



Stock Code : 9904

寶成工業股份有限公司

POU CHEN CORPORATION

2023
Annual General
Shareholders' Meeting
Meeting Handbook

Notice to readers

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.



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I. Meeting Procedure

Pou Chen Corporation 2023 Annual General Shareholders' Meeting Procedure

1. Call the Meeting to Order
2. Chairperson Remarks
3. Reported Matters
4. Acknowledged Matters
5. Matters for Discussion
6. Extemporaneous Motions
7. Adjournment



II. Meeting Agenda

Pou Chen Corporation

2023 Annual General Shareholders' Meeting Agenda

Convening Method: Physical Shareholders' meeting

Time: 9:30 a.m., June 15, 2023 (Thursday)

Location: Conference room on the 3rd floor of the Company's office building in Fuxing Industrial Park located at No.2, Fugong Rd., Fuxing Township, Changhua County, Taiwan

Chairperson Remarks

A. Reported Matters

1. 2022 Business and Financial Reports. (please refer to pages 3-32)
2. Audit Committee's Review Report on the 2022 Financial Statements. (please refer to pages 33-34)
3. Report on the 2022 Distribution of Employees' Compensation and Directors' Remuneration. (please refer to page 35)
4. Report on the distribution for cash dividend of 2022 earnings. (please refer to page 35)

B. Acknowledged Matters

1. Acknowledgement of 2022 Business Report, Financial Statements and Profit Distribution Plan. (please refer to pages 35-36)

C. Matters for Discussion

1. Discussion on the amendments to the Company's "Articles of Incorporation". (please refer to pages 37-39)
2. Discussion on the amendments to the Company's "Rules and Procedures of Shareholders' Meetings". (please refer to pages 39-58)

D. Extemporaneous Motions

E. Adjournment



A. Reported Matters

1. 2022 Business and Financial Reports

a. Business Report

i. Result of Operations

Looking back at 2022, the macroeconomic environment experienced numerous fluctuations and turbulences. The economy was initially expected to recover steadily as most countries have progressively eased their COVID-19 restrictions. However, with the surge in energy and raw material prices, and the continued repetition of COVID-19 cases in some regions, Europe, the United States, and other major economies quickly raised interest rates to curb inflation, which led to further volatility in the global financial system. All of these conditions have increased the downside risks and uncertainties of the global economy.

Despite the challenging operating environment, the Company remained committed to cultivating a robust business foundation and demonstrating its resilience through steady operational performance. For the year ended December 31, 2022, the Company reported its non-consolidated operating revenue was NT\$9.3 billion and consolidated operating revenue was NT\$267.5 billion, representing an increase of 11.5% compared to NT\$239.9 billion in the previous year. The net income attributable to owners of the Company was NT\$12.6 billion, a decrease of 12.4% compared to NT\$14.4 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, accounting for 69% and 31% of consolidated operating revenue in 2022, respectively. (Schedule 2)

In terms of manufacturing of shoes, global demand for footwear products remained steady throughout most of 2022, which together with a low base effect stemming from the pandemic in Vietnam in the third quarter of 2021, supported a double-digit growth in shipments for the year. In addition, our portfolio optimization strategy generated a positive effect with relatively stable high value-added orders driving continuous rise in average prices. These resulted in an increase of NT\$47.0 billion in operating revenue from manufacturing of shoes in 2022 compared with the preceding year.

Regarding retail of sporting goods and brand licensing business, despite a strong start to the year 2022 and the solid performance of its Pan-WeChat Ecosphere, the ongoing pandemic in major business locations as well as escalating control measures introduced by local governments led to lower footfall in shopping



venues, disruptions in logistics and last-mile delivery, and dampened consumer sentiment. As a result, revenue from retail of sporting goods and brand licensing business dropped by NT\$19.5 billion in 2022 compared with the preceding year.


(2) Income from operations

The Company's consolidated gross profit for 2022 was NT\$64.6 billion, increase 11.0% from NT\$58.2 billion in the previous year, mainly attributable to the flexible capacity allocation of manufacturing business, significant improvements in production efficiency and capacity utilization, which substantially contributed to our consolidated gross profit. In 2022, our consolidated gross profit margin was 24.2%, roughly flat compared to 24.3% in the preceding year.


As the expansion of sales scale and rigorous cost control measures brought better operating efficiency, our consolidated operating expense ratio decreased to 20.2% from 23.2% in the preceding year. Our consolidated income from operations was NT\$10.6 billion, an astounding increase of 328.0% over the preceding year; the consolidated operating profit margin increased from 1.0% in the preceding year to 4.0%

(3) Net income and Earnings per share

The Company's core business performance was stable in 2022, but net income attributable to owners of the Company decreased by NT\$1.8 billion in 2022 compared to the previous year due to a NT\$3.8 billion decrease in non-operating net income. The earnings per share was NT\$4.29 for 2022, a decrease of NT\$0.61 compared to NT\$4.90 in the previous year.



Handbook for the 2023 Annual General Shareholders' Meeting



Schedule 1: Consolidated Financial Statements

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

Item \ Year	2022		2021		+(-)%	
	Amount	%	Amount	%		
Operating revenue	267,496,800	100%	239,884,409	100%	11.51%	
Gross profit	64,606,092	24%	58,223,025	24%	10.96%	
Income from operations	10,596,070	4%	2,475,709	1%	328.00%	
Income before income tax	21,431,577	8%	17,156,734	7%	24.92%	
Net income for the year	16,889,466	6%	16,603,443	7%	1.72%	
Net income attributable to	Owners of the Company	12,644,855	5%	14,439,307	6%	(12.43%)
	Non-controlling interests	4,244,611	1%	2,164,136	1%	96.13%
Earnings per share (Basic)	4.29		4.90			

Schedule 1-1: Separate Financial Statements

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

Item \ Year	2022		2021		+(-)%
	Amount	%	Amount	%	
Operating revenue	9,349,013	100%	8,310,049	100%	12.50%
Gross profit	5,067,926	54%	4,480,572	54%	13.11%
Income from operations	887,677	10%	505,458	6%	75.62%
Income before income tax	13,530,504	145%	13,979,229	168%	(3.21%)
Net income for the year	12,644,855	135%	14,439,307	174%	(12.43%)
Earnings per share (Basic)	4.29		4.90		

Schedule 2: Consolidated Operating Revenue

(In NT\$ thousands)

Primary business \ Year	2022		2021	
	Amount	%	Amount	%
Manufacturing of shoes	184,653,213	69%	137,659,922	58%
Retail of sporting goods and brand licensing	81,992,394	31%	101,485,349	42%
Others	851,193	-	739,138	-
Total	267,496,800	100%	239,884,409	100%



ii. Research and Development

The Company's consolidated research and development expenses amounted to NT\$5.5 billion in 2022. The Company continues to develop its core footwear equipment, modularize production lines, as well as implement flexible production processes, so as to enhance and optimize the production capacity of each factory. The Company has established a R&D team and an independent product development center specifically for its major customers. From product development to product prototyping, we work closely with our customers. By adopting innovative elements and sustainable materials, we thereby develop high-quality footwear products in order to quickly and flexibly respond to market demands.

iii. Corporate Sustainability

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 has planned phased goals and implemented the following activities:

(1) Environmental Sustainability

For effective management of environmental risks and engagement in environmental protection, we continue to implement timely improvements and introduce various pollution prevention facilities aimed at reducing the environmental impact of our manufacturing processes and promoting the benefits of resource reuse. To proactively keep up with international trends in carbon reduction and green energy development, the Company has set 2019 as the baseline year for continuously implementing low-carbon production measures and expanding the use of renewable energy. We aim to achieve the five-year target of zero carbon emissions growth by 2025. Following in the footsteps of our major customers, the Company has further formulated a target of reducing GHG emissions of 46.2% by 2030 as compared with 2019. This target has been verified by the World Resources Institute (WRI) to be in line with the standards set by Science-Based Target initiative (SBTi). It also demonstrates our commitment to sustainability, enhances the Company's reputation in the international community and among our customers, as well as ensuring sustainable energy consumption and development.

(2) Occupational Safety and Health Management

The Company has established and implemented a top-down safety culture and dynamically aligned pandemic prevention management to ensure that our factories are able to maintain safe production activities. For 2023, in conjunction with risk prevention, the Company will continue to promote programs and measures,

including infrastructure construction, ESH (environmental, health, and safety) partnership, risk mapping, behavioral safety observation, and all-employee safety capacity building. Furthermore, the Company will encourage all employees to participate in discovering hazards and implementing improvement measures thereof, so as to raise their safety awareness on identification of hazardous risks. We will also continuously enhance the prevention of occupational injuries and fire accidents to improve safety performance and reduce unnecessary risk losses, thereby achieving the goal of safety self-management.

(3) Compliance Management

The Company proactively identifies deficiencies in daily factory operations through routine inspection mechanisms coupled with annual auditing. We keep 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 laws and regulations, customers' standards and international regulations, so as to achieve the ultimate goal of strengthening customer relationships. In 2023, we will continue to act in accordance with the spirit and principles of the 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) Harmonious working environment

Through training, interviews, grievance channels, and the use of risk definitions, the Company highlights management opportunities, keeps abreast of employee concerns, and strives to quickly respond and implement risk prevention to create an effective and positive mode of communication. In 2023, the Company will continue to organize employee activities, participate in community services and motivate employees to strengthen internal solidarity and organizational identity, and to promote co-prosperity. The Company also maintains positive interactions with labor unions to forge solid employee-employer relations, build an inclusive, harmonious and friendly workplace, and create a positive organizational culture.

iv. 2023 Business Plan

(1) Operating Guidelines

The Company will actively fulfill its core values of "Professionalism, Dedication, Innovation and Service". The Company will concentrate on manufacturing of shoes and retail of sporting goods and licensing, focus on agile business strategies, strengthen the business fundamentals and keep on sharpening its competitive edge. To this end, the Company will sequentially undertake the following:



■ Manufacturing of shoes

(a) To flexibly diversify production capacities

Given the dynamic competitions in the business environment, the Company has established diverse production bases to leverage local manufacturing advantages and to reasonably diversify operational risks. Currently, our factories are spread across Indonesia, Vietnam, Mainland China, Cambodia, Bangladesh and Myanmar. In 2023, we will continuously adopt a global macro strategy to improve the capacity and efficiency of our production bases, and maximize flexibility in capacity allocation, with Indonesia, Vietnam and Mainland China as key production regions. Furthermore, we will continue to scale up production and develop a steady growth driver to support the long-term capacity demands.

(b) To accelerate digital transformation

The Company will continue to advance its long-term smart manufacturing strategies by formulating data thinking, introducing real-time data management and remote monitoring system, delivering timely and effective production information, and implementing precise control of factory operations. These efforts are aimed to maximize the performance of our production lines. In addition, through process re-engineering, we aim to achieve digital prototyping and production simulations, optimized production scheduling, and flexible line change-overs. Moreover, we will further integrate other digital tools such as Distributed Resource Scheduler (DRS) system, Robotic Process Automation (RPA) to continuously enhance internal operating processes and improve operating efficiency.

(c) To solidify relationship with brand customers

In response to customers' increasingly flexible procurement strategies, the Company will expand its investment in cutting-edge technologies and smart manufacturing, leverage core strengths and competitive advantages, provide professional integrated solutions that cover innovative development, process transformation, flexible production, and diversified products, and expand the business model of high value-added services. The Company will continue to build its competitive edges and focus on higher level of extended services to help customers achieve product innovation. This will be helpful in strengthening and deepening our mutually beneficial long-term partnerships as we strive to become their preferred strategic partner.

(d) To effectively improve supply chain resilience

To fully exert the synergy of vertical integration, the Company has built a comprehensive and high efficient supply chain system by linking upstream, midstream and downstream operations in the footwear manufacturing process. With an focus on local supply and flexible delivery, we are committed to providing fast and innovative services that reflect market demand in a timely manner. Through resource and knowledge sharing, as well as technical cooperation, we continue to improve product quality and cost efficiency. We will place emphasis our suppliers' capabilities in innovative research and development, flexible production, and sustainable development. More importantly, we will continuously enhance communication and collaboration between the upstream and downstream counterparts, and optimize their operating efficiency and effectiveness, so as to elevate the overall value of the supply chain.

■ Retail of Sporting Goods and Brand Licensing

(a) To precisely cultivate brick-and-mortar retail stores

For consumers who seek in-person experience of products and services, physical stores remain a crucial and irreplaceable touch point. The Company will continue to drive structural upgrades to its brick-and mortar stores, dynamically assess their efficiency, and plan for the overall development of all business operations. In addition, we strive to combine offline networks and social media, membership programs and sporting services to create a unique customer journey. We will also implement a refined retail management system to improve the operational efficiency of our sales channels by facilitating more precise marketing strategies through data analysis.

(b) To actively develop digital channels

In response to changing consumer behavior, shopping is no longer confined to specific spaces. The Company will continue to incorporate its online channels into the overall sales network by covering the operation of third-party platforms such as Tmall, JD, and Vipshop. Furthermore, better sales quality and shorter sales cycles will be achieved through the expanding Pan-WeChat Ecosphere, which has become an effective sales channel capable of driving profitability. In 2023, the Company will continue to invest and allocate more resources to the Pan-WeChat Ecosphere and improve its digital operations to drive further sales growth.



