(For the convenience of readers, the meeting handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language shall prevail.)

Pou Chen Corporation
2024 Annual Shareholders' Meeting Minutes
(Summary Translation)

Date and Time: May 31, 2024 (Friday) at 9:30 a.m.

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

Convening Method: Physical Shareholders' meeting

Total outstanding shares of the Company: 2,946,787,213 shares.
Total shares represented by Shareholders' presented in person or by proxy: 2,373,286,216 shares.
(Including 2,180,469,561 votes casted electronically)
Percentage of shares held by Shareholders' present in person or by proxy: 80.53%

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

Recorder: Huang, Chao-Fen

Directors present: Tsai, Pei-Chun (Director), Lu, Chin-Chu (Director), Tsai, Min-Chieh (Director), Wu, Pan-Tsu (Director), Ho, Yue-Ming (Director), Chen, Huan-Chung (Independent Director), Hsu, Chu-Sheng (Independent Director), Chang, Shih-Chieh (Independent Director)

Attendees: Hong, Kuo-Tyan (CPA), Charles Chang (Lawyer)

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

Chairperson Remarks: (Omitted)

A. Reported Matters

1. 2023 Business and Financial Reports: please refer to Appendix I.
2. Audit Committee's Review Report on the 2023 Financial Statements: please refer to Appendix II.
3. Report on the 2023 Distribution of Employees' Compensation and Directors' Remuneration.
   a. The Company's profit in 2023 amounted to NT$11,819,943,034. ("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, equaling NT$189,119,000 and NT$94,560,000 respectively, will be allocated as employees' compensation and Directors' remuneration. The distribution shall be made in cash.
   b. The above amounts are consistent with the estimates for the fiscal year.

4. Report on the distribution for cash dividend of 2023 earnings.

a. The Company's net income for 2023 amounted to NT$10,623,607,828. The shareholders dividends of NT$3,241,465,934 will be distributed to shareholders in proportion to their shareholdings at NT$1.1 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 has been 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.

5. Report on the 2023 material transactions with related parties.

Pou Chen Corporation

Material transactions with related parties in 2023

Acquisition of right-of-use assets for real property from related parties

Date of the Board of Directors resolution	2023/11/14	2023/12/21
Nature of transaction	Lease of office and factory	Lease of parking lot
Underlying asset	A portion of the office and factory located at Building A, No. 4, Fugong Rd., Fuxing Township, Changhua County, Taiwan Building:554.2 ping Land:154.1 ping The lease period is 3 years.	Land No. 191 and 192, Lot Fushun, Xitun District, Taichung City, Taiwan 40 car-parking spaces The lease period is 3 years.
Total transaction price, trading counterparty, and relationship between the related party and the Company.	Total transaction price: NT$ 6,465 thousand Trading counterparty: Pou Yuen Technology Co., Ltd. Relationship between the related party and the Company: Pou Chen Corporation's subsidiary	Total transaction price: NT$ 2,510 thousand Trading counterparty: Barits Development Corporation Relationship between the related party and the Company: Pou Chen Corporation's subsidiary
The purpose, necessity and expected benefits of acquisition or disposal of assets	Operational needs	Operational needs
The reason for choosing the related party as trading counterparty	The lease meets the Company's needs	The lease meets the Company's needs
Appraiser report/opinion of the CPA	NA	NA

B. Acknowledged Matters

1. Acknowledgement of 2023 Business Report, Financial Statements and Profit Distribution Plan. (proposed by the Board of Directors)

a. The Audit Committee of the Company has reviewed the 2023 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. 2023 Business Report, Financial Statements please refers to Appendix 1 and the profit distribution plan please refers to following page.

Pou Chen Corporation

2023 Profit Distribution Plan

(in NT$)

Beginning unappropriated retained earnings	$ 13,668,958,561
Transfer to retained earnings of disposal of investments accounted for using the equity method	(169,490)
Transfer to retained earnings of disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates	3,711,859
Amount recognized in retained earnings of remeasurement of defined benefit plan	(194,111,734)
Unappropriated retained earnings after adjustment	13,478,389,196
Net income of 2023	10,623,607,828
Less: legal reserve	(1,043,303,846)
Reversal of special reserve according to the law	2,528,881,402
2023 Earnings available for distribution	25,587,574,580
Distribution item:	
Shareholders dividend - cash dividend (NT$1.1/share)[1&2]	3,241,465,934
Unappropriated retained earnings	$ 22,346,108,646

Chan, Lu-Min
Chairman of the Board

Lu, Chin-Chu
President

Wu, Hui-Chi
Accounting Officer

1 The shareholders dividends are computed on the basis of 2,946,787,213 shares outstanding as of April 2, 2024.

2 The Board of Directors is authorized to pass distribution of partial or full dividends in cash. Such resolution shall be reached by a majority vote at a meeting attended by more than two thirds of the total number of directors, and this distribution shall be reported at the shareholders' meeting in accordance with Article 23-1of the Company's Articles of Incorporation.

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

Voting Results: Shares represented at the time of voting: 2,373,286,216 votes.

Voting results*	% of the total represented share present
Votes in favor: 2,042,474,497 votes (1,850,048,036 votes)	86.06%
Votes against: 36,057,229 votes (36,057,229 votes)	1.51%
Votes abstained/No votes: 294,754,490 votes (294,364,296 votes)	12.41%

*including votes casted electronically (numbers in brackets)

C. Matters for Discussion

1. Proposal for the release of the Company's Director from non-competition restrictions. (proposed by the Board of Directors)

   a. Pursuant to Article 209 of the Company Act, a director engaging in activities either for himself or on behalf of another person within the scope of the Company's business shall explain at the shareholders' meeting the essential details of such activities and obtain the shareholders' approval for engaging in such activities.

   b. Proposal for the release of the Company's director from participation in competitive business as follows:

Director	Positions held concurrently in other companies (Note)	Remark
Ho, Yue-Ming	Director of Zhongao Multiplex Management Group Co., Limited	The Company is engaged in the management and operation of stadium service in Mainland China.
	Director of Ka Te Footwear Material (Shishi) Limited	The Company is engaged in the production of shoe materials in Shishi City, Fujian Province.
	Director of Ka Te Footwear Material (HK) Limited	The Company is established in Hong Kong as a joint venture between Ka Yuen and Xtep Group.

(Note): Appointed as a director of joint ventures.

RESOLVED, that the above proposal be and hereby was approved as proposed.
Voting Results: Shares represented at the time of voting: 2,373,286,216 votes.

