394)	-	(1,473,394)
	-	-	482,716	-	(1,956,110)	-	-	-	-	(1,473,394)	-	(1,473,394)
Net profit for the year ended December 31, 2021	-	-	-	-	14,439,307	-	-	-	-	14,439,307	2,164,136	16,603,443
Other comprehensive (loss) income for the year ended December 31, 2021	-	-	-	-	(35,243)	(1,923,481)	(9,696,891)	(1,195)	3,990,998	(7,665,812)	(950,165)	(8,615,977)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	14,404,064	(1,923,481)	(9,696,891)	(1,195)	3,990,998	6,773,495	1,213,971	7,987,466
Disposal of investments accounted for using the equity method	-	(2,717)	-	-	235	-	(235)	-	-	(2,717)	(8)	(2,725)
Share of changes in equities of subsidiaries (Notes 4 and 26)	-	27,234	-	-	(8,723)	-	-	-	-	18,511	-	18,511
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates (Notes 4 and 26)	-	-	-	-	(5,661)	-	5,661	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Notes 4 and 26)	-	3,828	-	-	2,579	-	-	-	-	6,407	-	6,407
Unclaimed dividends by shareholders	-	1,193	-	-	-	-	-	-	-	1,193	-	1,193
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(283,908)	(283,908)
Changes in equity for the year ended December 31, 2021	-	29,538	482,716	-	12,436,384	(1,923,481)	(9,691,465)	(1,195)	3,990,998	5,323,495	930,055	6,253,550
BALANCE AT DECEMBER 31, 2021	\$ 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

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

(With Deloitte & Touche auditors' report dated March 16, 2022)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax for the year	\$ 17,156,734	\$ 5,961,326
Adjustments for:		
Depreciation expense	16,274,312	16,127,403
Amortization expense	502,459	483,716
Expected credit loss on accounts receivable	29,673	13,745
Net (gain) loss on fair value change of financial instruments at fair value through profit or loss	(727,347)	675,985
Finance costs	1,868,689	2,407,297
Net loss (gain) on derecognition of financial assets at amortized cost	20,636	(3,214)
Interest income	(734,497)	(639,635)
Dividend income	(916,719)	(1,006,050)
Compensation cost of employee share options	131,781	11,992
Share of profit of associates and joint ventures	(10,977,290)	(7,897,693)
Net loss on disposal of property, plant and equipment	353,185	482,997
Net gain on disposal of investment properties	(123,555)	-
Net gain recognized on disposal of the land use right	-	(153,880)
Net gain on disposal of associates and joint ventures	(1,237,587)	(535,107)
Impairment loss	402,090	457,134
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	861,901	(2,906,023)
Notes receivable	(15)	470
Accounts receivable	5,161,821	2,335,215
Other receivables	1,500,305	(171,338)
Inventories	(9,479,715)	9,479,131
Other current assets	(1,985,514)	511,049
Other operating assets	15,062	87,904
Notes payable	(1,617)	(3,797)
Accounts payable	963,060	1,762,586
Other payables	(1,187,678)	(3,094,485)
Other current liabilities	3,206	689,126
Net defined benefit liabilities	276,931	(487,014)
Other operating liabilities	22,589	(4,799)
Cash generated from operations	18,172,900	24,584,041
Interest paid	(1,834,245)	(2,398,509)
Income tax paid	(3,709,778)	(1,827,678)
Net cash generated from operating activities	<u>12,628,877</u>	<u>20,357,854</u>

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 14,543	\$ 804,350
Proceeds from return of capital of financial assets at fair value through other comprehensive income	10,929	56,289
Purchases of financial assets at amortized cost	(19,685,490)	(13,542,939)
Proceeds from sale of financial assets at amortized cost	18,551,834	9,877,178
Acquisition of associates and joint ventures	(72,000)	(963,016)
Proceeds from disposal of associates and joint ventures	3,176,087	134,951
Acquisition of subsidiaries	41,132	-
Proceeds from disposal of non-current assets held for sale	107,039	103,752
Acquisition of property, plant and equipment	(7,729,381)	(7,910,008)
Proceeds from disposal of property, plant and equipment	414,880	1,236,517
Increase in refundable deposits	-	(37,465)
Decrease in refundable deposits	74,264	-
Decrease in other receivables	178,798	37,781
Payments for intangible assets	(284,180)	(196,661)
Payments for right-of-use assets	(97,247)	(93,057)
Payments for investment properties	(598)	(240)
Proceeds from disposal of investment properties	738	-
Increase in prepayments for equipment	(459,912)	-
Interest received	744,094	703,010
Dividends received	2,040,184	2,138,774
Proceeds from disposal of right-of-use assets	-	173,073
	<u>(2,974,286)</u>	<u>(7,477,711)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,167,779	-
Repayments of short-term borrowings	-	(18,515,453)
Proceeds from short-term bills payable	-	813,000
Repayments of short-term bills payable	(797,500)	-
Derecognition of financial liabilities for hedging	6,791	-
Proceeds from long-term borrowings	-	11,586,565
Repayments of long-term borrowings	(6,078,400)	-
Decrease in guarantee deposits	(11,969)	(7,851)
Repayments of principal portion of lease liabilities	(5,143,089)	(4,610,366)
Cash dividends	(1,473,394)	(3,683,484)
Change in non-controlling interests	(415,689)	(2,419,933)
Unclaimed dividends by shareholders	1,193	27,223
	<u>(12,744,278)</u>	<u>(16,810,299)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(568,692)</u>	<u>(1,011,074)</u>