(c) To continuously strengthen operational capabilities

The Company will continue to expand and reinforce its product-sharing platform and enhance its Omni-Hub program with brand partners to efficiently share products inventory to optimize its inventory mix and product portfolio. This will improve the efficiency of inventory management and use of working capital, thus providing consumers with higher-quality services. In addition, we plan to work with our brand partners further to create a multiple membership service by connecting digital stores, thereby creating the best consumer experience. Meanwhile, the Company will also continue to introduce and upgrade its business intelligence platform and other digital tools to build capacity for digital innovation and business growth.

(2)Prospects

The global economic outlook is complicated and unpredictable. In 2022, major economies have raised interest rates to curb inflation, which has led to dramatic fluctuations in international financial market and a shift in consumer demand toward a more conservative stance. In 2023, the Company will still be confronted with constricted monetary policies, as well as increasing inventory levels, global supply chain restructuring, and other uncertainties that will increase the risk of a macroeconomic downside. Consequently, many international forecast organizations expect a slowdown in economic growth for these reasons.

Despite the current operating environment with many challenges and uncertainties, public health awareness continues to rise in the post-COVID-19 era. Nevertheless, the population participating in sports activities will also continue to grow. As a result, the Company is confident in the long-term development of the sports industry in which we operate. In terms of manufacturing of shoes, the Company will continue to implement diversified allocation of production capacity, accelerate the promotion of new technological applications and process transformation, and collaborate with suppliers in depth to construct a resilient supply chain system, thereby providing customers with better quality and more efficient manufacturing services. As for retail of sporting goods and brand licensing, the Company will take further steps to integrate physical stores and digital channels in conjunction with membership programs and sporting services. All of these serve as an effort to comprehensively Leverage of customer journey and create a seamless shopping experience. Furthermore, the Company will continue to improve its operational and management efficiency through a well-established data analytics and product sharing platforms.

Convinced that risks and opportunities are two sides of the same coin, the Company will place emphasis on sound management, follow the blueprint toward sustainable development, strengthen risk management, and cultivate operational resilience and



capability. The Company will endeavor toward optimizing its interests based on differentiated competitive advantages, and strive to attain long-term stable business growth.

Chan, Lu- Min



Chairman of the Board

Lu, Chin- Chu



President

Ho, Ming-Kun



Accounting Officer



b. Financial Reports

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, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of 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, 2022. 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, 2022 are stated as follows:

Write-downs of Inventory

As of December 31, 2022, the carrying amount of finished goods related to the retail segment included in the inventories was \$26,925,822 thousand. For the related disclosures, refer to Notes 4, 5 and 11 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, 2022.

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, 2022, goodwill allocated to the retailing business-retail and distribution of sportswear products of the Group amounted to \$2,353,707 thousand. For the related disclosures, refer to Notes 4, 5 and 18 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, 2022.

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, 2022 and 2021, the carrying amounts of the investment in Ruen Chen Investment Holding Co., Ltd. were \$35,917,433 thousand and \$76,419,271 thousand, which constituted 11.07% and 20.83%, of the Group's consolidated total assets, respectively. For the years ended December 31, 2022 and 2021, the profit of the associate was \$5,494,356 thousand and \$10,505,361 thousand, which constituted 25.64% and 61.23%, of the income before income tax, respectively. As of December 31, 2022 and 2021, the carrying amounts of the investment in Nan Shan Life Insurance Co., Ltd. were \$406,510 thousand and \$826,576 thousand, which constituted 0.13% and 0.23%, of the Group's consolidated total assets, respectively. For the years ended December 31, 2022 and 2021, the profit of the associate was \$57,629 thousand and \$109,592 thousand, which constituted 0.27% and 0.64%, 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, 2022 and 2021 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 Standards on Auditing of 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 Standards on Auditing of 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, 2022 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, 2023

Notice to Readers

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

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 39,317,629	12	\$ 28,450,346	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	2,783,815	1	3,341,742	1
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	17,501,573	5	20,035,436	5
Financial assets at amortized cost - current (Notes 4 and 9)	1,901,597	1	8,630,004	2
Notes receivable (Notes 4 and 10)	39	-	54	-
Accounts receivable (Notes 4, 10 and 34)	28,711,291	9	26,539,565	7
Other receivables (Notes 4 and 10)	4,462,211	1	3,771,410	1
Inventories - manufacturing and retailing (Notes 4 and 11)	50,014,348	16	57,084,097	16
Inventories - construction (Notes 4 and 11)	3,703,765	1	3,718,519	1
Other current assets (Notes 4 and 12)	<u>11,000,965</u>	<u>3</u>	<u>11,323,500</u>	<u>3</u>
Total current assets	<u>159,397,233</u>	<u>49</u>	<u>162,894,673</u>	<u>44</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	761,033	-	747,994	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	840,456	-	958,593	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 35)	3,099,525	1	3,158,906	1
Investments accounted for using the equity method (Notes 4 and 14)	56,873,101	17	96,210,213	26
Property, plant and equipment (Notes 4 and 15)	64,012,887	20	62,786,453	17
Right-of-use assets (Notes 4 and 16)	18,087,170	6	20,066,402	6
Investment properties (Notes 4 and 17)	5,806,082	2	2,918,076	1
Goodwill (Notes 4 and 18)	8,452,023	3	7,774,185	2
Other intangible assets (Notes 4 and 19)	1,816,164	1	1,607,270	1
Deferred tax assets (Notes 4 and 27)	3,828,203	1	3,560,596	1
Other non-current assets (Notes 4 and 12)	<u>1,555,526</u>	<u>-</u>	<u>4,207,465</u>	<u>1</u>
Total non-current assets	<u>165,132,170</u>	<u>51</u>	<u>203,996,153</u>	<u>56</u>
TOTAL	<u>\$ 324,529,403</u>	<u>100</u>	<u>\$ 366,890,826</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 20)	\$ 20,611,809	6	\$ 25,552,433	7
Short-term bills payable (Note 20)	1,580,101	-	2,563,093	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	155,274	-	78,720	-
Notes payable (Notes 4, 21 and 34)	3,994	-	5,785	-
Accounts payable (Notes 4, 21 and 34)	12,536,177	4	17,406,222	5
Other payables (Note 22)	21,540,287	7	20,547,217	5
Current tax liabilities (Notes 4 and 27)	3,581,025	1	1,776,193	-
Lease liabilities - current (Notes 4 and 16)	3,486,555	1	4,323,157	1
Current portion of long-term borrowings (Note 20)	11,923,464	4	9,791,986	3
Other current liabilities	<u>6,010,519</u>	<u>2</u>	<u>6,764,167</u>	<u>2</u>
Total current liabilities	<u>81,429,205</u>	<u>25</u>	<u>88,808,973</u>	<u>24</u>
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	232,011	-
Long-term borrowings (Note 20)	50,002,184	16	56,387,335	16
Deferred tax liabilities (Notes 4 and 27)	957,396	-	906,387	-
Lease liabilities - non-current (Notes 4 and 16)	6,713,172	2	8,357,819	2
Long-term payables (Note 22)	155,166	-	170,621	-
Net defined benefit liabilities (Notes 4 and 23)	3,061,851	1	4,482,434	1
Other non-current liabilities	<u>82,951</u>	<u>-</u>	<u>48,494</u>	<u>-</u>
Total non-current liabilities	<u>60,972,720</u>	<u>19</u>	<u>70,585,101</u>	<u>19</u>
Total liabilities	<u>142,401,925</u>	<u>44</u>	<u>159,394,074</u>	<u>43</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 24)				
Share capital				
Ordinary shares	<u>29,467,872</u>	<u>9</u>	<u>29,467,872</u>	<u>8</u>
Capital surplus	<u>4,420,389</u>	<u>1</u>	<u>4,419,400</u>	<u>1</u>
Retained earnings				
Legal reserve	17,986,740	5	16,547,491	4
Unappropriated earnings	<u>76,460,614</u>	<u>24</u>	<u>69,179,387</u>	<u>19</u>
Total retained earnings	<u>94,447,354</u>	<u>29</u>	<u>85,726,878</u>	<u>23</u>
Other equity	<u>(21,323,594)</u>	<u>(6)</u>	<u>19,818,804</u>	<u>6</u>
Total equity attributable to owners of the Company	107,012,021	33	139,432,954	38
NON-CONTROLLING INTERESTS	<u>75,115,457</u>	<u>23</u>	<u>68,063,798</u>	<u>19</u>
Total equity	<u>182,127,478</u>	<u>56</u>	<u>207,496,752</u>	<u>57</u>
TOTAL	<u>\$ 324,529,403</u>	<u>100</u>	<u>\$ 366,890,826</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)



POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and 34)	\$ 267,496,800	100	\$ 239,884,409	100
OPERATING COSTS (Notes 23, 26 and 34)	<u>202,890,708</u>	<u>76</u>	<u>181,661,384</u>	<u>76</u>
GROSS PROFIT	<u>64,606,092</u>	<u>24</u>	<u>58,223,025</u>	<u>24</u>
OPERATING EXPENSES (Notes 23 and 26)				
Selling and marketing expenses	29,287,359	11	33,366,556	14
General and administrative expenses	19,239,699	7	17,287,482	7
Research and development expenses	<u>5,482,964</u>	<u>2</u>	<u>5,093,278</u>	<u>2</u>
Total operating expenses	<u>54,010,022</u>	<u>20</u>	<u>55,747,316</u>	<u>23</u>
INCOME FROM OPERATIONS	<u>10,596,070</u>	<u>4</u>	<u>2,475,709</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 26)	938,251	-	734,497	-
Other income (Note 26)	3,605,748	1	3,500,349	1
Other gains and (losses) (Note 26)	1,296,572	1	1,358,214	1
Net loss on derecognition of financial assets at amortized cost	(13,610)	-	(20,636)	-
Finance costs (Note 26)	(2,532,223)	(1)	(1,868,689)	(1)
Share of the profit of associates and joint ventures (Notes 4 and 14)	<u>7,540,769</u>	<u>3</u>	<u>10,977,290</u>	<u>5</u>
Total non-operating income and expenses	<u>10,835,507</u>	<u>4</u>	<u>14,681,025</u>	<u>6</u>
INCOME BEFORE INCOME TAX	21,431,577	8	17,156,734	7
INCOME TAX EXPENSE (Notes 4 and 27)	<u>4,542,111</u>	<u>2</u>	<u>553,291</u>	<u>-</u>
NET INCOME FOR THE YEAR	<u>16,889,466</u>	<u>6</u>	<u>16,603,443</u>	<u>7</u>
OTHER COMPREHENSIVE NET INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 23)	497,374	-	(118,461)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(2,742,413)	(1)	3,313,385	1

(Continued)



POU CHEN CORPORATION

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Share of the other comprehensive (loss) income of associates and joint ventures	\$ (103,265)	-	\$ 963,883	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	12,827,587	5	(3,375,883)	(2)
Loss on hedging instruments	-	-	(1,195)	-
Share of the other comprehensive loss of associates and joint ventures	<u>(46,200,151)</u>	<u>(17)</u>	<u>(9,397,706)</u>	<u>(4)</u>
Other comprehensive loss for the year, net of income tax	<u>(35,720,868)</u>	<u>(13)</u>	<u>(8,615,977)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (18,831,402)</u>	<u>(7)</u>	<u>\$ 7,987,466</u>	<u>3</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 12,644,855	5	\$ 14,439,307	6
Non-controlling interests	<u>4,244,611</u>	<u>1</u>	<u>2,164,136</u>	<u>1</u>
	<u>\$ 16,889,466</u>	<u>6</u>	<u>\$ 16,603,443</u>	<u>7</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (28,001,741)	(10)	\$ 6,773,495	3
Non-controlling interests	<u>9,170,339</u>	<u>3</u>	<u>1,213,971</u>	-
	<u>\$ (18,831,402)</u>	<u>(7)</u>	<u>\$ 7,987,466</u>	<u>3</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 4.29</u>		<u>\$ 4.90</u>	
Diluted	<u>\$ 4.28</u>		<u>\$ 4.89</u>	

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(Concluded)