Voting results*	% of the total represented share present
Votes in favor: 2,063,358,133 votes (1,870,931,672 votes)	86.94%
Votes against: 27,932,692 votes (27,932,692 votes)	1.17%
Votes abstained/No votes: 281,995,391 votes (281,605,197 votes)	11.88%

*including votes casted electronically (numbers in brackets)

D. Extemporary Motions:

Shareholder’s question and the chairman’s replied: (The question was not related to the agenda items, we summarize the question and answer thereto by category as follows.)

Shareholder (Account Number 194577): I would like to inquire about the progress of the implementation of the chemical project in the Company's overseas factories.

The chairman’s replied: As your concern is about the factory project, we will assign the person in charge to contact you after the meeting.

E. Adjournment Time: The meeting was adjourned at 9:59 a.m.

Appendix 1

2023 Business and Financial Reports

a. **Business Report**

i. Result of Operations

Looking back on 2023, factors such as liquidity risks among financial institutions in Europe and the United States, debt defaults in Mainland China's real estate market, and high fluctuations in international energy prices caused a slowdown in global economic growth. While some supply chain imbalances have been alleviated, high inflation and interest rates continued to affect financial sentiment around the world. Coupled with the trend of conservative consumption, this presented the industry with the challenge to reduce inventory levels.

In response to the ongoing turmoil of the global business environment, the Company relied on its agile management and made dynamic adjustments to stay resilient in terms of operating performance. For the year ended December 31, 2023, the Company reported its non-consolidated operating revenue was NT$8.2 billion, and its consolidated operating revenue was NT$246.6 billion, representing a decrease of 7.80% compared to NT$267.5 billion in the previous year. The net income attributable to owners of the Company was NT$10.6 billion, a decrease of 15.98% compared to NT$12.6 billion in the previous year. (Refer to 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, accounting for 64% and 36% of consolidated operating revenue in 2023, respectively. (Refer to Schedule 2)

In the manufacturing of shoes business, orders for high-end footwear products remained relatively resilient, driving further increases in average selling price. However, the volume of shoes shipped declined due to weak global consumer demand and a high comparison base, which resulted in a NT$26.9 billion decrease in operating revenue in 2023 compared to the previous year.

As for the retail of sporting goods business, there was a moderately recovery of the sales environment and foot traffic at physical stores in its major operating market, as well as continued growth in online sales. Combined with the low comparison base in 2022, the retail of sporting goods business reported a NT$6.0 billion increase in operating revenue in 2023 compared to the previous year.

(2) Income from operations

In 2023, the Company's consolidated gross profit was NT$61.1 billion, representing a 5.41% decrease from NT$64.6 billion in the previous year, primarily attributed to the decrease in consolidated operating revenue. Despite challenges faced in the manufacturing of shoes business, the adverse impact of reduced capacity utilization rate was effectively mitigated by ongoing cost-reduction and efficiency-improvement efforts, along with flexible capacity allocation. Additionally, the increase proportion of consolidated operating revenue from the retail of sporting goods business contributed to a consolidated gross profit margin of 24.78% in 2023, up by 0.63% from 24.15% in the previous year.

In addition, strict expense management measures led to a 5.77% decrease in consolidated operating expenses in 2023 compared with the previous year, resulting in an increase in the consolidated operating profit margin from 3.96% to 4.14% year-over-year. However, due to the decrease in operating revenue, the consolidated income from operations decreased by NT$ 0.4 billion to NT$ 10.2 billion compared to the previous year.

(3) Net income and Earnings per share

In 2023, the Company’s core business profitability remained relatively stable. However, the net income attributable to owners of the Company decreased by NT$2.0 billion in 2023 compared to the previous year, primarily due to a NT$1.6 billion decrease in non-operating net income. The earnings per share for 2023 was NT$3.61, representing a decrease of NT$0.68 compared to NT$4.29 in the previous year.

Schedule 1: Consolidated Financial Statements

(In NT$ thousands, except earnings per share)

Year / Item		2023		2022		+(-)%
		Amount	%	Amount	%	
Operating revenue		246,633,714	100%	267,496,800	100%	(7.80%)
Gross profit		61,110,995	25%	64,606,092	24%	(5.41%)
Income from operations		10,215,593	4%	10,596,070	4%	(3.59%)
Income before income tax		19,466,681	8%	21,431,577	8%	(9.17%)
Net income for the year		15,973,481	6%	16,889,466	6%	(5.42%)
Net income attributable to	Owners of the Company	10,623,608	4%	12,644,855	5%	(15.98%)
	Non-controlling interests	5,349,873	2%	4,244,611	1%	26.04%
Earnings per share (Basic)		3.61		4.29		

Schedule 1-1: Separate Financial Statements

(In NT$ thousands, except earnings per share)

Item \ Year	2023 Amount	2023 %	2022 Amount	2022 %	+(-)%
Operating revenue	8,238,380	100%	9,349,013	100%	(11.88%)
Gross profit	4,602,011	56%	5,067,926	54%	(9.19%)
Income from operations	550,962	7%	887,677	10%	(37.93%)
Income before income tax	11,536,264	140%	13,530,504	145%	(14.74%)
Net income for the year	10,623,608	129%	12,644,855	135%	(15.98%)
Earnings per share (Basic)	3.61		4.29		

Schedule 2: Consolidated Operating Revenue

(In NT$ thousands)

Primary business \ Year	2023 Amount	2023 %	2022 Amount	2022 %
Manufacturing of shoes	157,726,049	64%	184,653,213	69%
Retail of sporting goods	87,972,900	36%	81,992,394	31%
Others	934,765	-	851,193	-
Total	246,633,714	100%	267,496,800	100%

ii. Research and Development

In 2023, the Company's consolidated research and development expenses amounted to NT$4.9 billion, with a primary focus on continuous independent development of critical shoemaking equipment, modular production lines, flexible production processes, and digital management systems as ways to improve and optimize production capabilities across all factories. The Company has also established dedicated development centers for its major brand customer. We work closely with these brand customers in the stages of product development up to the completion of the product prototyping. By integrating innovative elements and sustainable materials, we aim to produce high-quality footwear that meets market demands with greater agility and flexibility.

iii. Corporate Sustainability

As a socially and environmentally responsible corporate citizen, the Company is committed to fulfilling its social responsibilities, promoting environmental friendliness, and respecting the rights and interests of stakeholders such as shareholders/investors, customers, employees, suppliers, and communities. The Company has formulated phased and ongoing sustainability goals and is actively implementing the following actions:

(1) Environmental Sustainability

To effectively manage environmental risks and maintain ecosystem balance, the Company continues to improve production processes and introduce pollution prevention and control facilities as ways to reduce environment impact. At the same time, we actively participate in global initiatives for carbon reduction and green energy development. Designating 2019 as the base year, we have adopted low-carbon production, expanded the use of green energy, and implemented energy-saving measures with the aim of achieving zero carbon emission growth by 2025. Furthermore, we have set a goal to reduce greenhouse gas emissions by 46.2% by 2030 compared to 2019. This target has been verified by the World Resources Institute (WRI) and aligns with the standards established by the Science-Based Target initiative (SBTi). These efforts also demonstrate our commitment to sustainability, enhances the Company's reputation in the international community and among our brand customers while ensuring sustainable use of energy resources.