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (3,658,379)	\$ (4,941,230)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>32,108,725</u>	<u>37,049,955</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 28,450,346</u>	<u>\$ 32,108,725</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2022)

(Concluded)

ii. Separate Financial Statements and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

Pou Chen Corporation

Opinion

We have audited the accompanying financial statements of Pou Chen Corporation (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the report of other auditors.

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended December 31, 2021. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2021 are stated as follows:

Impairment Assessment on Goodwill - Investments Accounted for Using the Equity Method

As described in Notes 4, 5, and 14 (Table 5) to the financial statements, any excess of investment cost over the fair value of the investee's net identifiable assets is recognized as goodwill. Management shall perform impairment test on goodwill on a regular basis in accordance with IAS 36.

Management evaluated the abovementioned assets for impairment based on their recoverable amounts. The recoverable amounts are determined according to the forecast of the trading performance and future cash flows and the discount rate. The test of impairment involves significant judgments and estimations made by management. As a result, we considered the impairment of goodwill on investments accounted for using the equity method as a key audit matter to the financial statements for the year ended December 31, 2021.

For this key audit matter, we evaluated the reasonableness of the significant assumptions, the basis of the evaluation model, the reasonableness of the basic information, and the appropriateness of impairment.

Other Matter

Certain investments accounted for using the equity method in the Company's financial statements for the years ended December 31, 2021 and 2020 were based on the financial statements audited by other independent auditors. Our opinion, insofar as it relates to the Company's investments in certain corporation, is based solely on the report of other auditors. As of December 31, 2021 and 2020, the carrying amounts of the investments were \$77,244,269 thousand and \$75,850,094 thousand, which constituted 40.99% and 41.48%, of the Company's total assets, respectively. For the years ended December 31, 2021 and 2020, the profit of the associate which the Company recognized amounted to \$10,614,743 thousand and \$6,452,341 thousand, which constituted 75.93% and 103.63%, of the income before income tax, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2022

Notice to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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' report and financial statements shall prevail.