Handbook for the 2023 Annual General Shareholders' Meeting



POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained 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			
BALANCE AT JANUARY 1, 2021	\$ 29,467,872	\$ 4,389,862	\$ 16,064,775	\$ 56,743,003	\$ (5,491,569)	\$ 24,305,081	\$ 1,195	\$ 8,629,040	\$ 67,133,743	\$ 201,243,202
Appropriation of 2020 earnings (Note 24)	-	-	482,716	(482,716)	-	-	-	-	-	(1,473,394)
Legal reserve	-	-	-	(1,473,394)	-	-	-	-	-	(1,473,394)
Cash dividends	-	-	482,716	(1,956,110)	-	-	-	-	-	16,603,443
Net profit for the year ended December 31, 2021	-	-	-	14,439,307	-	-	-	3,990,998	2,164,136	(8,615,972)
Other comprehensive (loss) income for the year ended December 31, 2021	-	-	-	(35,243)	(1,923,481)	(9,696,891)	(1,195)	-	(930,165)	-
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	1,213,971	7,987,466
Disposal of investments accounted for using the equity method	-	(2,717)	-	235	-	(235)	-	-	(8)	(2,725)
Share of changes in equities of subsidiaries (Notes 4 and 24)	-	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 24)	-	-	-	(5,661)	-	5,661	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Notes 4 and 24)	-	3,828	-	2,579	-	-	-	-	-	6,407
Unclaimed dividends by shareholders	-	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	12,456,384	(1,923,481)	(9,691,465)	(1,195)	3,990,998	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	68,063,798	207,496,752
Appropriation of 2021 earnings (Note 24)	-	-	1,439,249	(1,439,249)	-	-	-	-	-	-
Legal reserve	-	-	-	(4,420,181)	-	-	-	-	-	(4,420,181)
Cash dividends	-	-	1,439,249	(5,859,430)	-	-	-	-	-	(4,420,181)
Net profit for the year ended December 31, 2022	-	-	-	12,644,855	-	-	-	12,644,855	4,244,611	16,889,466
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	502,829	71,402,956	(18,141,486)	-	(30,148,895)	4,925,228	(35,720,868)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	13,147,684	71,402,956	(18,141,486)	-	(30,148,895)	9,170,339	(18,831,402)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates (Notes 4 and 24)	-	-	-	(7,027)	-	7,027	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Notes 4 and 24)	-	(239)	-	-	-	-	-	-	(239)	(239)
Unclaimed dividends by shareholders	-	1,228	-	-	-	-	-	-	-	1,228
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(2,118,680)	(2,118,680)
Changes in equity for the year ended December 31, 2022	-	989	1,439,249	7,281,227	71,402,956	(18,134,459)	-	(30,148,895)	7,051,659	(25,369,274)
BALANCE AT DECEMBER 31, 2022	\$ 29,467,872	\$ 4,420,389	\$ 17,986,740	\$ 76,460,614	\$ (273,894)	\$ (3,520,843)	\$ -	\$ (17,528,857)	\$ 75,115,457	\$ 182,127,478

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

(With Deloitte & Touche auditors' report dated March 16, 2023)



POU CHEN CORPORATION

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax for the year	\$ 21,431,577	\$ 17,156,734
Adjustments for:		
Depreciation expense	15,155,136	16,274,312
Amortization expense	116,918	502,459
Expected credit loss on accounts receivable	596,315	29,673
Net gain on fair value change of financial instruments at fair value through profit or loss	(490,749)	(727,347)
Finance costs	2,532,223	1,868,689
Net loss on derecognition of financial assets at amortized cost	13,610	20,636
Interest income	(938,251)	(734,497)
Dividend income	(818,175)	(916,719)
Compensation cost of employee share options	119,868	131,781
Share of profit of associates and joint ventures	(7,540,769)	(10,977,290)
Net loss on disposal of property, plant and equipment	196,303	353,185
Net gain on disposal of investment properties	-	(123,555)
Net loss recognized on disposal of other assets	6,219	-
Net gain on disposal of associates and joint ventures	(97,664)	(1,237,587)
Impairment loss	119,597	402,090
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	880,180	861,901
Notes receivable	15	(15)
Accounts receivable	(2,729,446)	5,161,821
Other receivables	(982,781)	1,500,305
Inventories	7,045,362	(9,479,715)
Other current assets	(187,153)	(1,985,514)
Other operating assets	(15,284)	15,062
Notes payable	(1,791)	(1,617)
Accounts payable	(4,858,393)	963,060
Other payables	953,615	(1,187,678)
Other current liabilities	(753,648)	3,206
Net defined benefit liabilities	(837,029)	276,931
Other operating liabilities	7,026	22,589
Cash generated from operations	28,922,831	18,172,900
Interest paid	(2,471,899)	(1,834,245)
Income tax paid	(2,404,702)	(3,709,778)
Net cash generated from operating activities	<u>24,046,230</u>	<u>12,628,877</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	-	14,543
Proceeds from return of capital of financial assets at fair value through other comprehensive income	2,732	10,929

(Continued)



POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Purchases of financial assets at amortized cost	\$ (9,063,577)	\$ (19,685,490)
Proceeds from sale of financial assets at amortized cost	16,564,116	18,551,834
Acquisition of associates and joint ventures	(80,000)	(72,000)
Proceeds from disposal of associates and joint ventures	461,907	3,176,087
Acquisition of subsidiaries	-	41,132
Proceeds from disposal of subsidiaries	17,558	-
Proceeds from return of capital of investee companies using equity method	65,015	-
Proceeds from disposal of non-current assets held for sale	-	107,039
Acquisition of property, plant and equipment	(6,377,478)	(7,729,381)
Proceeds from disposal of property, plant and equipment	265,373	414,880
Decrease in refundable deposits	84,275	74,264
Decrease in other receivables	169,481	178,798
Payments for intangible assets	(317,688)	(284,180)
Payments for right-of-use assets	(45,585)	(97,247)
Payments for investment properties	-	(598)
Proceeds from disposal of investment properties	-	738
Increase in prepayments for equipment	(370,304)	(459,912)
Interest received	958,387	744,094
Dividends received	3,005,907	2,040,184
Proceeds from disposal of right-of-use assets	<u>27,367</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>5,367,486</u>	<u>(2,974,286)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	1,167,779
Repayments of short-term borrowings	(4,940,624)	-
Repayments of short-term bills payable	(983,000)	(797,500)
Derecognition of financial liabilities for hedging	-	6,791
Repayments of long-term borrowings	(4,284,638)	(6,078,400)
Increase in guarantee deposits	11,976	-
Decrease in guarantee deposits	-	(11,969)
Repayments of principal portion of lease liabilities	(4,875,627)	(5,143,089)
Cash dividends	(4,420,181)	(1,473,394)
Change in non-controlling interests	(2,218,515)	(415,689)
Unclaimed dividends by shareholders	<u>1,228</u>	<u>1,193</u>
Net cash used in financing activities	<u>(21,709,381)</u>	<u>(12,744,278)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>3,162,948</u>	<u>(568,692)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,867,283	(3,658,379)

(Continued)



POU CHEN CORPORATION

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>\$ 28,450,346</u>	<u>\$ 32,108,725</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 39,317,629</u>	<u>\$ 28,450,346</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(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, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of 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, 2022. 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, 2022 are stated as follows:

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

As described in Notes 4, 5, and 13 (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.



POU CHEN CORPORATION

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, 2022.

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, 2022 and 2021 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, 2022 and 2021, the carrying amounts of the investments were \$36,323,251 thousand and \$77,244,269 thousand, which constituted 23.22% and 40.99%, of the Company's total assets, respectively. For the years ended December 31, 2022 and 2021, the profit of the associate which the Company recognized amounted to \$5,551,875 thousand and \$10,614,743 thousand, which constituted 41.03% and 75.93%, 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 Standards on Auditing of 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 Standards on Auditing of 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, 2022 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.



POU CHEN CORPORATION

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, 2023

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.

Handbook for the 2023 Annual General Shareholders' Meeting



POU CHEN CORPORATION

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 72,066	-	\$ 73,956	-
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	124,367	-	15,174	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	5,999,455	4	6,866,303	4
Financial assets at amortized cost - current (Notes 4 and 9)	18,419	-	127,889	-
Notes receivable (Notes 4 and 10)	19	-	54	-
Accounts receivable (Notes 4 and 10)	7,824	-	9,477	-
Accounts receivable from related parties (Notes 4, 10 and 29)	1,711,197	1	1,736,755	1
Other receivables (Notes 4 and 10)	39,660	-	32,091	-
Inventories (Notes 4 and 11)	97,659	-	110,061	-
Other current assets (Notes 4 and 12)	37,515	-	57,131	-
Total current assets	8,108,181	5	9,028,891	5
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	47,484	-	49,496	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	-	-	112,510	-
Investments accounted for using the equity method (Notes 4 and 13)	139,887,264	90	170,931,577	91
Property, plant and equipment (Notes 4 and 14)	4,643,231	3	4,812,331	2
Right-of-use asset (Notes 4 and 15)	112,888	-	145,775	-
Investment properties (Notes 4 and 16)	1,946,167	1	1,983,165	1
Intangible assets (Notes 4 and 17)	1,537,044	1	1,293,976	1
Deferred tax assets (Notes 4 and 25)	106,527	-	71,620	-
Other non-current assets (Notes 4 and 12)	39,575	-	18,486	-
Total non-current assets	148,320,180	95	179,418,936	95
TOTAL	\$ 156,428,361	100	\$ 188,447,827	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 29)	\$ 19,442,752	13	\$ 9,652,000	5
Short-term bills payable (Note 18)	-	-	999,699	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	24,249	-	11,104	-
Notes payable (Notes 4 and 19)	2,127	-	3,735	-
Accounts payable (Notes 4 and 19)	337,992	-	491,192	-
Accounts payable to related parties (Notes 4, 19 and 29)	34,859	-	20,570	-
Other payables (Notes 20 and 29)	1,658,166	1	1,656,309	1
Current tax liabilities (Notes 4 and 25)	911,619	1	148,562	-
Lease liabilities - current (Notes 4 and 15)	32,649	-	33,933	-
Current portion of long-term borrowings (Note 18)	4,763,796	3	6,503,796	3
Other current liabilities	191,913	-	185,149	-
Total current liabilities	27,400,122	18	19,706,049	10
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	21,457,918	14	27,011,714	15
Deferred tax liabilities (Notes 4 and 25)	86,547	-	86,547	-
Lease liabilities - non-current (Notes 4 and 15)	83,089	-	113,608	-
Long-term accounts payable to related parties (Note 29)	-	-	1,522,400	1
Net defined benefit liabilities (Notes 4 and 21)	368,708	-	556,401	-
Other non-current liabilities (Note 13)	19,956	-	18,154	-
Total non-current liabilities	22,016,218	14	29,308,824	16
Total liabilities	49,416,340	32	49,014,873	26
EQUITY (Notes 4 and 22)				
Share capital				
Ordinary shares	29,467,872	19	29,467,872	16
Capital surplus	4,420,389	3	4,419,400	2
Retained earnings				
Legal reserve	17,986,740	11	16,547,491	9
Unappropriated earnings	76,460,614	49	69,179,387	36
Total retained earnings	94,447,354	60	85,726,878	45
Other equity	(21,323,594)	(14)	19,818,804	11
Total equity	107,012,021	68	139,432,954	74
TOTAL	\$ 156,428,361	100	\$ 188,447,827	100

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

(With Deloitte & Touche audit report dated March 16, 2023)



POU CHEN CORPORATION

POU CHEN CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 29)	\$ 9,349,013	100	\$ 8,310,049	100
OPERATING COSTS (Notes 11, 24 and 29)	<u>4,281,087</u>	<u>46</u>	<u>3,829,477</u>	<u>46</u>
GROSS PROFIT	<u>5,067,926</u>	<u>54</u>	<u>4,480,572</u>	<u>54</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	51,204	-	36,221	-
General and administrative expenses	2,474,779	26	2,392,911	29
Research and development expenses	<u>1,654,266</u>	<u>18</u>	<u>1,545,982</u>	<u>19</u>
Total operating expenses	<u>4,180,249</u>	<u>44</u>	<u>3,975,114</u>	<u>48</u>
INCOME FROM OPERATIONS	<u>887,677</u>	<u>10</u>	<u>505,458</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	7,576	-	4,337	-
Other income (Notes 24 and 29)	380,130	4	486,866	6
Other gains and (losses) (Note 24)	1,973,384	21	(252,720)	(3)
Finance costs (Note 24)	(459,373)	(5)	(377,745)	(5)
Share of profit of subsidiaries and associates (Notes 4 and 13)	<u>10,741,110</u>	<u>115</u>	<u>13,613,033</u>	<u>164</u>
Total non-operating income and expenses	<u>12,642,827</u>	<u>135</u>	<u>13,473,771</u>	<u>162</u>
INCOME BEFORE INCOME TAX	13,530,504	145	13,979,229	168
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 25)	<u>885,649</u>	<u>10</u>	<u>(460,078)</u>	<u>(6)</u>
NET INCOME FOR THE YEAR	<u>12,644,855</u>	<u>135</u>	<u>14,439,307</u>	<u>174</u>
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 21)	119,804	1	(59,545)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(866,128)	(9)	1,103,823	13
Share of the other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method	(1,503,778)	(16)	2,679,954	32

(Continued)



POU CHEN CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Loss on hedging instruments	\$ -	-	\$ (1,195)	-
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	<u>(38,396,494)</u>	<u>(411)</u>	<u>(11,388,849)</u>	<u>(137)</u>
Other comprehensive loss for the year, net of income tax	<u>(40,646,596)</u>	<u>(435)</u>	<u>(7,665,812)</u>	<u>(92)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME	<u>\$ (28,001,741)</u>	<u>(300)</u>	<u>\$ 6,773,495</u>	<u>82</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 4.29</u>		<u>\$ 4.90</u>	
Diluted	<u>\$ 4.28</u>		<u>\$ 4.89</u>	

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(Concluded)