(2) Occupational Safety and Health Management

The Company has established and implemented a top-down safety culture and risk prevention practices to ensure that factories continue to produce in a safe manner. In 2024, we will expand the coverage of our occupational safety and health partners and assessments. We will also continue to develop and optimize existing plans for occupational/fire accident prevention, safety and health infrastructures, risk maps, and behavioral safety observations. Meanwhile, we will initiate safety visits, key factory guidance programs, and the ten safety principles to strengthen autonomous management within each factory and promote cross-departmental safety collaboration. By engaging all employees in identifying and improving hazards, we aim to raise safety awareness, facilitate early detection of risks during routine operations, avoid unnecessary losses, and achieve overall safety performance goals.

(3) Compliance Management

The Company proactively identifies deficiencies in factory operations through routine inspection mechanisms coupled with annual audits, tracking improvement progress to reduce or eliminate the likelihood of major accidents. This is to ensure that all factories operate in accordance with the Group’s code of conduct, local laws and regulations, customers’ standards and international regulations, ultimately strengthening customer relationships. In 2024, the Company will continue to adhere to the spirit and principles of international human rights conventions such as the UN’s “Universal Declaration of Human Rights”, the “UN Guiding Principles on Business and Human Rights”, and ILO’s “Declaration on

Fundamental Principles and Rights at Work”. The aim is to create an environment that safeguards human rights and protects employees’ legal rights and interests, including freedom of association and collective bargaining.

(4) Harmonious working environment

Through training, interviews, grievance channels, and risk assessments, the Company highlights management opportunities, stays informed about employee concerns, aims to promptly respond and implements risk prevention measures to establish effective and positive communication. In 2024, the Company will continue to organize employee activities, participate in community services, and motivate employees to strengthen internal cohesion and organizational identity. Concurrently, the Company maintains positive interactions with labor unions to promote mutual prosperity. Furthermore, the Company conducts regular training on gender equity, women’s empowerment concepts, and local regulations to build a diversity, equity and inclusive workplace, fostering a positive organizational culture.

iii. 2024 Business Plan

(1) Operating Guidelines

The Company will actively uphold its core values of "Professionalism, Dedication, Innovation and Service", while focusing on its two core businesses, manufacturing of shoes and retail of sporting goods. We will implement an agile business strategy, strengthen operational efficiency, and continue to accumulate competitive advantages. The following initiatives will be sequentially undertaken:

■ Manufacturing of shoes

(a) Emphasizing customer orientation and expanding value-added services

Considering the growing flexibility in procurement strategies among brand customers, we will persist in expanding investments in advanced technology and smart manufacturing. Our focus remains on developing a high value-added business model that encompasses innovative development, process optimization, flexible production, and diversified product offerings. We provide customized solutions and differentiated creative service to support brand customers in launching high-quality products that align with market demands, and build on top of a long-term, mutually beneficial partnerships, thereby positioning ourselves the preferred strategic partner.

(b) Implementing a global strategy with flexible capacity allocation

In response to market dynamics, the Company has established diverse production bases. The factories in Indonesia, Vietnam, and Mainland China contributed 49%, 34%, and 12% of the total volume of shoes shipped in 2023, respectively, with other facilities in Cambodia, Bangladesh, and Myanmar making up 5%. In 2024, we will continue to enhance production flexibility by leveraging the advantages of these locations. Furthermore, we will advance our medium- and long-term capacity allocation strategy, including preparations for a new facility in India, to drive growth and support the sustainable growth of our manufacturing business.

(c) Applying digital technology to transition towards smart manufacturing

The Company will continue its long-term digital transformation strategy by integrating manufacturing management systems into the One Common Platform (“OCP”), enhancing the SAP enterprise resource planning system, and introducing real-time data applications and remote monitoring systems. We will prioritize applications and automation upgrades and focus on process re-engineering to achieve digital prototyping, production simulations, automation, optimized scheduling, and flexible line change-overs. Moreover, we will leverage digital tools like Robotic Process Automation (“RPA”) and Distributed Resource Scheduler (“DRS”) to continuously improve production flexibility and meet the demands of efficient scheduling and order delivery.

(d) Strengthening the resilient supply chain to adapt to the trend of shorter chains

To fully leverage the synergy of vertical integration, the Company has established a comprehensive supply chain system emphasizing local sourcing and rapid responsiveness to drive improvements in product quality and cost efficiency. We are dedicated to enhancing the transparency of our supply chain information, implementing precise management practices, and adhering to international sustainability standards. Through active engagement and training, we strive to continuously boost operational efficiency and build an agile, resilient, and efficient supply chain network.

■ Retail of Sporting Goods

(a) Transforming physical stores to deliver a unique retail experience

Brick-and-mortar channels remain critical and irreplaceable sales touchpoints for consumers seeking in-person experiences with products and services. The Company will continue to advance its retail refinement strategy by upgrading store formats to enhance market competitiveness. In addition, by integrating social media, membership programs, and digital tools into our offline network, we aim to strengthen customer interactions and provide personalized experiences. These efforts are expected to improve sales conversion rates and in-season full-price sales, ultimately enhancing channel efficiency.

(b) Strengthening digital operations for scalable sales growth

Given the significant shifts in consumer shopping behaviors, the Company has actively integrated digital channels into its sales network. In addition to selling products through third-party platforms such as Tmall, JD, and Vipshop, the Company is leveraging the "Pan-WeChat Ecosphere" to extend its reach beyond physical stores, potentially enhancing profitability. In 2024, we will continue to allocate more resources to digital development, particularly focusing on the "Pan-WeChat Ecosphere," as it diversifies our sales network along with potential benefits such as shorter sales cycle, more efficient inventory management, and increased scalability.