POU CHEN CORPORATION

BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 73,956	-	\$ 365,489	-
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	15,174	-	120,828	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 9)	6,866,303	4	5,759,113	3
Financial assets at amortized cost - current (Notes 4 and 10)	127,889	-	134,438	-
Notes receivable (Notes 4 and 11)	54	-	19	-
Accounts receivable (Notes 4 and 11)	9,477	-	1,880	-
Accounts receivable from related parties (Notes 4, 11 and 30)	1,736,755	1	1,698,354	1
Other receivables (Notes 4 and 11)	32,091	-	54,112	-
Inventories (Notes 4 and 12)	110,061	-	69,731	-
Other current assets (Notes 4 and 13)	57,131	-	30,297	-
Total current assets	<u>9,028,891</u>	<u>5</u>	<u>8,234,261</u>	<u>4</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	49,496	-	63,791	-
Financial assets at amortized cost - non-current (Notes 4 and 10)	112,510	-	113,364	-
Investments accounted for using the equity method (Notes 4 and 14)	170,931,577	91	166,240,256	91
Property, plant and equipment (Notes 4 and 15)	4,812,331	2	5,035,178	3
Right-of-use asset (Notes 4 and 16)	145,775	-	118,371	-
Investment properties (Notes 4 and 17)	1,983,165	1	1,884,398	1
Intangible assets (Notes 4 and 18)	1,293,976	1	1,083,212	1
Deferred tax assets (Notes 4 and 26)	71,620	-	47,626	-
Other non-current assets (Notes 4 and 13)	18,486	-	30,734	-
Total non-current assets	<u>179,418,936</u>	<u>95</u>	<u>174,616,930</u>	<u>96</u>
TOTAL	<u>\$ 188,447,827</u>	<u>100</u>	<u>\$ 182,851,191</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 19)	\$ 9,652,000	5	\$ 9,377,291	5
Short-term bills payable (Note 19)	999,699	1	2,099,687	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	11,104	-	704	-
Financial liabilities for hedging - current (Notes 4 and 8)	-	-	278	-
Notes payable (Notes 4 and 20)	3,735	-	6,173	-
Accounts payable (Notes 4 and 20)	491,192	-	624,913	-
Accounts payable to related parties (Notes 4, 20 and 30)	20,570	-	28,196	-
Other payables (Note 21)	1,656,309	1	1,687,351	1
Current tax liabilities (Notes 4 and 26)	148,562	-	1,368,814	1
Lease liabilities - current (Notes 4 and 16)	33,933	-	31,050	-
Current portion of long-term borrowings (Note 19)	6,503,796	3	2,513,796	2
Other current liabilities	185,149	-	170,294	-
Total current liabilities	<u>19,706,049</u>	<u>10</u>	<u>17,908,547</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 19)	27,011,714	15	29,495,510	16
Deferred tax liabilities (Notes 4 and 26)	86,547	-	646,685	1
Lease liabilities - non-current (Notes 4 and 16)	113,608	-	91,071	-
Long-term accounts payable to related parties (Note 30)	1,522,400	1	-	-
Net defined benefit liabilities (Notes 4 and 22)	556,401	-	567,040	-
Other non-current liabilities (Note 14)	18,154	-	32,879	-
Total non-current liabilities	<u>29,308,824</u>	<u>16</u>	<u>30,833,185</u>	<u>17</u>
Total liabilities	<u>49,014,873</u>	<u>26</u>	<u>48,741,732</u>	<u>27</u>
EQUITY (Notes 4 and 23)				
Share capital				
Ordinary shares	<u>29,467,872</u>	<u>16</u>	<u>29,467,872</u>	<u>16</u>
Capital surplus	<u>4,419,400</u>	<u>2</u>	<u>4,389,862</u>	<u>2</u>
Retained earnings				
Legal reserve	16,547,491	9	16,064,775	9
Special reserve	-	-	-	-
Unappropriated earnings	<u>69,179,387</u>	<u>36</u>	<u>56,743,003</u>	<u>31</u>
Total retained earnings	<u>85,726,878</u>	<u>45</u>	<u>72,807,778</u>	<u>40</u>
Other equity	<u>19,818,804</u>	<u>11</u>	<u>27,443,947</u>	<u>15</u>
Total equity	<u>139,432,954</u>	<u>74</u>	<u>134,109,459</u>	<u>73</u>
TOTAL	<u>\$ 188,447,827</u>	<u>100</u>	<u>\$ 182,851,191</u>	<u>100</u>

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

(With Deloitte & Touche audit report dated March 16, 2022)

POU CHEN CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 30)	\$ 8,310,049	100	\$ 8,219,523	100
OPERATING COSTS (Notes 25 and 30)	<u>3,829,477</u>	<u>46</u>	<u>4,294,515</u>	<u>52</u>
GROSS PROFIT	<u>4,480,572</u>	<u>54</u>	<u>3,925,008</u>	<u>48</u>
OPERATING EXPENSES (Notes 22 and 25)				
Selling and marketing expenses	36,221	-	30,108	-
General and administrative expenses	2,392,911	29	1,984,045	24
Research and development expenses	<u>1,545,982</u>	<u>19</u>	<u>1,435,939</u>	<u>18</u>
Total operating expenses	<u>3,975,114</u>	<u>48</u>	<u>3,450,092</u>	<u>42</u>
INCOME FROM OPERATIONS	<u>505,458</u>	<u>6</u>	<u>474,916</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	4,337	-	15,610	-
Other income (Notes 25 and 30)	486,866	6	566,630	7
Other gains and (losses) (Note 25)	(252,720)	(3)	(808,773)	(10)
Finance costs (Note 25)	(377,745)	(5)	(396,194)	(5)
Share of profit of subsidiaries and associates (Notes 4 and 14)	<u>13,613,033</u>	<u>164</u>	<u>6,374,111</u>	<u>78</u>
Total non-operating income and expenses	<u>13,473,771</u>	<u>162</u>	<u>5,751,384</u>	<u>70</u>
INCOME BEFORE INCOME TAX	13,979,229	168	6,226,300	76
INCOME TAX (BENEFIT) EXPENSE (Notes 4 and 26)	<u>(460,078)</u>	<u>(6)</u>	<u>1,386,116</u>	<u>17</u>
NET INCOME FOR THE YEAR	<u>14,439,307</u>	<u>174</u>	<u>4,840,184</u>	<u>59</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 22)	(59,545)	-	94,922	1
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	1,103,823	13	(148,916)	(2)
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	2,679,954	32	(473,503)	(6)