POU CHEN CORPORATION

POU CHEN CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Other Equity			Total Equity
			Legal Reserve	Unappropriated Earnings			Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain on Hedging Instruments	Others	
BALANCE AT JANUARY 1, 2021	\$ 29,467,872	\$ 4,389,882	\$ 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 22)	-	-	482,716	(482,716)	-	-	-	-	-	
Cash dividends	-	-	-	(1,473,394)	-	-	-	-	(1,473,394)	
Net profit for the year ended December 31, 2021	-	-	482,716	(1,956,110)	-	-	-	-	(1,473,394)	
Other comprehensive (loss) income for the year ended December 31, 2021	-	-	-	14,439,307	(1,923,481)	(9,696,891)	(1,195)	3,990,998	14,439,307	
Total 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)	
Disposal of investments accounted for using the equity method	-	(2,717)	-	14,404,064	(1,923,481)	(9,696,891)	(1,195)	3,990,998	6,773,495	
Share of changes in equities of subsidiaries (Notes 4 and 22)	-	27,234	-	235	-	(235)	-	-	(2,717)	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates (Notes 4 and 22)	-	-	-	(8,723)	-	-	-	-	18,511	
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Notes 4 and 22)	-	3,828	-	2,579	-	5,661	-	-	6,407	
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	
Appropriation of 2021 earnings (Note 22)	-	-	1,439,249	(1,439,249)	-	-	-	-	-	
Cash dividends	-	-	-	(4,420,181)	-	-	-	-	(4,420,181)	
Net profit for the year ended December 31, 2022	-	-	-	(5,859,430)	-	-	-	-	(4,420,181)	
Other comprehensive (loss) income for the year ended December 31, 2022	-	-	-	12,644,855	-	(18,141,486)	-	-	12,644,855	
Total comprehensive (loss) income for the year ended December 31, 2022	-	-	-	505,829	7,140,956	(18,141,486)	-	(30,148,895)	(40,646,896)	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates (Notes 4 and 22)	-	-	-	13,147,684	7,140,956	(18,141,486)	-	(30,148,895)	(28,001,741)	
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Notes 4 and 22)	-	-	-	(7,027)	-	7,027	-	-	-	
Unclaimed dividends by shareholders	-	(239)	-	-	-	-	-	-	(239)	
BALANCE AT DECEMBER 31, 2022	29,467,872	4,420,389	17,986,740	76,460,614	(273,894)	(3,520,843)	-	(17,528,857)	107,012,021	

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 16, 2023)



POU CHEN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 13,530,504	\$ 13,979,229
Adjustments for:		
Depreciation expense	333,660	351,725
Amortization expense	74,407	64,930
Net (gain) loss on fair value changes of financial instruments at FVTPL	(224,709)	89,671
Finance costs	459,373	377,745
Interest income	(7,576)	(4,337)
Dividend income	(270,577)	(304,781)
Share of profit of subsidiaries and associates	(10,741,110)	(13,613,033)
Net loss (gain) on disposal of property, plant and equipment	3,647	(1,791)
Loss (gain) on disposal of investment properties	732	(123,568)
Gain on lease modifications	(9)	-
Gain on disposal of investments accounted for using equity method	-	(12,708)
Unrealized gain on foreign currency exchange	(203,529)	(10,948)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	169,284	134,225
Notes receivable	35	(35)
Accounts receivable	1,653	(7,597)
Accounts receivable from related parties	25,558	(38,401)
Other receivables	(11,230)	24,981
Inventories	10,526	(40,330)
Other current assets	20,924	(28,154)
Other operating assets	(21,223)	14,167
Financial liability held for trading	(40,623)	(114,632)
Notes payable	(1,608)	(2,438)
Accounts payable	(153,200)	(133,721)
Accounts payable to related parties	14,289	(7,626)
Other payables	372,393	(31,692)
Other current liabilities	6,764	14,855
Net defined benefit liabilities	(84,941)	(87,796)
Cash generated from operations	3,263,414	487,940
Interest paid	(415,217)	(373,232)
Income tax paid	(140,446)	(1,326,696)
Net cash generated from (used in) operating activities	<u>2,707,751</u>	<u>(1,211,988)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from return of capital of financial assets at fair value through other comprehensive income	2,732	10,929
Purchases of financial assets at amortized cost	(788,169)	(533,485)
Proceeds from sale of financial assets at amortized cost	1,015,314	543,312

(Continued)



POU CHEN CORPORATION

POU CHEN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Acquisition of associates and joint ventures	\$ (80,370)	\$ (102,001)
Disposal of associates and joint ventures	-	36,422
Proceeds from capital reduction of investments accounted for using equity method	2,345	-
Acquisition of property, plant and equipment	(106,351)	(96,140)
Proceeds from disposal of property, plant and equipment	8,895	16,581
Decrease in refundable deposits	780	1,443
Payments for intangible assets	(317,475)	(275,694)
Proceeds from disposal of investment properties	-	738
Increase in prepayments for equipment	(644)	-
Interest received	8,986	4,519
Dividends received	<u>2,235,791</u>	<u>617,621</u>
Net cash generated from investing activities	<u>1,981,834</u>	<u>224,245</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	9,583,864	273,145
Repayments of short-term bills payable	(1,000,000)	(1,100,000)
Derecognition of financial liabilities for hedging	-	6,791
Proceeds from long-term borrowings	76,420,000	88,290,000
Repayments of long-term borrowings	(83,713,796)	(86,783,796)
Decrease in guarantee deposits	(24)	(13,788)
Proceeds from other payables to related parties	-	1,530,925
Repayments of other payables to related parties	(1,530,925)	-
Repayments of principal portion of lease liabilities	(31,641)	(34,866)
Cash dividends	(4,420,181)	(1,473,394)
Other financing activities	<u>1,228</u>	<u>1,193</u>
Net cash (used in) generated from financing activities	<u>(4,691,475)</u>	<u>696,210</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,890)	(291,533)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>73,956</u>	<u>365,489</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>\$ 72,066</u></u>	<u><u>\$ 73,956</u></u>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(Concluded)



2. Audit Committee's Review Report on the 2022 Financial Statements

Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2022 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:

2023 Annual General Shareholders' Meeting of Pou Chen Corporation

Audit Committee convener:

Chen, Huan-Chung

Date : March 16, 2023



Audit Committee's Review Report on Profit Distribution Plan

The Board of Directors has prepared and submitted the 2022 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:

2023 Annual General Shareholders' Meeting of Pou Chen Corporation

Audit Committee convener:

A handwritten signature in black ink, appearing to read '陳煥鐘' (Chen Huan-Chung).

Chen, Huan-Chung

Date : April 26, 2023

3. Report on the 2022 Distribution of Employees' Compensation and Directors' Remuneration

- a. The Company's profit in 2022 was NT\$13,863,220,995. ("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\$221,811,000 and NT\$110,906,000, 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 2022 earnings

- a. The Company's 2022 net income was NT\$12,644,855,270. The shareholders dividends of NT\$3,830,823,376 will be distributed to shareholders in proportion to their shareholdings at NT\$1.3 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 2022 Business Report, Financial Statements and Profit Distribution Plan. (proposed by the Board of Directors)

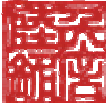
- a. The Audit Committee of the Company has reviewed 2022 Business Report, Financial Statements (including consolidated and separate balance sheets, statements of comprehensive income, statements of changes in equity and statements of cash flows) and the profit distribution table. The Financial Statements were audited by independent certified public accountants, Hong, Kuo-Tyan and Shyu, Wen-Yea, of Deloitte & Touche.
- b. 2022 Business Report, Financial Statements, please refer to pages 3-32 and the profit distribution table please refers to page 36.

Resolution:



**Pou Chen Corporation
2022 Profit Distribution Table**

	(in NT\$)
Beginning unappropriated retained earnings	\$ 63,319,956,398
Transfer to retained earnings of cumulative income (loss) on the disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	(7,026,768)
Amount recognized in retained earnings of rereasurement of defined benefit plan	502,828,667
Unappropriated retained earnings after adjustment	63,815,758,297
Net income of 2022	12,644,855,270
Less: 10% legal reserve	(1,314,065,717)
Less: special reserve	(57,646,765,913)
2022 Earnings available for distribution	17,499,781,937
Distribution item:	
Shareholders dividend - cash dividend (NT\$1.3/share) ^{1&2}	3,830,823,376
Unappropriated retained earnings	\$ 13,668,958,561

Chan, Lu-Min 
Chairman of the Board

Lu, Chin-Chu 
President

Wu, Hui-Chi 
Accounting Officer

¹ Shareholders dividends distributed are computed on the basis of 2,946,787,213 shares outstanding as of April 17, 2023.

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



C. Matters for Discussion

1. Discussion on the amendments to the Company's "Articles of Incorporation" (Proposed by the Board of Directors)

- a. To amend the Company's "Articles of Incorporation" in accordance with the regulations convening shareholders' meetings may be held by virtual or other means as promulgated by the competent authorities.
- b. Comparisons of pre-amended and amended "Articles of Incorporation" are set forth below.

Amended Provisions	Pre-amended Provisions	Commentary
<p>Article 11</p> <p>There are two types of shareholders' meeting: annual general meeting of shareholders and special meeting of shareholders. The annual general meeting of shareholders shall be convened at least once a year within six months after the end of every fiscal year. Except as otherwise provided for by the Company Act, special meetings of shareholders shall be convened as necessary by the board of Directors.</p> <p><u>Shareholders' meeting of the Company may be held by virtual or other means as promulgated by the competent authorities</u></p>	<p>Article 11</p> <p>There are two types of shareholders' meeting: annual general meeting of shareholders and special meeting of shareholders. The annual general meeting of shareholders shall be convened at least once a year within six months after the end of every fiscal year. Except as otherwise provided for by the Company Act, special meetings of shareholders shall be convened as necessary by the board of Directors.</p>	<p>Paragraph 1 was adjusted and added paragraph 2 in accordance with the regulations convening shareholders' meetings may be held by virtual or other means as promulgated by the competent authorities.</p>
<p>Article 23-1</p> <p>The Company's annual net profits should be appropriated as follows:</p> <ol style="list-style-type: none"> (1) For paying taxes. (2) For offsetting deficits. (3) For legal reserve at 10% of the remaining profits, and for special reserve to be appropriated and distributed according to regulations or upon request by the FSC. (4) The total of any remaining profits after the appropriations mentioned above plus any accumulated unappropriated earnings from prior 	<p>Article 23-1</p> <p>The Company's annual net profits should be appropriated as follows:</p> <ol style="list-style-type: none"> (1) For paying taxes. (2) For offsetting deficits. (3) For legal reserve at 10% of the remaining profits, and for special reserve to be appropriated and distributed according to regulations or upon request by the FSC. (4) The total of any remaining profits after the appropriations mentioned above plus any accumulated unappropriated earnings from prior 	<p>The wording in paragraph 3 had been deleted due to the cash dividend has been reported to the shareholders' meeting after the approval by the board of directors been stipulated in paragraph 2.</p>



POU CHEN CORPORATION

Amended Provisions	Pre-amended Provisions	Commentary
<p>years may be partially retained and then the remainder distributed as proposed according to the share ownership proportion.</p> <p>The board of Directors proposes an earnings distribution in the form of new shares shall be approved following the resolution of the shareholders' meetings. Distribution of dividends and bonuses or distribution of the legal reserve and capital surplus in whole or in part by cash shall be resolved by a majority vote at a meeting attended by more than two thirds of the total number of directors, and such distribution shall be reported at the shareholders' meeting.</p> <p>Profits may be distributed after taking into consideration the future development plan, financial condition, business and operational status, and so on. The ratio of distribution shall be no less than 30% of the net income for each fiscal year, and the portion of cash dividends distributed shall be no less than 30% of total dividends distributed. If there are material changes in the operating environment, the Company can adjust the ratio and amounts of distribution of profits.</p>	<p>years may be partially retained and then the remainder distributed as proposed according to the share ownership proportion.</p> <p>The board of Directors proposes an earnings distribution in the form of new shares shall be approved following the resolution of the shareholders' meetings. Distribution of dividends and bonuses or distribution of the legal reserve and capital surplus in whole or in part by cash shall be resolved by a majority vote at a meeting attended by more than two thirds of the total number of directors, and such distribution shall be reported at the shareholders' meeting.</p> <p>Profits may be distributed after taking into consideration the future development plan, financial condition, business and operational status, and so on. <u>The distribution of profits shall be proposed by the board of Directors, and submitted to the shareholders' meeting for approval.</u> The ratio of distribution shall be no less than 30% of the net income for each fiscal year, and the portion of cash dividends distributed shall be no less than 30% of total dividends distributed. If there are material changes in the operating environment, the Company can adjust the ratio and amounts of distribution of profits.</p>	
<p>Article 25</p> <p>These Articles of Incorporation was adopted on August 15, 1969. The first amendment was made on April 18, 1971.... <u>The forty-seventh amendment</u></p>	<p>Article 25</p> <p>These Articles of Incorporation was adopted on August 15, 1969. The first amendment was made on April 18, 1971.... The forty-sixth amendment</p>	<p>Date of Amendment added.</p>



Amended Provisions	Pre-amended Provisions	Commentary
was made on June 15, 2023. These Articles of Incorporation and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.	was made on June 13, 2019. These Articles of Incorporation and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.	

Resolution:

**2. Discussion on the amendments to the Company's "Rules and Procedures of Shareholders' Meetings"
(Proposed by the Board of Directors)**

- a. To amend the Company's "Rules and Procedures of Shareholders' Meetings" in accordance with the amendment of "Articles of Incorporation" which added the regulations convening the virtual shareholders' meeting.
- b. Comparisons of pre-amended and amended "Rules and Procedures of Shareholders' Meetings" are set forth below.