(c) Driving operational growth with data-driven decision-making

The Company will continually expand its strategic cooperation with brand partners by integrating membership programs and introducing cross-platform shared products and services, thereby providing consumers with a more comprehensive and higher-quality experience. Furthermore, following the successful implementation of several SAP enterprise resource planning modules in the beginning of 2024, the Company will continue to integrate them with the business intelligence system and other digital tools to yield greater benefits, particularly in terms of real-time information, resource optimization, and member services. We will devise more forward-looking operating strategies and develop unique advantages to maintain competitiveness within the industry and support long-term operational growth.

(2) Prospects

Due to the cumulative impact of major central banks worldwide sharply raising interest rates, demand slowed in 2023, resulting in a slowdown in manufacturing activities. Although there are high expectations for product demand recovery in 2024 as inventory levels reduce and global inflationary pressures ease, the ongoing tightening of the financial environment may still constrain consumer confidence and investor willingness. Overall, international institutions generally anticipate further slowdowns in economic growth, indicating that the global economy outlook remains challenging.

Despite the variables presence in the external business environment, the Company is optimistic about the long-term prospects of the sports industry due to the increasing emphasis on health and regular exercise. With regards to the manufacturing of shoes business, we will continue to invest in digital transformation and smart manufacturing, maintain an agile and diversified capacity allocation strategy, and strengthen the resilience of the supply chain system to provide brand customers with the best value-added and comprehensive solutions. As for the retail of sporting goods business, we will continue to focus on integrating physical stores with digital channels. Additionally, we will strengthen strategic cooperation with brand partners, optimize product/service quality and customer experiences, and utilize digital tools for decision-making as well as ongoing improvement of operational efficiency.

The Company will continue to cultivate a robust corporate governance culture and prioritize the expansion of its talent pool. Recognizing the increasing complexity of the business environment, the Company established a "Risk Management Steering Committee" in 2023, comprised of senior management members. This committee oversees enhancements to the risk management system and ensures the seamless integration of the sustainable development roadmap into daily decision-making and operational activities. Through continuous strengthening core competencies, adaptability, and management efficiency, we actively seize the critical elements for steady operational growth and endeavor to maximize corporate value for all stakeholders.

Chan, Lu- Min	Lu, Chin- Chu	Wu, Hui- Chi
Chairman of the Board	President	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, 2023 and 2022, 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 material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 are stated as follows:

Write-downs of Inventory

As of December 31, 2023, the carrying amount of finished goods related to the retail segment included in the inventories was $20,267,449 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 an assessment of obsolete and slow-moving inventories; the evaluation involves significant judgments and estimations made by management. Therefore, we considered the write-downs of inventory as a key audit matter to the consolidated financial statements for the year ended December 31, 2023.

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, 2023, goodwill allocated to the retailing business-retail and distribution of sportswear products of the Group amounted to $2,287,584 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, 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 a key audit matter to the consolidated financial statements for the year ended December 31, 2023.

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. were accounted for by using the equity method based on its 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 reports of other auditors.

As of December 31, 2023 and 2022, the carrying amounts of investments in Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd were $48,215,577 thousand and $36,323,943 thousand, respectively, representing 14.72% and 11.11%, respectively. For the years ended December 31, 2023 and 2022, the amounts of profit of the associates were $3,787,175 thousand and $5,551,985 thousand, respectively, representing 19.45% and 25.91% of the income which the Group recognized before income tax.

We have also audited the parent company only financial statements of Pou Chen Corporation as of and for the years ended December 31, 2023 and 2022 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, 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, 2023 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 14, 2024

Notice to Readers

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

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

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023 Amount	%	December 31, 2022 (Retrospectively Adjusted) Amount	%	January 1, 2022 (Retrospectively Adjusted) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 3, 4 and 6)	$ 40,582,121	12	$ 39,336,048	12	$ 28,578,235	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	945,643	-	2,783,815	1	3,341,742	1
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	22,747,994	7	17,501,573	5	20,035,436	5
Financial assets at amortized cost - current (Notes 4 and 9)	8,238,845	3	1,883,178	1	8,502,115	2
Notes receivable (Notes 4 and 10)	201	-	39	-	54	-
Accounts receivable (Notes 4, 10 and 33)	27,221,196	8	28,711,291	9	26,539,565	7
Other receivables (Notes 4 and 10)	5,845,568	2	4,462,211	1	3,771,410	1
Inventories - manufacturing and retailing (Notes 4, 5 and 11)	38,368,737	12	50,014,348	15	57,084,097	16
Inventories - construction (Notes 4 and 11)	3,658,698	1	3,703,765	1	3,718,519	1
Other current assets (Notes 4 and 12)	10,246,131	3	11,000,965	4	11,323,500	3
Total current assets	157,855,134	48	159,397,233	49	162,894,673	44
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	889,745	-	761,033	-	747,994	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	760,400	-	840,456	-	958,593	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 34)	3,758,063	1	3,099,525	1	3,158,906	1
Investments accounted for using the equity method (Notes 4 and 14)	66,899,029	20	56,873,101	17	96,210,213	26
Property, plant and equipment (Notes 4 and 15)	57,772,269	18	64,012,887	20	62,786,453	17
Right-of-use assets (Notes 4 and 16)	16,443,139	5	18,087,170	5	20,066,402	5
Investment properties (Notes 4 and 17)	6,034,953	2	5,806,082	2	2,918,076	1
Goodwill (Notes 4, 5 and 18)	8,379,396	3	8,452,023	3	7,774,185	2
Other intangible assets (Notes 4, 5 and 19)	2,025,692	1	1,816,164	1	1,607,270	1
Deferred tax assets (Notes 3, 4 and 27)	5,483,415	2	6,188,604	2	6,533,317	2
Other non-current assets (Notes 4 and 12)	1,280,100	-	1,555,526	-	4,207,465	1
Total non-current assets	169,726,201	52	167,492,571	51	206,968,874	56
TOTAL	$ 327,581,335	100	$ 326,889,804	100	$ 369,863,547	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	$ 26,665,698	8	$ 20,611,809	6	$ 25,552,433	7
Short-term bills payable (Note 20)	1,891,766	1	1,580,101	-	2,563,093	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	329,470	-	155,274	-	78,720	-
Notes payable (Note 21)	3,608	-	3,994	-	5,785	-
Accounts payable (Notes 21 and 33)	14,246,431	4	12,536,177	4	17,406,222	5
Other payables (Note 22)	17,587,766	5	21,540,287	7	20,547,217	5
Current tax liabilities (Note 4)	3,037,204	1	3,581,025	1	1,776,193	-
Lease liabilities - current (Notes 4 and 16)	2,765,479	1	3,486,555	1	4,323,157	1
Current portion of long-term borrowings (Note 20)	13,210,895	4	11,923,464	4	9,791,986	3
Other current liabilities	5,237,149	2	6,010,519	2	6,764,167	2
Total current liabilities	84,975,466	26	81,429,205	25	88,808,973	24
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)	28,051,451	8	50,002,184	15	56,387,335	15
Deferred tax liabilities (Notes 3, 4 and 27)	2,750,892	1	3,317,797	1	3,879,108	1
Lease liabilities - non-current (Notes 4 and 16)	5,529,176	2	6,713,172	2	8,357,819	3
Long-term payables (Note 22)	155,150	-	155,166	-	170,621	-
Net defined benefit liabilities (Notes 4 and 23)	3,384,119	1	3,061,851	1	4,482,434	1
Other non-current liabilities	71,802	-	82,951	-	48,494	-
Total non-current liabilities	39,942,590	12	63,333,121	19	73,557,822	20
Total liabilities	124,918,056	38	144,762,326	44	162,366,795	44
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 24)						
Share capital						
Ordinary shares	29,467,872	9	29,467,872	9	29,467,872	8
Capital surplus	4,410,292	2	4,420,389	1	4,419,400	1
Retained earnings						
Legal reserve	19,300,806	6	17,986,740	6	16,547,491	4
Special reserve	57,646,766	18	-	-	-	-
Unappropriated earnings	24,101,997	7	76,460,614	23	69,179,387	19
Total retained earnings	101,049,569	31	94,447,354	29	85,726,878	23
Other equity	(8,738,371)	(3)	(21,323,594)	(6)	19,818,804	6
Total equity attributable to owners of the Company	126,189,362	39	107,012,021	33	139,432,954	38
NON-CONTROLLING INTERESTS	76,473,917	23	75,115,457	23	68,063,798	18
Total equity	202,663,279	62	182,127,478	56	207,496,752	56
TOTAL	$ 327,581,335	100	$ 326,889,804	100	$ 369,863,547	100