(Continued)

POU CHEN CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
(Loss) gain on hedging instruments	\$ (1,195)	-	\$ 1,195	-
Share of the other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method	<u>(11,388,849)</u>	<u>(137)</u>	<u>16,273,815</u>	<u>198</u>
Other comprehensive income for the year, net of income tax	<u>(7,665,812)</u>	<u>(92)</u>	<u>15,747,513</u>	<u>191</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 6,773,495</u>	<u>82</u>	<u>\$ 20,587,697</u>	<u>250</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 4.90</u>		<u>\$ 1.64</u>	
Diluted	<u>\$ 4.89</u>		<u>\$ 1.64</u>	

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

(With Deloitte & Touche auditors' report dated March 16, 2022)

(Concluded)

POU CHEN CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Retained Earnings					Other Equity				Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain on Hedging Instruments	Others	
BALANCE AT JANUARY 1, 2020	\$ 29,467,872	\$ 4,592,397	\$ 14,881,914	\$ 22,293,369	\$ 34,488,820	\$ (2,498,149)	\$ 13,759,473	\$ -	\$ 423,243	\$ 117,408,939
Appropriation of 2019 earnings (Note 23)										
Legal reserve	-	-	1,182,861	-	(1,182,861)	-	-	-	-	-
Special reserve	-	-	-	(22,293,369)	22,293,369	-	-	-	-	-
Cash dividends	-	-	-	-	(3,683,484)	-	-	-	-	(3,683,484)
	-	-	1,182,861	(22,293,369)	17,427,024	-	-	-	-	(3,683,484)
Net profit for the year ended December 31, 2020	-	-	-	-	4,840,184	-	-	-	-	4,840,184
Other comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	(163,929)	(2,993,220)	10,697,670	1,195	8,205,797	15,747,513
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	4,676,255	(2,993,220)	10,697,670	1,195	8,205,797	20,587,697
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Notes 4 and 23)	-	(230,093)	-	-	-	-	-	-	-	(230,093)
Share of changes in equities of subsidiaries (Notes 4 and 23)	-	-	-	-	(1,158)	-	-	-	-	(1,158)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates (Notes 4 and 23)	-	-	-	-	152,062	-	(152,062)	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Notes 4 and 23)	-	335	-	-	-	-	-	-	-	335
Unclaimed dividends by shareholders	-	27,223	-	-	-	-	-	-	-	27,223
BALANCE AT DECEMBER 31, 2020	29,467,872	4,389,862	16,064,775	-	56,743,003	(5,491,369)	24,305,081	1,195	8,629,040	134,109,459
Appropriation of 2020 earnings (Note 23)										
Legal reserve	-	-	482,716	-	(482,716)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,473,394)	-	-	-	-	(1,473,394)
	-	-	482,716	-	(1,956,110)	-	-	-	-	(1,473,394)
Net profit for the year ended December 31, 2021	-	-	-	-	14,439,307	-	-	-	-	14,439,307
Other comprehensive (loss) income for the year ended December 31, 2021	-	-	-	-	(35,243)	(1,923,481)	(9,696,891)	(1,195)	3,990,998	(7,665,812)
Total comprehensive (loss) income for the year ended December 31, 2021	-	-	-	-	14,404,064	(1,923,481)	(9,696,891)	(1,195)	3,990,998	6,773,495
Disposal of investments accounted for using the equity method	-	(2,717)	-	-	235	-	(235)	-	-	(2,717)
Share of changes in equities of subsidiaries (Notes 4 and 23)	-	27,234	-	-	(8,723)	-	-	-	-	18,511
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates (Notes 4 and 23)	-	-	-	-	(5,661)	-	5,661	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Notes 4 and 23)	-	3,828	-	-	2,579	-	-	-	-	6,407
Unclaimed dividends by shareholders	-	1,193	-	-	-	-	-	-	-	1,193
BALANCE AT DECEMBER 31, 2021	\$ 29,467,872	\$ 4,419,400	\$ 16,547,491	\$ -	\$ 69,179,387	\$ (7,414,850)	\$ 14,613,616	\$ -	\$ 12,620,038	\$ 139,432,954

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

(With Deloitte & Touche auditors' report dated March 16, 2022)