Amended Provisions	Pre-amended Provisions	Commentary
<p>Article 2 (Convention of Shareholders' Meeting and Meeting Notice)</p> <p>Except as otherwise provided in relevant laws, the Company's shareholders' meetings shall be convened by the board of Directors.</p> <p><u>Except as provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, regulations for convening the virtual shareholders' meeting shall be provided in the Articles of Incorporation and subject to the approval of the Board of Directors. In addition, a decision to convene a virtual shareholders' meeting shall obtain approval by the majority of directors in attendance at a Board of Directors meeting in which over two-thirds of the directors are present.</u></p> <p><u>The Company shall be resolved by the</u></p>	<p>Article 2 (Convention of Shareholders' Meeting and Meeting Notice)</p> <p>Except as otherwise provided in relevant laws, the Company's shareholders' meetings shall be convened by the board of Directors.</p> <p>The Company shall make the meeting notice, proxy form, short title for ratification proposals, discussion proposals and election or removal of Directors, and other explanatory information into electronic files and submit such files onto the Market Observation Post System (the "MOPS") website thirty days before the regular shareholders' meeting or fifteen days before the special shareholders' meeting. The Company shall also make the handbook for shareholders' meetings and other supplementary materials into</p>	<ol style="list-style-type: none"> 1. Added paragraphs 2, 3 and 5 in accordance with the regulations convening the virtual shareholders' meeting. 2. Adjusted paragraph 4 in accordance to coordinate with the amendment of paragraph 6 of the 「Regulations Governing Content and Compliance Requirements



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>board of directors if the way of convened the shareholders' meeting had been changed. Those changes shall be made no later than mailing of the shareholders meeting notice.</u></p> <p>The Company shall make the meeting notice, proxy form, short title for ratification proposals, discussion proposals and election or removal of Directors, and other explanatory information into electronic files and submit such files onto the Market Observation Post System (the "MOPS") website thirty days before the regular shareholders' meeting or fifteen days before the special shareholders' meeting. The Company shall also make the handbook for shareholders' meetings and other supplementary materials into electronic files and submit these files onto the MOPS website <u>thirty</u> days before the regular shareholders' meeting or fifteen days before the special shareholders' meeting. The Company shall prepare the handbook for shareholders' meetings and other supplementary materials fifteen days before the shareholders' meeting for shareholders to ask for at any time, exhibit these documents in the Company and the professional agency appointed by the Company to handle the share-related affairs for the Company.</p> <p><u>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in</u></p>	<p>electronic files and submit these files onto the MOPS website <u>twenty one</u> days before the regular shareholders' meeting or fifteen days before the special shareholders' meeting. The Company shall prepare the handbook for shareholders' meetings and other supplementary materials fifteen days before the shareholders' meeting for shareholders to ask for at any time, exhibit these documents in the Company and the professional agency appointed by the Company to handle the share-related affairs for the Company, <u>and distribute such documents at the shareholders' meeting.</u></p> <p>The reasons for convening the shareholders' meeting shall be indicated in the notice and the announcement to the shareholders; and the notice may be delivered by means of electronic transmission with prior consent from the recipient(s).</p> <p>Matters pertaining to election or removal of Directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Article 185 Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2</p>	<p>for Shareholders' Meeting Agenda Handbooks of Public Companies」</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>the following manner on the date of the shareholders' meeting:</u></p> <p><u>1.For physical shareholders' meeting, such documents should be distributed at the shareholders' meeting</u></p> <p><u>2.For hybrid shareholders' meeting, such documents should be distributed at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3.For virtual-only shareholders' meeting, electronic files shall be shared on the virtual meeting platform.</u></p> <p>The reasons for convening the shareholders' meeting shall be indicated in the notice and the announcement to the shareholders; and the notice may be delivered by means of electronic transmission with prior consent from the recipient(s).</p> <p>Matters pertaining to election or removal of Directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Article 185 Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the</p>	<p>of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the reasons and the essential contents shall be explained in the notice for convening the shareholders' meeting, and shall not be brought up as extemporary motions.</p> <p>(Omitted paragraph 5 to paragraph 8)</p>	



Amended Provisions	Pre-amended Provisions	Commentary
<p>reasons and the essential contents shall be explained in the notice for convening the shareholders' meeting, and shall not be brought up as extemporary motions. (Omitted paragraph 8 to paragraph 11)</p>		
<p>Article 3 (Attending Shareholders' Meetings by Proxy and Authorization) (Omitted paragraph 1 to paragraph 2) After the service of the proxy form to the Company, in the event that the shareholder issuing the said proxy form intends to attend the shareholders' meeting in person or to exercise the voting rights in writing or by way of electronic transmission, a written notice to rescind the proxy form shall be filed with the Company two days prior to the date of the shareholders' meeting, or otherwise the voting rights exercised by the authorized proxy at the meeting shall prevail. <u>If shareholder wishes to attend the virtual shareholders meeting after a proxy form is delivered to the Company. A written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted overdue, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>Article 3 (Attending Shareholders' Meetings by Proxy and Authorization) (Omitted paragraph 1 to paragraph 2) After the service of the proxy form to the Company, in the event that the shareholder issuing the said proxy form intends to attend the shareholders' meeting in person or to exercise the voting rights in writing or by way of electronic transmission, a written notice to rescind the proxy form shall be filed with the Company two days prior to the date of the shareholders' meeting, or otherwise the voting rights exercised by the authorized proxy at the meeting shall prevail.</p>	<p>Added paragraph 4 in accordance with the regulations convening the virtual shareholders' meeting.</p>
<p>Article 4 (Principles for the Venues and Times of Shareholders' Meetings) The shareholders' meeting shall be held at the Company's place of business or any other place that is</p>	<p>Article 4 (Principles for the Venues and Times of Shareholders' Meetings) The shareholders' meeting shall be held at the Company's place of business or any other place that is</p>	<p>Added paragraph 2 in accordance with the regulations convening the virtual</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p>convenient for the shareholders to attend and appropriate to convene such meeting, and shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m. The decision of the place and time for the meeting shall be made taking the independent Directors' opinions into full consideration.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes the virtual shareholders' meeting.</u></p>	<p>convenient for the shareholders to attend and appropriate to convene such meeting, and shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m. The decision of the place and time for the meeting shall be made taking the independent Directors' opinions into full consideration.</p>	<p>shareholders' meeting.</p>
<p>Article 5 (Preparation of Attendance Register and other Documents)</p> <p>The Company shall set forth in the meeting notice the time and place for shareholders, <u>solicitors and proxies</u> (collectively "shareholders") to sign in, and any other matters to be noted by the Shareholders.</p> <p>The time for shareholders to sign in under the preceding paragraph shall be processed at least thirty minutes earlier than the meeting commencement time. There shall be a conspicuous sign to indicate the place for shareholders to sign in, and sufficient and proper personnel shall be at such place to handle relevant matters. For attending shareholders' meeting by visual, shareholders may begin to register on the visual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholder may only attend the</p>	<p>Article 5 (Preparation of Attendance Register and other Documents)</p> <p>The Company shall set forth in the meeting notice the time and place for shareholders to sign in, and any other matters to be noted by the Shareholders.</p> <p>The time for shareholders to sign in under the preceding paragraph shall be processed at least thirty minutes earlier than the meeting commencement time. There shall be a conspicuous sign to indicate the place for shareholders to sign in, and sufficient and proper personnel shall be at such place to handle relevant matters.</p> <p><u>Shareholder or their proxies</u> (hereinafter "Shareholders") may only attend the meeting with his/her/its attendance card, sign-in card or other attendance identification papers. The solicitor of proxies shall also bring his/her identity document for further check.</p> <p>The Company shall prepare an</p>	<ol style="list-style-type: none"> 1. Adjusted the wordings in Paragraphs 3 and 4 were partly revised in accordance with the abbreviations of shareholders specified in Paragraph 1 2. Adjusted paragraph 2, added paragraphs 7 and 8 in accordance with the regulations convening the virtual shareholders' meeting.



Amended Provisions	Pre-amended Provisions	Commentary
<p>meeting with his/her/its attendance card, sign-in card or other attendance identification papers. The solicitor of proxies shall also bring his/her identity document for further check.</p> <p>The Company shall prepare an attendance register for shareholders to sign in, which may be substituted with the sign-in card submitted by Shareholders attending the meeting.</p> <p>The Company shall deliver to Shareholders attending the meeting the handbook for the meeting, the annual report, the attendance card, a slip of paper for comments, voting ballots and other meeting information. Where there are proposals to elect the Directors at meetings, the Company shall also deliver the election ballots to Shareholders attending such meetings. When Shareholders are governments or legal persons, there may be multiple representatives attending the meeting on behalf of such Shareholders. In the event that a legal person attends a meeting as a proxy, there may only be one representative appointed by such legal person.</p> <p><u>The shareholders shall register with the Company two days before the meeting date if attended the virtual shareholders' meeting.</u></p> <p><u>The Company shall upload the meeting handbook, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>attendance register for shareholders <u>or their proxies (hereinafter "Shareholders")</u> to sign in, which may be substituted with the sign-in card submitted by Shareholders attending the meeting.</p> <p>The Company shall deliver to Shareholders attending the meeting the handbook for the meeting, the annual report, the attendance card, a slip of paper for comments, voting ballots and other meeting information. Where there are proposals to elect the Directors at meetings, the Company shall also deliver the election ballots to Shareholders attending such meetings. When Shareholders are governments or legal persons, there may be multiple representatives attending the meeting on behalf of such Shareholders. In the event that a legal person attends a meeting as a proxy, there may only be one representative appointed by such legal person.</p>	



Amended Provisions	Pre-amended Provisions	Commentary
<p>Article 5-1(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</p> <p>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</p> <p><u>1. How shareholders attend the virtual meeting and exercise their rights.</u></p> <p><u>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p><u>(1)To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>(2)Shareholders not having registered to attend the affected shareholders' meeting by video conference shall not attend the postponed or resumed session.</u></p> <p><u>(3)In case of a shareholders' meeting with video conferencing, when the video conferencing cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' meeting by video conferencing,</u></p>	<p>New Article</p>	<p>Added this article in accordance with the regulations convening the virtual shareholders' meeting.</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the meeting by video conferencing shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the meeting by video conferencing shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u></p> <p><u>(4)Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.</u></p> <p><u>3.The Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online, when convening a virtual-only shareholders meeting. In addition to matters to be implemented in situations specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, networking equipment and necessary assistances shall also be made available to shareholders, and the period during which shareholders may apply to the</u></p>		