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and 33)	$246,633,714	100	$267,496,800	100
OPERATING COSTS (Notes 11, 23, 26 and 33)	185,522,719	75	202,890,708	76
GROSS PROFIT	61,110,995	25	64,606,092	24
OPERATING EXPENSES (Notes 23 and 26)				
Selling and marketing expenses	27,736,106	11	29,287,359	11
General and administrative expenses	18,248,985	8	19,239,699	7
Research and development expenses	4,910,311	2	5,482,964	2
Total operating expenses	50,895,402	21	54,010,022	20
INCOME FROM OPERATIONS	10,215,593	4	10,596,070	4
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 26)	1,780,444	1	938,251	-
Other income (Note 26)	3,379,679	1	3,605,748	1
Other gains and (losses) (Note 26)	1,630,214	1	1,296,572	1
Net loss on derecognition of financial assets at amortized cost	(80,397)	-	(13,610)	-
Finance costs (Note 26)	(3,287,962)	(1)	(2,532,223)	(1)
Share of the profit of associates and joint ventures (Notes 4 and 14)	5,829,110	2	7,540,769	3
Total non-operating income and expenses	9,251,088	4	10,835,507	4
INCOME BEFORE INCOME TAX	19,466,681	8	21,431,577	8
INCOME TAX EXPENSE (Notes 4 and 27)	3,493,200	2	4,542,111	2
NET INCOME FOR THE YEAR	15,973,481	6	16,889,466	6
OTHER COMPREHENSIVE NET INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 23)	(221,740)	-	497,374	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	5,241,384	2	(2,742,413)	(1)
Share of the other comprehensive loss of associates and joint ventures	(415,815)	-	(103,265)	-

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	$ (1,325,518)	-	$ 12,827,587	5
Share of the other comprehensive income (loss) of associates and joint ventures	7,979,334	3	(46,200,151)	(17)
Other comprehensive income (loss) for the year, net of income tax	11,257,645	5	(35,720,868)	(13)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 27,231,126	11	$ (18,831,402)	(7)
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 10,623,608	4	$ 12,644,855	5
Non-controlling interests	5,349,873	2	4,244,611	1
	$ 15,973,481	6	$ 16,889,466	6
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 23,018,261	9	$ (28,001,741)	(10)
Non-controlling interests	4,212,865	2	9,170,339	3
	$ 27,231,126	11	$ (18,831,402)	(7)
EARNINGS PER SHARE (Note 28)				
Basic	$ 3.61		$ 4.29	
Diluted	$ 3.60		$ 4.28	

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

(With Deloitte & Touche auditors' report dated March 14, 2024) (Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company										
			Retained Earnings			Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Others	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	$ 29,467,872	$ 4,419,400	$ 16,547,491	$ -	$ 69,179,387	$ (7,414,850)	$ 14,613,616	$ 12,620,038	$ 139,432,954	$ 68,063,798	$ 207,496,752
Appropriation of 2021 earnings (Note 24)											
Legal reserve	-	-	1,439,249	-	(1,439,249)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,420,181)	-	-	-	(4,420,181)	-	(4,420,181)
	-	-	1,439,249	-	(5,859,430)	-	-	-	(4,420,181)	-	(4,420,181)
Net profit for the 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	7,140,956	(18,141,486)	(30,148,895)	(40,646,596)	4,925,728	(35,720,868)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	13,147,684	7,140,956	(18,141,486)	(30,148,895)	(28,001,741)	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 accounted for using the equity method (Notes 4 and 24)	-	(239)	-	-	-	-	-	-	(239)	-	(239)
Unclaimed dividends by shareholders	-	1,228	-	-	-	-	-	-	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	7,140,956	(18,134,459)	(30,148,895)	(32,420,933)	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)	107,012,021	75,115,457	182,127,478
Appropriation of 2022 earnings (Note 24)											
Legal reserve	-	-	1,314,066	-	(1,314,066)	-	-	-	-	-	-
Special reserve	-	-	-	57,646,766	(57,646,766)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,830,823)	-	-	-	(3,830,823)	-	(3,830,823)
	-	-	1,314,066	57,646,766	(62,791,655)	-	-	-	(3,830,823)	-	(3,830,823)
Net profit for the year ended December 31, 2023	-	-	-	-	10,623,608	-	-	-	10,623,608	5,349,873	15,973,481
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(194,112)	(468,025)	5,957,448	7,099,342	12,394,653	(1,137,008)	11,257,645
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	10,429,496	(468,025)	5,957,448	7,099,342	23,018,261	4,212,865	27,231,126
Disposal of associates accounted for using the equity method	-	(11,213)	-	-	(170)	-	170	-	(11,213)	(5)	(11,218)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates (Notes 4 and 24)	-	-	-	-	3,712	-	(3,712)	-	-	-	-
Unclaimed dividends by shareholders	-	1,116	-	-	-	-	-	-	1,116	-	1,116
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(2,854,400)	(2,854,400)
Changes in equity for the year ended December 31, 2023	-	(10,097)	1,314,066	57,646,766	(52,358,617)	(468,025)	5,953,906	7,099,342	19,177,341	1,358,460	20,535,801
BALANCE AT DECEMBER 31, 2023	$ 29,467,872	$ 4,410,292	$ 19,300,806	$ 57,646,766	$ 24,101,997	$ (741,919)	$ 2,433,063	$ (10,429,515)	$ 126,189,362	$ 76,473,917	$ 202,663,279