POU CHEN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 13,979,229	\$ 6,226,300
Adjustments for:		
Depreciation expense	351,725	374,060
Amortization expense	64,930	40,925
Expected credit loss reversed on accounts receivable	-	(48,234)
Net loss (gain) on fair value changes of financial instruments at FVTPL	89,671	(217,870)
Finance costs	377,745	396,194
Interest income	(4,337)	(15,610)
Dividend income	(304,781)	(327,788)
Share of profit of subsidiaries and associates	(13,613,033)	(6,374,111)
Net (gain) loss on disposal of property, plant and equipment	(1,791)	1,215
Gain on disposal of investment properties	(123,568)	-
Gain on lease modifications	-	(28)
Gain on disposal of investments accounted for using equity method	(12,708)	-
Unrealized (gain) loss on foreign currency exchange	(10,948)	4,028
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	134,225	108,693
Notes receivable	(35)	443
Accounts receivable	(7,597)	273
Accounts receivable from related parties	(38,401)	(58,469)
Other receivables	24,981	51,790
Inventories	(40,330)	(10,505)
Other current assets	(28,154)	6,515
Other operating assets	14,167	15,147
Financial liability held for trading	(114,632)	(36,049)
Notes payable	(2,438)	(3,851)
Accounts payable	(133,721)	(426,465)
Accounts payable to related parties	(7,626)	5,384
Other payables	(31,692)	(253,112)
Other current liabilities	14,855	(3,648)
Net defined benefit liabilities	(87,796)	(53,532)
Cash generated from (used in) operations	487,940	(598,305)
Interest paid	(373,232)	(398,218)
Income tax paid	(1,326,696)	(41,959)
Net cash used in operating activities	<u>(1,211,988)</u>	<u>(1,038,482)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from return of capital of financial assets at fair value through other comprehensive income	10,929	-
Purchases of financial assets at amortized cost	(533,485)	(755,653)
Proceeds from sale of financial assets at amortized cost	543,312	795,816

(Continued)

POU CHEN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Acquisition of associates and joint ventures	\$ (102,001)	\$ (170,204)
Disposal of associates and joint ventures	36,422	-
Acquisition of property, plant and equipment	(96,140)	(124,135)
Proceeds from disposal of property, plant and equipment	16,581	36,053
Decrease in refundable deposits	1,443	805
Decrease in loans to related parties	-	175,000
Payments for intangible assets	(275,694)	(196,118)
Proceeds from disposal of intangible asset	-	1,253
Payments for investment properties	-	(240)
Proceeds from disposal of investment properties	738	-
Increase in prepayments for equipment	-	(4,453)
Interest received	4,519	16,079
Dividends received	<u>617,621</u>	<u>1,184,001</u>
Net cash generated from investing activities	<u>224,245</u>	<u>958,204</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	273,145	-
Repayments of short-term borrowings	-	(10,533,973)
Proceeds from short-term bills payable	-	2,100,000
Repayments of short-term bills payable	(1,100,000)	-
Derecognition of financial liabilities for hedging	6,791	-
Proceeds from long-term borrowings	88,290,000	66,640,000
Repayments of long-term borrowings	(86,783,796)	(54,213,796)
Decrease in guarantee deposits	(13,788)	(13,451)
Proceeds from other payables to related parties	1,530,925	-
Repayments of principal portion of lease liabilities	(34,866)	(30,468)
Cash dividends	(1,473,394)	(3,683,484)
Other financing activities	<u>1,193</u>	<u>27,223</u>
Net cash generated from financing activities	<u>696,210</u>	<u>292,051</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(291,533)	211,773
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>365,489</u>	<u>153,716</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 73,956</u>	<u>\$ 365,489</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2022)

(Concluded)

2. Audit Committee's Review Report on the 2021 Financial Statements

Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2021 business report and financial statements. Commissioned by the Board of Directors, the CPA firm Deloitte & Touch has audited the financial statements and issued an audit report relating to the financial statements.

These have been reviewed by the Audit Committee as conforming to relevant laws and regulations. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this Report.

To:

2022 Annual General Shareholders' Meeting of Pou Chen Corporation

Audit Committee convener:



Chen, Huan-Chung

Date : March 16, 2022

Audit Committee's Review Report on Profit Distribution Plan

The Board of Directors has prepared and submitted the 2021 profit distribution plan. This has been reviewed by the Audit Committee as conforming to relevant laws and regulations. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this Report.

To:

2022 Annual General Shareholders' Meeting of Pou Chen Corporation

Audit Committee convener:



Chen, Huan-Chung

Date : April 28, 2022