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>Company for these assistances and other important notices shall be specified.</u></p>		
<p>Article 7 (Records of Process of Shareholders' Meeting) The Company shall tape record and videotape, without interruption, the whole process of Shareholders' signing in, the meeting and casting and counting of the ballots. The tape-recorded and videotaped records shall be kept for at least one year, provided that where there is litigation brought by the shareholder pursuant to Article 189 of the Company Act, such records shall be kept until the litigation ends. <u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting. In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>	<p>Article 7 (Records of Process of Shareholders' Meeting) The Company shall tape record and videotape, without interruption, the whole process of Shareholders' signing in, the meeting and casting and counting of the ballots. The tape-recorded and videotaped records shall be kept for at least one year, provided that where there is litigation brought by the shareholder pursuant to Article 189 of the Company Act, such records shall be kept until the litigation ends.</p>	<p>Added paragraphs 3 to 5 in accordance with the regulations convening the virtual shareholders' meeting.</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p>Article 8 (Share Number Calculation for Attendance at Shareholders' Meetings and Convention of Meetings)</p> <p>The attendance of shareholders' meetings shall be calculated based on the number of shares held by Shareholders attending such meetings, which shall be determined according to the attendance register or the sign-in cards <u>and the shares checked in on the virtual meeting platform</u> submitted by Shareholders, adding the number of voting shares where voting rights are exercised by means of written notice or electronic transmission.</p> <p>Upon the scheduled meeting time, the chairman shall call the meeting to order and concurrently announce relevant information such as the number of Shareholders with no voting rights and the number of shares of the Shareholders present. The chairman may adjourn the meeting if the number of shares of the Shareholders present do not exceed half of the total number of issued and outstanding shares, which meeting may be postponed up to two times, with the total adjournment time not exceeding one hour. If, after two postponements, the number of shares present still does not meet one-third of the total issued and outstanding shares, the chairman shall cancel the meeting.</p> <p><u>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p>	<p>Article 8 (Share Number Calculation for Attendance at Shareholders' Meetings and Convention of Meetings)</p> <p>The attendance of shareholders' meetings shall be calculated based on the number of shares held by Shareholders attending such meetings, which shall be determined according to the attendance register or the sign-in cards submitted by Shareholders, adding the number of voting shares where voting rights are exercised by means of written notice or electronic transmission.</p> <p>Upon the scheduled meeting time, the chairman shall call the meeting to order and concurrently announce relevant information such as the number of Shareholders with no voting rights and the number of shares of the Shareholders present. The chairman may adjourn the meeting if the number of shares of the Shareholders present do not exceed half of the total number of issued and outstanding shares, which meeting may be postponed up to two times, with the total adjournment time not exceeding one hour. If, after two postponements, the number of shares present still does not meet one-third of the total issued and outstanding shares, the chairman shall cancel the meeting.</p> <p>If, after two postponements in accordance with the preceding paragraph, the number of shares of the Shareholders present still does not meet the aforementioned threshold but</p>	<p>Adjusted paragraphs 1 to 3 in accordance with the regulations convening the virtual shareholders' meeting.</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p>If, after two postponements in accordance with the preceding paragraph, the number of shares of the Shareholders present still does not meet the aforementioned threshold but represent one-third or more of the total issued and outstanding shares, tentative resolutions may be adopted in accordance with Article 175 of the Company Act, and a shareholders' meeting shall be convened within one month after the meeting in which the tentative resolutions were adopted. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 5.</u></p> <p>If, before the meeting in which the tentative resolutions are adopted is adjourned, the number of shares present reaches more than half of the total issued and outstanding shares, the chairman may re-submit the tentative resolution for approval at the meeting in accordance with Article 174 of the Company Act.</p>	<p>represent one-third or more of the total issued and outstanding shares, tentative resolutions may be adopted in accordance with Article 175 of the Company Act, and a shareholders' meeting shall be convened within one month after the meeting in which the tentative resolutions were adopted.</p> <p>If, before the meeting in which the tentative resolutions are adopted is adjourned, the number of shares present reaches more than half of the total issued and outstanding shares, the chairman may re-submit the tentative resolution for approval at the meeting in accordance with Article 174 of the Company Act.</p>	
<p>Article 10 (Speeches of Shareholders) (Omitted paragraph 1 to paragraph 5) After a speech is given by the attending Shareholder, the chairman may personally or designate relevant personnel to respond. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair</u></p>	<p>Article 10 (Speeches of Shareholders) (Omitted paragraph 1 to paragraph 5) After a speech is given by the attending Shareholder, the chairman may personally or designate relevant personnel to respond.</p>	<p>Added paragraphs 7 and 8 in accordance with the regulations convening the virtual shareholders' meeting.</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>declaring the meeting open until the chair declaring the meeting adjourned.</u> <u>No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u> <u>The questions in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, the questions can be disclosed to the public at the virtual meeting platform.</u></p>		
<p>Article 12(Methods for Resolving Proposal, Supervising Casting of Ballots and Counting Ballots) (Omitted paragraph 1 to paragraph 3) If a Shareholder who has exercised his/her/its voting rights in writing or by way of electronic transmission intends to attend a shareholders’ meeting in person <u>or online</u>, he/she/it shall serve another declaration of intent to rescind his/her/its previous declaration of intent under the preceding paragraph two days prior to the meeting date and in the same manner used in exercising his/her/its voting rights. In the absence of a timely rescission of the previous declaration of intent, the voting rights exercised in writing or by way of electronic transmission shall prevail. If a shareholder has exercised his/her/its voting rights in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders’ meeting on his/her/its behalf, then the voting rights exercised</p>	<p>Article 12(Methods for Resolving Proposal, Supervising Casting of Ballots and Counting Ballots) (Omitted paragraph 1 to paragraph 3) If a Shareholder who has exercised his/her/its voting rights in writing or by way of electronic transmission intends to attend a shareholders’ meeting in person, he/she/it shall serve another declaration of intent to rescind his/her/its previous declaration of intent under the preceding paragraph two days prior to the meeting date and in the same manner used in exercising his/her/its voting rights. In the absence of a timely rescission of the previous declaration of intent, the voting rights exercised in writing or by way of electronic transmission shall prevail. If a shareholder has exercised his/her/its voting rights in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders’ meeting on his/her/its behalf, then the voting rights exercised by the authorized proxy for the said</p>	<p>Adjusted paragraph 4 and added paragraphs 9 to 12 in accordance with the regulations convening the virtual shareholders’ meeting.</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p>by the authorized proxy for the said shareholder shall prevail. (Omitted paragraph 5 to paragraph 7) The counting of ballots for voting or election at the shareholders' meeting shall be conducted in an open area within the shareholders' meeting room. After the counting is completed, the voting results shall be announced on the spot, including the number of votes, and records shall be made.</p> <p><u>When the Company convenes a virtual shareholders meeting, after the chairperson call the meeting to order, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairperson announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 5 decide to attend the physical shareholders meeting in person, the shareholders shall revoke their registration two days before the shareholders meeting in the same manner as they registered. The shareholders may only attend the shareholders meeting online if registration is not revoked within the</u></p>	<p>shareholder shall prevail. (Omitted paragraph 5 to paragraph 7) The counting of ballots for voting or election at the shareholders' meeting shall be conducted in an open area within the shareholders' meeting room. After the counting is completed, the voting results shall be announced on the spot, including the number of votes, and records shall be made.</p>	



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>time limit.</u> <u>When shareholders exercise voting rights by correspondence or electronic means, the shareholders will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal unless who have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions.</u></p>		
<p>Article 14 (Minutes of Shareholders' Meetings and Signatures) (Omitted paragraph 1 to paragraph 2) Minutes of the shareholders' meetings shall record the date and place of the shareholders' meetings, name of the chairman, and the method for adopting resolutions, as well as summaries and results of voting (including the statistics on the votes). If an election of directors is held, the number of weighted votes for each candidate shall be disclosed. Minutes of the shareholders' meetings shall be kept indefinitely for as long as the Company is in existence. <u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chairperson's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting</u></p>	<p>Article 14 (Minutes of Shareholders' Meetings and Signatures) (Omitted paragraph 1 to paragraph 2) Minutes of the shareholders' meetings shall record the date and place of the shareholders' meetings, name of the chairman, and the method for adopting resolutions, as well as summaries and results of voting (including the statistics on the votes). If an election of directors is held, the number of weighted votes for each candidate shall be disclosed. Minutes of the shareholders' meetings shall be kept indefinitely for as long as the Company is in existence.</p>	<p>Added paragraphs 4 and 5 in accordance with the regulations convening the virtual shareholders' meeting.</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p>		
<p>Article 15 (External Announcement) The number of shares solicited by solicitors, <u>represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u> shall be expressly disclosed, in the form of statistical tables in compliance with relevant rules, in the shareholders' meeting room by the Company on the shareholders' meeting date. <u>In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>When the chairperson call the meeting to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform, if the Company convened</u></p>	<p>Article 15 (External Announcement) The number of shares solicited by solicitors <u>and</u> represented by proxies shall be expressly disclosed, in the form of statistical tables in compliance with relevant rules, in the shareholders' meeting room by the Company on the shareholders' meeting date.</p> <p>In the event that the resolutions adopted at the shareholders' meeting are material information under relevant laws or the rules provided by the Taiwan Stock Exchange, the Company shall submit the content of such resolutions to the MOPS website within the specified time period.</p>	Adjusted paragraph 1 and added paragraph 2 in accordance with the regulations convening the virtual shareholders' meeting.



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>the virtual shareholders' meeting. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>In the event that the resolutions adopted at the shareholders' meeting are material information under relevant laws or the rules provided by the Taiwan Stock Exchange, the Company shall submit the content of such resolutions to the MOPS website within the specified time period.</p>		
<p><u>Article 18 (Disclosure of information at virtual meetings)</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations. After the chairperson has announced the meeting adjourned, the disclosure shall continue at least 15 minutes.</u></p>	<p>New Article</p>	<p>Added new article in accordance with the regulations convening the virtual shareholders' meeting.</p>
<p><u>Article 19(Location of the chairperson and secretary of virtual-only shareholders meeting)</u></p> <p><u>Both the chairperson and secretary shall be in the same location, if the Company convenes a virtual-only shareholders meeting, and the chairperson shall declare the address of their location when the meeting is called to order</u></p>	<p>New Article</p>	<p>Added new article in accordance with the regulations convening the virtual shareholders' meeting.</p>
<p><u>Article 20(Handling of disconnection)</u></p> <p><u>The Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-</u></p>	<p>New Article</p>	<p>Added new article in accordance with the regulations convening the</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>time services before and during the meeting to help resolve communication technical issues, if the Company convenes a virtual shareholders meeting.</u></p> <p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate the virtual shareholders' meeting shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the</u></p>		<p>virtual shareholders' meeting.</p>



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting, still meets the minimum legal requirement for a shareholder meeting, the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed</u></p>		



Amended Provisions	Pre-amended Provisions	Commentary
<p><u>abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u> <u>When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u> <u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>		
<p><u>Article 21 (Handling of digital divide)</u> <u>The Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online, when convening a virtual-only shareholders meeting. In addition to matters to be implemented in situations specified in Article 44-9, Paragraph 6 of the</u></p>	<p>New Article</p>	<p>Added new article in accordance with the regulations convening the virtual shareholders' meeting.</p>



Amended Provisions	Pre-amended Provisions	Commentary
<u>Regulations Governing the Administration of Shareholder Services of Public Companies, networking equipment and necessary assistances shall also be made available to shareholders, and the period during which shareholders may apply to the Company for these assistances and other important notices shall be specified.</u>		
Article 22(Approval Level) These Rules and Procedures and any amendments shall become effective upon resolution at a shareholders' meeting.	Article 18(Approval Level) These Rules and Procedures and any amendments shall become effective upon resolution at a shareholders' meeting.	Article number was adjusted following the newly-added of Article 18 to 21.

Resolution:

D. Extemporary Motions

E.Adjournment



III. Appendix

Appendix 1

POU CHEN CORPORATION Articles of Incorporation

Adopted by shareholders' meeting on June 13, 2019

Section I General Provisions

- Article 1** The name of company shall be Pou Chen Corporation (寶成工業股份有限公司) (the "Company"). The Company is duly organized in accordance with the Company Act of Taiwan.
- Article 2** The business to be operated by the Company is as follows:
- (1) CK01010 Footwear Manufacturing.
 - (2) C301010 Yarn Spinning Mills.
 - (3) C302010 Knit Fabric Mills.
 - (4) C303010 Non-woven Fabrics Mills.
 - (5) C306010 Outerwear Knitting Mills.
 - (6) C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing.
 - (7) C399990 Other Textile Products Manufacturing.
 - (8) C801120 Manmade Fiber Manufacturing.
 - (9) CJ01010 Hat Manufacturing.
 - (10) F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.
 - (11) F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.
 - (12) F113010 Wholesale of Machinery.
 - (13) F213080 Retail Sale of Machinery and Equipment.
 - (14) CC01080 Electronic Parts and Components Manufacturing.
 - (15) CC01120 Data Storage Media Manufacturing and Duplicating.
 - (16) F119010 Wholesale of Electronic Materials.



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- (17) F219010 Retail Sale of Electronic Materials.
- (18) F401010 International Trade.
- (19) I199990 Other Consultancy (consultation on shoe-manufacturing techniques).
- (20) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 Investments in other businesses by the Company may be exempt from the maximum investment restriction under Article 13 of the Company Act.

Article 3 The Company may act as a guarantor of another party if required for its business purposes.

Article 4 The Company is headquartered in Chang Hwa County. If required, the Company may establish factories or branches in Taiwan or overseas by board of Directors resolution.

Article 5 Deleted.

Section II Shares

Article 6 The registered share capital of the Company shall be forty five billion New Taiwan Dollars (NT\$ 45,000,000,000), divided into four billion and five hundred million (4,500,000,000) shares at a par value of exactly ten New Taiwan Dollars (NT\$ 10) per share. Among the Company's above share capital, three hundred million shares in the amount of three billion New Taiwan Dollars (NT\$ 3,000,000,000) shall be reserved for issuance upon the exercise of any employee stock options, equity warrants issued with preferred shares or equity warrant bonds. The board of Directors is authorized to issue the unissued shares in installments in Taiwan or overseas depending on actual needs in accordance with the Company Act and relevant laws and regulations.

Article 6-1 Upon resolution adopted by two thirds or more of the votes of shareholders present at the shareholders' meeting that is attended by shareholders representing more than half of the total issued and outstanding shares of the Company, the Company may buy back its shares and transfer such shares to its employees at a price lower than the average price of all shares bought back by the Company, or issue employee stock options with the exercise price lower than the closing price of the issuing date.

Article 6-2 The Company transfers its treasury shares to employees, issues employee stock option certificates, issues restricted shares for employee, and reserves the issuance of common shares in cash for employees to subscribe, which could be entitled to the qualified employees of subsidiaries of the Company meeting

certain specific requirements. The board of Directors is authorized to decide the conditions and the subscription.

Article 7 The Company's shares shall be registered, bear the signatures or personal seals of the Director representing the Company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws. The Company may issue shares without certificates which shall be registered with a central securities depository.

Article 8 The Company's shareholder shall register his/her/its name, address, chop specimen card and the national ID card number/business administration number, and any changes to such information, with the Company or the stock agency for records. The shareholder shall affix his/her/its specimen chop for purpose of receiving stock dividends and bonuses or exercising shareholders' rights in writing.

Article 9 Unless otherwise prescribed by laws or securities regulations, the Company Act and other relevant laws shall apply to the Company's shareholder's share transfer, share loss report, inheritance of shares, gratuitous giving of shares, loss report or change of the chop, or report of change of address.

Article 10 Registration for the transfer of shares shall not be done within sixty days preceding the date of a shareholders' annual general meeting, thirty days preceding the date of a shareholders' special meeting or five days preceding the designated reference date for the distribution of dividends, bonus or other interests.

Section III Shareholders' Meeting

Article 11 There are two types of shareholders' meeting: annual general meeting of shareholders and special meeting of shareholders. The annual general meeting of shareholders shall be convened at least once a year within six months after the end of every fiscal year. Except as otherwise provided for by the Company Act, special meetings of shareholders shall be convened as necessary by the board of Directors.

Article 11-1 Prior to the annual general meeting of shareholders, the Company shall determine and announce the procedures, location, time period, and other matters relating to accepting shareholders' proposals in accordance with Article 172-1 of the Company Act.