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31	
	2023	2022 (Retrospectively Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax for the year	$ 19,466,681	$ 21,431,577
Adjustments for:		
Depreciation expense	13,086,275	15,155,136
Amortization expense	131,905	116,918
Expected credit loss on accounts receivable	63,377	596,315
Net gain on fair value change of financial instruments at fair value through profit or loss	(957,319)	(490,749)
Finance costs	3,287,962	2,532,223
Net loss on derecognition of financial assets at amortized cost	80,397	13,610
Interest income	(1,780,444)	(938,251)
Dividend income	(738,845)	(818,175)
Compensation cost of employee share options	106,342	119,868
Share of profit of associates and joint ventures	(5,829,110)	(7,540,769)
Net (gain) loss on disposal of property, plant and equipment	(53,562)	196,303
Net gain on disposal of investment properties	(7,915)	-
Net loss recognized on disposal of other assets	562	6,219
Net gain on disposal of associates and joint ventures	(970,895)	(97,664)
Impairment loss	124,775	119,597
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,847,915	880,180
Notes receivable	(45)	15
Accounts receivable	1,447,858	(2,729,446)
Other receivables	(1,309,353)	(982,781)
Inventories	11,701,318	7,045,362
Other current assets	1,012,862	(187,153)
Other operating assets	(21,139)	(15,284)
Notes payable	(386)	(1,791)
Accounts payable	1,710,254	(4,858,393)
Other payables	(3,457,961)	953,615
Other current liabilities	(773,370)	(753,648)
Net defined benefit liabilities	13,262	(837,029)
Other operating liabilities	(14,094)	7,026
Cash generated from operations	39,167,307	28,922,831
Interest paid	(3,266,343)	(2,471,899)
Income tax paid	(4,083,143)	(2,404,702)
Net cash generated from operating activities	31,817,821	24,046,230

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31	
	2023	2022 (Retrospectively Adjusted)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 4,609	$ -
Proceeds from return of capital of financial assets at fair value through other comprehensive income	60,898	2,732
Purchases of financial assets at amortized cost	(14,468,290)	(8,275,408)
Proceeds from sale of financial assets at amortized cost	7,218,972	15,665,611
Acquisition of associates and joint ventures	(100,000)	(80,000)
Proceeds from disposal of associates and joint ventures	2,806,330	461,907
Proceeds from disposal of subsidiaries	-	17,558
Proceeds from return of capital of investee companies using equity method	-	65,015
Acquisition of property, plant and equipment	(5,096,457)	(6,377,478)
Proceeds from disposal of property, plant and equipment	2,639,444	265,373
Decrease in refundable deposits	97,238	84,275
Decrease in other receivables	-	169,481
Payments for intangible assets	(352,455)	(317,688)
Payments for right-of-use assets	(898,371)	(45,585)
Payments for investment properties	(7,532)	-
Proceeds from disposal of investment properties	12,915	-
Increase in prepayments for equipment and long-term prepayment	(387,875)	(370,304)
Interest received	1,712,190	958,387
Dividends received	2,350,046	3,005,907
Proceeds from disposal of right-of-use assets	-	27,367
Net cash (used in) generated from investing activities	(4,408,338)	5,257,150
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	6,053,889	-
Repayments of short-term borrowings	-	(4,940,624)
Proceeds of short-term bills payable	311,500	-
Repayments of short-term bills payable	-	(983,000)
Repayments of long-term borrowings	(20,689,503)	(4,284,638)
Increase in guarantee deposits	2,812	11,976
Repayments of principal portion of lease liabilities	(3,817,655)	(4,875,627)
Cash dividends	(3,830,823)	(4,420,181)
Change in non-controlling interests	(2,960,742)	(2,218,515)
Unclaimed dividends by shareholders	1,116	1,228
Net cash used in financing activities	(24,929,406)	(21,709,381)

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31	
	2023	**2022 (Retrospectively Adjusted)**
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	$ (1,234,004)	$ 3,163,814
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,246,073	10,757,813
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	39,336,048	28,578,235
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 40,582,121	$ 39,336,048

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

(With Deloitte & Touche auditors' report dated March 14, 2024) (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 parent company only financial statements of Pou Chen Corporation (the “Company”), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of 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 Parent Company Only 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 parent company only financial statements for the year ended December 31, 2023. This matter was addressed in the context of our audit of the parent company only 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, 2023 are stated as follows:

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

As described in Notes 4, 5, 12 and Table 6 of Note 31 to the parent company only financial statements, any excess of investment cost over the fair value of the investee's net identifiable assets is recognized as goodwill. Management shall perform impairment test on goodwill on a regular basis in accordance with IAS 36.

Management evaluated the abovementioned assets for impairment based on their recoverable amounts. The recoverable amounts are determined according to the forecast of the trading performance and future cash flows and the discount rate. The test of impairment involves significant judgments and estimations made by management. As a result, we considered the impairment of goodwill on investments accounted for using the equity method as a key audit matter to the financial statements for the year ended December 31, 2023.

In response to this key audit matter, we evaluated the reasonableness of the significant assumptions, the basis of the valuation 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, 2023 and 2022 were based on the financial statements audited by other independent auditors. Our opinion, insofar as it relates to the Company's investments in certain corporations, is based solely on the reports of other auditors. As of December 31, 2023 and 2022, the carrying amounts of the investments were $48,214,653 thousand and $36,323,251 thousand, which constituted 27.32% and 23.22% of the Company's total assets, respectively. For the years ended December 31, 2023 and 2022, the profit of the associate that the Company recognized amounted to $3,787,099 thousand and $5,551,875 thousand, which constituted 32.83% and 41.03% of the income before income tax, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only 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 parent company only financial statements for the year ended December 31, 2023 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 14, 2024

Notice to Readers

The accompanying parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

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

POU CHEN CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022 (Retrospectively Adjusted)		January 1, 2022 (Retrospectively Adjusted)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 3, 4 and 6)	$ 166,414	-	$ 90,485	-	$ 201,845	-
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	139,663	-	124,367	-	15,174	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	7,800,812	5	5,999,455	4	6,866,303	4
Notes receivable (Notes 4 and 9)	84	-	19	-	54	-
Accounts receivable (Notes 4 and 9)	10,444	-	7,824	-	9,477	-
Accounts receivable from related parties (Notes 4, 9 and 28)	1,455,178	1	1,711,197	1	1,736,755	1
Other receivables (Notes 4 and 9)	54,049	-	39,660	-	32,091	-
Inventories (Notes 4 and 10)	70,647	-	97,659	-	110,061	-
Other current assets (Notes 4 and 11)	40,478	-	37,515	-	57,131	-
Total current assets	9,737,769	6	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)	53,014	-	47,484	-	49,496	-
Financial assets at amortized cost - non-current (Note 4)	-	-	-	-	112,510	-
Investments accounted for using the equity method (Notes 4, 5 and 12)	158,403,320	90	139,887,264	90	170,931,577	91
Property, plant and equipment (Notes 4 and 13)	4,448,522	2	4,643,231	3	4,812,331	2
Right-of-use asset (Notes 4 and 14)	89,238	-	112,888	-	145,775	-
Investment properties (Notes 4 and 15)	1,905,491	1	1,946,167	1	1,983,165	1
Intangible assets (Notes 4 and 16)	1,654,092	1	1,537,044	1	1,293,976	1
Deferred tax assets (Notes 4 and 24)	93,651	-	106,527	-	71,620	-
Other non-current assets (Notes 4 and 11)	70,163	-	39,575	-	18,486	-
Total non-current assets	166,717,491	94	148,320,180	95	179,418,936	95
TOTAL	$ 176,455,260	100	$ 156,428,361	100	$ 188,447,827	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 17 and 28)	$ 24,628,172	14	$ 19,442,752	13	$ 9,652,000	5
Short-term bills payable	-	-	-	-	999,699	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	206,885	-	24,249	-	11,104	-
Notes payable (Note 18)	1,763	-	2,127	-	3,735	-
Accounts payable (Note 18)	373,741	-	337,992	-	491,192	-
Accounts payable to related parties (Notes 18 and 28)	35,922	-	34,859	-	20,570	-
Other payables (Notes 19 and 28)	1,597,182	1	1,658,166	1	1,656,309	1
Current tax liabilities (Note 4)	866,931	1	911,619	1	148,562	-
Lease liabilities - current (Notes 4 and 14)	26,654	-	32,649	-	33,933	-
Current portion of long-term borrowings (Note 17)	4,013,796	2	4,763,796	3	6,503,796	3
Other current liabilities	170,279	-	191,913	-	185,149	-
Total current liabilities	31,921,325	18	27,400,122	18	19,706,049	10
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 17)	17,904,122	10	21,457,918	14	27,011,714	15
Deferred tax liabilities (Notes 4 and 24)	92,983	-	86,547	-	86,547	-
Lease liabilities - non-current (Notes 4 and 14)	66,533	-	83,089	-	113,608	-
Long-term accounts payable to related parties	-	-	-	-	1,522,400	1
Net defined benefit liabilities (Notes 4 and 20)	259,608	-	368,708	-	556,401	-
Other non-current liabilities (Note 12)	21,327	-	19,956	-	18,154	-
Total non-current liabilities	18,344,573	10	22,016,218	14	29,308,824	16
Total liabilities	50,265,898	28	49,416,340	32	49,014,873	26
EQUITY (Notes 4 and 21)						
Share capital						
Ordinary shares	29,467,872	17	29,467,872	19	29,467,872	16
Capital surplus	4,410,292	3	4,420,389	3	4,419,400	2
Retained earnings						
Legal reserve	19,300,806	11	17,986,740	11	16,547,491	9
Special reserve	57,646,766	33	-	-	-	-
Unappropriated earnings	24,101,997	13	76,460,614	49	69,179,387	36
Total retained earnings	101,049,569	57	94,447,354	60	85,726,878	45
Other equity	(8,738,371)	(5)	(21,323,594)	(14)	19,818,804	11
Total equity	126,189,362	72	107,012,021	68	139,432,954	74
TOTAL	$ 176,455,260	100	$ 156,428,361	100	$ 188,447,827	100

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

POU CHEN CORPORATION

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

	For the Years Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 28)	$ 8,238,380	100	$ 9,349,013	100
OPERATING COSTS (Notes 10, 23 and 28)	3,636,369	44	4,281,087	46
GROSS PROFIT	4,602,011	56	5,067,926	54
OPERATING EXPENSES (Notes 20 and 23)				
Selling and marketing expenses	33,696	-	51,204	-
General and administrative expenses	2,333,473	28	2,474,779	26
Research and development expenses	1,683,880	21	1,654,266	18
Total operating expenses	4,051,049	49	4,180,249	44
INCOME FROM OPERATIONS	550,962	7	887,677	10
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 23)	14,770	-	7,576	-
Other income (Notes 23 and 28)	411,640	5	380,130	4
Other gains and losses (Note 23)	1,522,893	18	1,973,384	21
Finance costs (Note 23)	(582,314)	(7)	(459,373)	(5)
Share of profit of subsidiaries and associates (Notes 4 and 12)	9,618,313	117	10,741,110	115
Total non-operating income and expenses	10,985,302	133	12,642,827	135
INCOME BEFORE INCOME TAX	11,536,264	140	13,530,504	145
INCOME TAX EXPENSE (Notes 4 and 24)	912,656	11	885,649	10
NET INCOME FOR THE YEAR	10,623,608	129	12,644,855	135
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Notes 20 and 24)	11,212	-	119,804	1

(Continued)

POU CHEN CORPORATION

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

	For the Years Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ 1,806,887	22	$ (866,128)	(9)
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	3,041,186	37	(1,503,778)	(16)
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	7,535,368	91	(38,396,494)	(411)
Other comprehensive income (loss) for the year, net of income tax	12,394,653	150	(40,646,596)	(435)
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 23,018,261	279	$(28,001,741)	(300)
EARNINGS PER SHARE (Note 25)				
Basic	$ 3.61		$ 4.29	
Diluted	$ 3.60		$ 4.28	