Article 12 When the Company convenes shareholders' meetings, the shareholders may exercise their voting rights in writing or by way of electronic transmission. A shareholder who is unable to attend the shareholders' meeting may appoint another person to attend as his/her/its proxy in accordance with Article 177 of



the Company Act by using the proxy form provided by the Company to set forth the scope of authorization. Except as otherwise prescribed by the Company Act, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies as promulgated by the regulatory authority shall apply to attendance by proxy.

Article 13 Except as otherwise prescribed by laws, each share of the Company is entitled to one vote.

Article 14 Except as otherwise required by the Company Act, a proposal shall be adopted with the approval of more than half of the votes of the shareholders present at the shareholders' meeting attended by shareholders representing more than half of the total issued and outstanding shares of the Company.

Section IV Directors

Article 15 The Company shall have nine Directors. The board of Directors shall be elected from a list of nominated candidates at the shareholders' meeting for a term of three years. Re-elected Directors may serve consecutive terms. The shareholding ratio of all Directors collectively shall be subject to rules provided by the securities regulatory authority.

At least three Directors and at least one fifth of all incumbent Directors shall be independent Directors. Regulations governing independent Directors' professional qualifications, shareholding, holding of concurrent positions, as well as assessment of independence, procedures of nomination and other related matters shall be adopted by the regulatory authority.

Article 16 The board of Directors shall consist of Directors. The chairman of the board shall be elected from and among the Directors by the approval of more than half of the Directors present at a meeting attended by at least two thirds of the Directors holding office, and a vice chairman may be elected in the same manner if the Company's business so requires. The chairman of the board shall have the authority to represent the Company.

Article 16-1 The Company may pay compensation to Directors performing duties for the benefit of the Company regardless of the Company's profit performance. The board of Directors is authorized to determine, according to the general standards adopted by the industry, Directors' compensation based on the level and value of contributions to the Company's operations.

Article 17 The board of Directors' meeting shall be convened at least once every quarter of each year.

In calling a board of Directors' meeting, a notice setting forth the item(s) to be discussed at the meeting shall be given to each Director at least seven days

prior to the scheduled meeting date, unless in the event of emergency, Directors' meeting may be convened at any time.

Conventions of meetings under the preceding paragraph may be done in writing or by facsimile or electronically.

Except as otherwise prescribed by laws, any resolution of the board of Directors shall only be adopted with the approval by more than half of the Directors present at the meeting attended by more than half of all Directors.

A Director who has personal interests in any of the items on the meeting agenda shall disclose the material aspects of such personal interest at the meeting.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

When board of Directors' meetings are held by means of video conference, the Directors participating in such meetings via webcam shall be deemed to have attended the meetings in person. If a Director is unable to attend a meeting for any reason, such Director may appoint another Director as his or her proxy by using a letter of appointment setting forth the scope of authorization with respect to each subject to be discussed at the meeting. A Director may only be appointed as proxy by one other Director.

The Company's board of Directors may establish different types of functional committees.

Article 17-1 The Company may acquire liability insurance for its Directors.

Article 18 The powers and duties of the board of Directors are as follows:

- (1) To approve the appointment and removal of officers.
- (2) To determine the establishment and dissolution of subsidiaries and branches.
- (3) To propose and discuss the amendments to the Articles of Incorporation.
- (4) To review budgets and final accounts.
- (5) To review and supervise the implementation of annual business plan.
- (6) To propose and discuss the offer of all or material parts of the Company's assets for assignment under "dian," sale, lease, pledge, mortgage or any other disposal.



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- (7) To approve the Company's long-term investments in other businesses.
- (8) To propose and discuss the profit distribution and loss offset.
- (9) To determine the increase or decrease of capital.
- (10) To approve the Company's staffing quota and compensation structure.
- (11) To select and engage independent auditors.
- (12) To approve material contracts.
- (13) To conduct any matter other than those that shall be resolved at shareholders' meetings under the Company Act or the Articles of Incorporation.

Article 19 The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of independent Directors only. The audit committee and members of the committee shall be responsible for performing duties as prescribed for Supervisors' by the Company Act, Securities and Exchange Act and other regulations.

Section V Officers and Staff

Article 20 The Company may have a president and other officers, the appointment, removal, and compensation of whom shall be subject to Article 29 of the Company Act.

Article 21 Deleted.

Section VI Accounting

Article 22 The fiscal year of the Company shall begin on January 1 and end on December 31 of each year. After each fiscal year, the board of Directors shall prepare the following reports and submit the reports to the annual general shareholders' meeting for ratification in accordance with the legally mandated procedures:

- (1) Business report.
- (2) Financial statements.
- (3) Proposal for Distribution of profits or Deficit Compensation.

Article 23 The Company shall appropriate 1 to 5% of the profit of the fiscal year (profit shall mean the income before income tax less Employees' compensation and Directors' remuneration) for employees' compensation and may appropriate no higher than 3% of the same profit as Directors' remuneration. Such employees' compensation may be in the form of stock or cash by the resolution of the board of Directors. Employees eligible for such compensation may include those of the Company's subsidiaries meeting

certain conditions.

In the presence of accumulated loss, the Company shall allocate an amount to recover such loss before appropriating any employees' and Directors' remuneration in accordance with the ratios prescribed by the preceding paragraph.

Article 23-1 The Company's annual net profits should be appropriated as follows:

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

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

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

Section VII Miscellaneous

Article 24 Matters not addressed in these Articles of Incorporation shall be governed by the Company Act.

Article 25 These Articles of Incorporation was adopted on August 15, 1969. The first amendment was made on April 18, 1971. The second amendment was made on November 26, 1972. The third amendment was made on July 15, 1973. The fourth amendment was made on August 20, 1974. The fifth amendment was



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made on February 8, 1976. The sixth amendment was made on August 1, 1976. The seventh amendment was made on June 15, 1977. The eighth amendment was made on December 25, 1977. The ninth amendment was made on February 26, 1978. The tenth amendment was made on November 24, 1978. The eleventh amendment was made on December 31, 1981. The twelfth amendment was made on March 18, 1982. The thirteenth amendment was made on June 10, 1984. The fourteenth amendment was made on September 30, 1984. The fifteenth amendment was made on April 10, 1985. The sixteenth amendment was made on July 15, 1985. The seventeenth amendment was made on November 2, 1987. The eighteenth amendment was made on April 30, 1988. The nineteenth amendment was made on April 20, 1989. The twentieth amendment was made on August 7, 1989. The twenty-first amendment was made on April 10, 1990. The twenty-second amendment was made on April 12, 1991. The twenty-third amendment was made on May 18, 1992. The twenty-fourth amendment was made on May 25, 1993. The twenty-fifth amendment was made on May 27, 1994. The twenty-sixth amendment was made on May 31, 1995. The twenty-seventh amendment was made on May 13, 1997. The twenty-eighth amendment was made on April 21, 1998. The twenty-ninth amendment was made on June 22, 2000. The thirtieth amendment was made on April 10, 2001. The thirty-first amendment was made on June 12, 2002. The thirty-second amendment was made on June 12, 2003. The thirty-third amendment was made on June 9, 2004. The thirty-fourth amendment was made on June 14, 2005. The thirty-fifth amendment was made on June 14, 2005. The thirty-sixth amendment was made on June 14, 2006. The thirty-seventh amendment was made on April 24, 2007. The thirty-eighth amendment was made on June 13, 2008. The thirty-ninth amendment was made on June 16, 2009. The fortieth amendment was made on June 17, 2010. The forty-first amendment was made on June 15, 2012. The forty-second amendment was made on June 14, 2013. The forty-third amendment was made on June 12, 2015. The forty-fourth amendment was made on June 15, 2016. The forty-fifth amendment was made on June 15, 2017. The forty-sixth amendment was made on June 13, 2019. These Articles of Incorporation and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.



Appendix 2

POU CHEN CORPORATION
Rules and Procedures of Shareholders' Meetings

Adopted by shareholders' meeting on July 26, 2021

Article 1 (Applicable Laws and Regulations)

Except as otherwise provided in relevant laws or Pou Chen Corporation (the "Company")'s Articles of Incorporation, the Company's shareholders' meetings shall be held in accordance with these Rules and Procedures of Shareholders' Meetings (these "Rules and Procedures").

Article 2 (Convention of Shareholders' Meeting and Meeting Notice)

Except as otherwise provided in relevant laws, the Company's shareholders' meetings shall be convened by the board of Directors.

The Company shall make the meeting notice, proxy form, short title for ratification proposals, discussion proposals and election or removal of Directors, and other explanatory information into electronic files and submit such files onto the Market Observation Post System (the "MOPS") website thirty days before the regular shareholders' meeting or fifteen days before the special shareholders' meeting. The Company shall also make the handbook for shareholders' meetings and other supplementary materials into electronic files and submit these files onto the MOPS website twenty one days before the regular shareholders' meeting or fifteen days before the special shareholders' meeting. The Company shall prepare the handbook for shareholders' meetings and other supplementary materials fifteen days before the shareholders' meeting for shareholders to ask for at any time, exhibit these documents in the Company and the professional agency appointed by the Company to handle the share-related affairs for the Company, and distribute such documents at the shareholders' meeting.

The reasons for convening the shareholders' meeting shall be indicated in the notice and the announcement to the shareholders; and the notice may be delivered by means of electronic transmission with prior consent from the recipient(s).

Matters pertaining to election or removal of Directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Article 185 Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article



56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the reasons and the essential contents shall be explained in the notice for convening the shareholders' meeting, and shall not be brought up as extemporary motions.

Shareholders holding 1% or more of the total number of outstanding shares of the Company may propose to the Company a proposal at regular shareholders' meetings, provided that only one matter is allowed in such a proposal, and proposals with more than one matter will not be included in the agenda. Unless a shareholder proposal proposed for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. In addition, if there are any of the circumstances listed in Paragraph 4, Article 172-1 of the Company Act in the proposal raised by a shareholder, the board of Directors may choose not to list such a proposal in the agenda.

Prior to the date on which share transfer registration is suspended before the convention of the regular shareholders' meeting, the Company shall publish an announcement in writing or by way of electronic transmission and the time period for shareholders to submit proposals to be resolved at the meeting; and the time period for accepting such proposals shall not be less than ten days.

The number of words in the proposal proposed by a shareholder shall be no more than three hundred words, and any proposal with more than three hundred words will not be included in the agenda. A shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting where the proposal is to be resolved and shall take part in the discussion of such a proposal.

The Company shall, prior to delivering the meeting notice, inform all the shareholders who have submitted proposals of whether their proposals are accepted, and shall list in the meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not listed in the agenda of the meeting, the reasons for not listing such proposals shall be explained by the board of Directors at the shareholders' meeting.

Article 3 (Attending Shareholders' Meetings by Proxy and Authorization)

A shareholder may appoint, per meeting, another person to attend as his/her/its proxy by using the proxy form provided by the Company to set forth the scope of authorization.

A shareholder may only use one proxy form and appoint one proxy only, and shall serve such proxy form to the Company no later than five days prior to the

meeting date of the shareholders' meeting. In the event that two or more proxy forms are received from one shareholder, the first proxy form served to the Company shall prevail, unless an explicit statement to revoke the previous proxy form is made in the proxy form that is later served to the Company.

After the service of the proxy form to the Company, in the event that the shareholder issuing the said proxy form intends to attend the shareholders' meeting in person or to exercise the voting rights in writing or by way of electronic transmission, a written notice to rescind the proxy form shall be filed with the Company two days prior to the date of the shareholders' meeting, or otherwise the voting rights exercised by the authorized proxy at the meeting shall prevail.

Article 4 (Principles for the Venues and Times of Shareholders' Meetings)

The shareholders' meeting shall be held at the Company's place of business or any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m. The decision of the place and time for the meeting shall be made taking the independent Directors' opinions into full consideration.

Article 5 (Preparation of Attendance Register and other Documents)

The Company shall set forth in the meeting notice the time and place for shareholders to sign in, and any other matters to be noted by the Shareholders. The time for shareholders to sign in under the preceding paragraph shall be processed at least thirty minutes earlier than the meeting commencement time. There shall be a conspicuous sign to indicate the place for shareholders to sign in, and sufficient and proper personnel shall be at such place to handle relevant matters.

Shareholder or their proxies (hereinafter "Shareholders") may only attend the meeting with his/her/its attendance card, sign-in card or other attendance identification papers. The solicitor of proxies shall also bring his/her identity document for further check.

The Company shall prepare an attendance register for shareholders or their proxies (hereinafter "Shareholders") to sign in, which may be substituted with the sign-in card submitted by Shareholders attending the meeting.

The Company shall deliver to Shareholders attending the meeting the handbook for the meeting, the annual report, the attendance card, a slip of paper for comments, voting ballots and other meeting information. Where there are proposals to elect the Directors at meetings, the Company shall also deliver the election ballots to Shareholders attending such meetings.

When Shareholders are governments or legal persons, there may be multiple



representatives attending the meeting on behalf of such Shareholders. In the event that a legal person attends a meeting as a proxy, there may only be one representative appointed by such legal person.

Article 6 (Chairperson and Attendees of Shareholders' Meeting)

For the shareholders' meeting convened by the board of Directors, such meeting shall be chaired by the chairman of the board. In case the chairman is on leave or cannot exercise his authority for any reason, the vice chairman shall act on his behalf. In case there is no vice chairman, or the vice chairman is also on leave or unable to exercise his authority for any reason, the chairman shall designate one of the Directors to act on his behalf. In the absence of such designation, the Directors shall elect from among themselves an acting chairman to act on the chairman's behalf.