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

(With Deloitte & Touche auditors' report dated March 14, 2024) (Concluded)

POU CHEN CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Others	Total Equity
BALANCE AT JANUARY 1, 2022	$ 29,467,872	$ 4,419,400	$ 16,547,491	$ -	$ 69,179,387	$ (7,414,850)	$ 14,613,616	$ 12,620,038	$ 139,432,954
Appropriation of 2021 earnings (Note 21)									
Legal reserve	-	-	1,439,249	-	(1,439,249)	-	-	-	-
Cash dividends	-	-	-	-	(4,420,181)	-	-	-	(4,420,181)
	-	-	1,439,249	-	(5,859,430)	-	-	-	(4,420,181)
Net profit for the year ended December 31, 2022	-	-	-	-	12,644,855	-	-	-	12,644,855
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	502,829	7,140,956	(18,141,486)	(30,148,895)	(40,646,596)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	13,147,684	7,140,956	(18,141,486)	(30,148,895)	(28,001,741)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates (Notes 4 and 21)	-	-	-	-	(7,027)	-	7,027	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Notes 4 and 21)	-	(239)	-	-	-	-	-	-	(239)
Unclaimed dividends by shareholders	-	1,228	-	-	-	-	-	-	1,228
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
Appropriation of 2022 earnings (Note 21)									
Legal reserve	-	-	1,314,066	-	(1,314,066)	-	-	-	-
Special reserve	-	-	-	57,646,766	(57,646,766)	-	-	-	-
Cash dividends	-	-	-	-	(3,830,823)	-	-	-	(3,830,823)
	-	-	1,314,066	57,646,766	(62,791,655)	-	-	-	(3,830,823)
Net profit for the year ended December 31, 2023	-	-	-	-	10,623,608	-	-	-	10,623,608
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(194,112)	(468,025)	5,957,448	7,099,342	12,394,653
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	10,429,496	(468,025)	5,957,448	7,099,342	23,018,261
Disposal of associates accounted for using the equity method (Notes 4 and 21)	-	(11,213)	-	-	(170)	-	170	-	(11,213)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates (Notes 4 and 21)	-	-	-	-	3,712	-	(3,712)	-	-
Unclaimed dividends by shareholders	-	1,116	-	-	-	-	-	-	1,116
BALANCE AT DECEMBER 31, 2023	$ 29,467,872	$ 4,410,292	$ 19,300,806	$ 57,646,766	$ 24,101,997	$ (741,919)	$ 2,433,063	$ (10,429,515)	$ 126,189,362

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

POU CHEN CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 11,536,264	$ 13,530,504
Adjustments for:		
Depreciation expense	311,534	333,660
Amortization expense	88,881	74,407
Net gain on fair value changes of financial instruments at FVTPL	(569,512)	(224,709)
Finance costs	582,314	459,373
Interest income	(14,770)	(7,576)
Dividend income	(245,228)	(270,577)
Share of profit of subsidiaries and associates	(9,618,313)	(10,741,110)
Net (gain) loss on disposal of property, plant and equipment	(198)	3,647
(Gain) loss on disposal of investment properties	(8,133)	732
Gain on lease modifications	-	(9)
Gain on disposal of investments accounted for using equity method	(566,439)	-
Unrealized gain on foreign currency exchange	(264,225)	(202,662)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	732,836	169,284
Notes receivable	(65)	35
Accounts receivable	(2,620)	1,653
Accounts receivable from related parties	256,019	25,558
Other receivables	(7,781)	(11,230)
Inventories	26,482	10,526
Other current assets	(2,737)	20,924
Other operating assets	(22,679)	(21,223)
Financial liability held for trading	4,015	(40,623)
Notes payable	(364)	(1,608)
Accounts payable	35,749	(153,200)
Accounts payable to related parties	1,063	14,289
Other payables	(45,135)	372,393
Other current liabilities	(21,634)	6,764
Net defined benefit liabilities	(122,452)	(84,941)
Cash generated from operations	2,062,872	3,264,281
Interest paid	(594,849)	(415,217)
Income tax paid	(917,712)	(140,446)
Net cash generated from operating activities	550,311	2,708,618
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from return of capital of financial assets at fair value through other comprehensive income	-	2,732
Proceeds from sale of financial assets at amortized cost	-	116,808

(Continued)

POU CHEN CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2023	**2022**
Acquisition of associates and joint ventures	$ (100,000)	$ (80,370)
Disposal of associates and joint ventures	2,059,057	-
Proceeds from capital reduction of investments accounted for using equity method	-	2,345
Acquisition of property, plant and equipment	(56,559)	(106,351)
Proceeds from disposal of property, plant and equipment	3,529	8,895
Decrease in refundable deposits	4	780
Payments for intangible assets	(205,929)	(317,475)
Proceeds from disposal of investment properties	12,867	-
Increase in prepayments for equipment	(8,557)	(644)
Interest received	14,799	8,986
Dividends received	520,048	2,235,791
Net cash generated from investing activities	2,239,259	1,871,497
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	5,449,644	9,583,864
Repayments of short-term bills payable	-	(1,000,000)
Proceeds from long-term borrowings	80,210,000	76,420,000
Repayments of long-term borrowings	(84,513,796)	(83,713,796)
Increase (decrease) in guarantee deposits	2,217	(24)
Repayments of other payables to related parties	-	(1,530,925)
Repayments of principal portion of lease liabilities	(31,999)	(31,641)
Cash dividends	(3,830,823)	(4,420,181)
Other financing activities	1,116	1,228
Net cash flows used in financing activities	(2,713,641)	(4,691,475)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	75,929	(111,360)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	90,485	201,845
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 166,414	$ 90,485

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

(With Deloitte & Touche auditors' report dated March 14, 2024) (Concluded)

Appendix 2

Audit Committee's Review Report on the 2023 Financial Statements

Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2023 business report and financial statements. Deloitte & Touch, the CPA firm commissioned by the Board of Directors, has audited the financial statements and issued an auditors' report regarding them.

These documents have been reviewed by the Audit Committee to ensure conformity with 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:

2024 Annual General Shareholders' Meeting of Pou Chen Corporation

Audit Committee convener: ____________________

Chen, Huan-Chung

Date : March 14, 2024

Audit Committee's Review Report on Profit Distribution Plan

The Board of Directors has prepared and submitted the 2023 profit distribution plan, which has been reviewed by the Audit Committee to ensure conformity with 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:

2024 Annual General Shareholders' Meeting of Pou Chen Corporation

Audit Committee convener: ______________________

Chen, Huan-Chung

Date : April 15, 2024