A Director shall have served as a Director in the Company for six months or more to act on behalf of the chairman in accordance with the preceding paragraph. The same should apply to the situation where the chairman is the representative of a Director that is a legal person.

When the shareholders' meeting is convened by the board of Directors, it is advised that the chairman of the board of Directors preside at such meeting, having more than half of the Directors and at least one member from each of the functional committees present at the meeting. The attendance shall be recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by a person with the authority to convene other than the board of Directors, such person shall act as the chairman at that meeting; provided, however, if there are more than one person with the authority to convene, the chairman for the meeting shall be appointed from among them.

The Company may designate legal counsel, certified public accountants, and other relevant personnel to attend the shareholders' meetings in a non-voting capacity.

Article 7 (Records of Process of Shareholders' Meeting)

The Company shall tape record and videotape, without interruption, the whole process of Shareholders' signing in, the meeting and casting and counting of the ballots.

The tape-recorded and videotaped records shall be kept for at least one year, provided that where there is litigation brought by the shareholder pursuant to Article 189 of the Company Act, such records shall be kept until the litigation ends.

Article 8 (Share Number Calculation for Attendance at Shareholders' Meetings and Convention of Meetings)

The attendance of shareholders' meetings shall be calculated based on the number of shares held by Shareholders attending such meetings, which shall be determined according to the attendance register or the sign-in cards submitted by Shareholders, adding the number of voting shares where voting rights are exercised by means of written notice or electronic transmission.

Upon the scheduled meeting time, the chairman shall call the meeting to order and concurrently announce relevant information such as the number of Shareholders with no voting rights and the number of shares of the Shareholders present. The chairman may adjourn the meeting if the number of shares of the Shareholders present do not exceed half of the total number of issued and outstanding shares, which meeting may be postponed up to two times, with the total adjournment time not exceeding one hour. If, after two postponements, the number of shares present still does not meet one-third of the total issued and outstanding shares, the chairman shall cancel the meeting.

If, after two postponements in accordance with the preceding paragraph, the number of shares of the Shareholders present still does not meet the aforementioned threshold but represent one-third or more of the total issued and outstanding shares, tentative resolutions may be adopted in accordance with Article 175 of the Company Act, and a shareholders' meeting shall be convened within one month after the meeting in which the tentative resolutions were adopted.

If, before the meeting in which the tentative resolutions are adopted is adjourned, the number of shares present reaches more than half of the total issued and outstanding shares, the chairman may re-submit the tentative resolution for approval at the meeting in accordance with Article 174 of the Company Act.

Article 9 (Discussion of Proposals)

Agendas for shareholders' meetings shall be set by the board of Directors if such meetings are convened by the board of Directors. Relevant proposals (including extemporary motions or amendments to the existing proposals) shall be resolved by voting on a proposal-by-proposal basis. Unless otherwise resolved by resolution at the shareholders' meetings, the meetings shall be carried out in accordance with the scheduled agenda.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the board of Directors, with the authority to convene such meeting.

In respect of the scheduled agenda referred to in the preceding two paragraphs,



the chairman may not, absent a resolution, unilaterally announce the adjournment of the meeting before all of the items on such agenda (including ad hoc motions) have been resolved. If the chairman announces its adjournment in violation of the Rules and Procedures, other Directors of the board shall promptly assist the Shareholders present to elect, in accordance with legal procedures, one person to act as chairman to continue the meeting with more than half of the votes of the Shareholders present.

For proposals and amendments to the proposals and ad hoc motions proposed by the Shareholders, the chairman shall ensure there is adequate opportunity for explanation and discussion. If the chairman believes that the discussion for a proposal has reached a level where a vote may be called, the chairman may announce to end such discussion and call for a vote. Adequate time shall be arranged for voting.

Article 10 (Speeches of Shareholders)

Before Shareholders make speeches, such Shareholders shall submit a slip of paper, noted with such Shareholders' shareholder account number (or the attendance card number) and account name, summarizing his/her/its comments, for the chairman to determine the speaking order.

Attending Shareholders who submit slips but does not speak at a shareholders' meeting is deemed to have not spoken; in the event of any inconsistency between the contents of a Shareholder's speech and those recorded on the slip, the contents of the Shareholder's speech shall prevail.

Unless otherwise agreed to by the chairman, a Shareholder may speak on a single proposal up to two times, each time no more than five minutes in length. The chairman may stop the speech of any Shareholder that is in violation of relevant rules or exceeds the scope of their proposal.

When an attending Shareholder is speaking at the meeting, no other Shareholder shall interrupt the speech of the speaking Shareholder unless otherwise permitted by the chairman and such speaking Shareholder; the chairman shall stop any such violations.

When a Shareholder that is a legal person appoints two or more representatives to attend the shareholders' meeting, only one representative may speak on any given proposal.

After a speech is given by the attending Shareholder, the chairman may personally or designate relevant personnel to respond.

Article 11 (Calculation of Voting Shares and Conflict of Interests)

The voting in the shareholders' meeting shall be determined based on the number of shares.

The shares held by Shareholders without voting rights shall not be counted in

the number of total issued and outstanding shares when adopting a resolution at the shareholders' meeting.

Shareholders with personal interests in the matter under discussion at a shareholders' meeting, which may impair the interests of the Company, shall neither vote nor exercise the voting rights on behalf of another Shareholder.

The number of shares in which such Shareholders may not exercise their voting rights in accordance with the preceding paragraph shall not be counted in the number of votes of Shareholders present at the meeting.

Except for trust enterprises or stock agencies approved by the competent authority for securities, if a person is entrusted by two or more Shareholders, the proxy votes by such person shall not exceed 3% of the total issued and outstanding shares of the Company; and any votes in excess of the foregoing will not be counted.

Article 12 (Methods for Resolving Proposal, Supervising Casting of Ballots and Counting Ballots)

Except for restricted shares or shares without voting rights under Article 179 Paragraph 2 of the Company Act, each Shareholder is entitled to one vote per share.

When shareholders' meetings are held by the Company, voting rights may be exercised in writing or by way of electronic transmission. The Company shall set forth the methods to exercise voting rights in the shareholders' meeting notice when the shareholders are to exercise such rights in writing or by way of electronic transmission. A Shareholder who exercises his/her/its voting rights at a shareholders' meeting in writing or by way of electronic transmission shall be deemed to have attended the meeting in person, provided that such Shareholder shall be deemed to have waived his/her/its voting rights in respect of any ad hoc motions and the amendments to the original proposals at the said shareholders' meeting, and thus it is advised that the Company does not propose an ad hoc motion or amend the original proposal.

Where Shareholders elect to exercise their voting rights in writing or by way of electronic transmission, their declaration of intent shall be served to the Company two days prior to the scheduled meeting date, provided that if two or more declarations of the same intention are served to the Company, the first declaration of such intention shall prevail, unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

If a Shareholder who has exercised his/her/its voting rights in writing or by way of electronic transmission intends to attend a shareholders' meeting in person, he/she/it shall serve another declaration of intent to rescind his/her/its previous declaration of intent under the preceding paragraph two days prior to



the meeting date and in the same manner used in exercising his/her/its voting rights. In the absence of a timely rescission of the previous declaration of intent, the voting rights exercised in writing or by way of electronic transmission shall prevail. If a shareholder has exercised his/her/its voting rights in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting on his/her/its behalf, then the voting rights exercised by the authorized proxy for the said shareholder shall prevail.

Except as otherwise required by the Company Act or the Articles of Incorporation of the Company, a proposal is adopted with the approval of more than half of the vote rights of the Shareholders present. Upon the voting, the chairman or the personnel designated by the chairman shall announce the total number of votes of Shareholders present, and then the Shareholders shall cast their ballots. The Company shall key in the results of the Shareholders' for or against votes and their waivers to the MOPS website on the shareholders' meeting date after such shareholders' meeting.

In the event that there is an amendment or replacement proposal to the original proposal, the chairman shall decide on the order in which such proposals will be voted in, along with the original proposal, provided that if one of such proposals has been adopted, the other proposals will be deemed to have been vetoed and no further voting shall be necessary.

The person(s) supervising the casting of the ballots and the person(s) counting the ballots shall be designated by the chairman, provided that the person(s) supervising the casting of the ballots shall be a Shareholder.

The counting of ballots for voting or election at the shareholders' meeting shall be conducted in an open area within the shareholders' meeting room. After the counting is completed, the voting results shall be announced on the spot, including the number of votes, and records shall be made.

Article 13 (Election Matters)

Where there is a proposal to elect Directors, the election shall be conducted in accordance with the Company's Rules for Election of Directors, and the results of the election shall be announced on the spot, including the list of Directors elected, the number of votes they are elected with and the list of Directors who were not elected and the number of votes they received.

The ballots for the election under the preceding paragraph shall be sealed by the personnel supervising the casting of ballots, with such personnel's signature on the seal, and shall be kept properly for at least one year, provided that where there is litigation brought by the Shareholder pursuant to Article 189 of the Company Act, these ballots shall be kept until the litigation ends.

Article 14 (Minutes of Shareholders' Meetings and Signatures)

Resolutions adopted at shareholders' meetings shall be made into minutes, which shall be signed by or affixed with seal of the chairman of the shareholders' meetings and distributed to all of the Shareholders within 20 days after the shareholders' meetings. The distribution of the shareholders' meetings minutes may be done by way of electronic transmission.

The Company may distribute the shareholders' meetings minutes under the preceding paragraph by public announcement on the MOPS website.

Minutes of the shareholders' meetings shall record the date and place of the shareholders' meetings, name of the chairman, and the method for adopting resolutions, as well as summaries and results of voting (including the statistics on the votes). If an election of directors is held, the number of weighted votes for each candidate shall be disclosed. Minutes of the shareholders' meetings shall be kept indefinitely for as long as the Company is in existence.

Article 15 (External Announcement)

The number of shares solicited by solicitors and represented by proxies shall be expressly disclosed, in the form of statistical tables in compliance with relevant rules, in the shareholders' meeting room by the Company on the shareholders' meeting date.

In the event that the resolutions adopted at the shareholders' meeting are material information under relevant laws or the rules provided by the Taiwan Stock Exchange, the Company shall submit the content of such resolutions to the MOPS website within the specified time period.

Article 16 (Maintenance of Order during Shareholders' Meeting)

The meeting staff handling shareholders' meeting affairs shall wear an identification card or arm-band.

The chairman may direct the picket staff or security personnel to help maintain order at shareholders' meetings. When helping maintain order, the picket staff or security personnel shall wear arm-bands with the words "picket staff" on them or identification cards.

Where there is sound amplifying equipment provided in the shareholders' meeting, the chairman may stop any shareholder who is not speaking with the sound amplifying equipment provided by the Company.

In the event that the shareholder is in violation of the Rules and Procedures, disobeys the corrections by the chairman, interrupts the process of the shareholders' meeting and refuses to stop such actions after being told to stop, the chairman may direct the picket staff or security personnel to ask such shareholder to leave the shareholders' meeting room.



Article 17 (Intermission and Continuance of Shareholders' Meeting)

The chairman may, at his or her discretion, set time for recess during the shareholders' meeting. In the event of any uncontrollable matters, the chairman may decide to adjourn the meeting tentatively, and announce the time to continue the meeting depending on the circumstances.

In the event that the shareholders' meeting place cannot be perused but the items to be discussed on the scheduled agenda (including ad hoc motions) have not all been resolved, the Shareholders may resolve to continue the shareholders' meeting in another place.

The Shareholders may adopt a resolution to postpone or continue the shareholders' meeting within five days in accordance with Article 182 of the Company Act.

Article 18 (Approval Level)

These Rules and Procedures and any amendments shall become effective upon resolution at a shareholders' meeting.



Appendix 3

POU CHEN CORPORATION

Shareholdings of All Directors

Effective Date: April 17, 2023

Title	Gender	Name	Registered shares in Shareholders Roster	Shareholding (%)
Chairman	Male	Chuan Mou Investments Co., Limited (Representative: Chan, Lu-Min)	163,425,022	5.55%
Director	Female	Tsai, Pei-Chun	4,177,779	0.14%
Director	Female	Tzong Ming Investments Co., Ltd. (Representative: Tsai, Min-Chieh)	6,340,933	0.22%
Director	Male	Ever Green Investments Corporation (Representative: Lu, Chin-Chu)	23,216,045	0.79%
Director	Male	Sheachang Enterprise Corporation (Representative: Wu, Pan-Tsu)	4,413,010	0.15%
Director	Male	Shun Tai Investments Co., Ltd. (Representative: Ho, Yue-Ming)	24,367,867	0.83%
Independent Director	Male	Chen, Huan-Chung	0	0.00%
Independent Director	Male	Hsu, Chu-Sheng	0	0.00%
Independent Director	Male	Chang, Shih-Chieh	0	0.00%
Shareholdings of all Directors (excluding Independent Directors)			225,940,656	7.67%

(1) The Company's paid-in capital (as of April 17, 2023) was NT\$29,467,872,130 with 2,946,787,213 shares in issue.

(2) The statutory minimum shareholding requirement for all Directors: 70,722,893 shares.



POU CHEN CORPORATION