



Stock Code : 9904

寶成工業股份有限公司

POU CHEN CORPORATION

**2025**

**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 2025 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. Election Matters
7. Other Proposals
8. Extemporaneous Motions
9. Adjournment



## II. Meeting Agenda

### **Pou Chen Corporation** **2025 Annual General Shareholders' Meeting Agenda**

**Convening Method:** Physical Shareholders' meeting

**Time:** 9:30 a.m., May 29, 2025 (Thursday)

**Location:** Conference room on the 3<sup>rd</sup> 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. 2024 Business and Financial Reports. (please refer to pages 4-33)
2. Audit Committee's Review Report on the 2024 Financial Statements. (please refer to pages 34-35)
3. Report on the 2024 Distribution of Employees' Compensation and Directors' Remuneration. (please refer to page 36)
4. Report on the distribution for cash dividend of 2024 earnings. (please refer to page 36)
5. Report on the 2024 material transactions with related parties. (please refer to page 36)

##### **B. Acknowledged Matters**

1. Acknowledgement of 2024 Business Report, Financial Statements and Profit Distribution Plan. (please refer to pages 37-38)

##### **C. Matters for Discussion**

1. Discussion on the amendments to the Company's "Articles of Incorporation". (please refer to pages 39-41)

##### **D. Election Matters**

Election of the 25<sup>th</sup> Directors, including three independent Directors.  
(please refer to pages 41-44)

# Handbook for the 2025 Annual General Shareholders' Meeting



## **E. Other Proposals**

Proposal for the release of the Company's newly appointed Directors from non-competition restrictions. (please refer to pages 44-46)

## **F. Extemporaneous Motions**

## **G. Adjournment**



## **A. Reported Matters**

### **1. 2024 Business and Financial Reports**

#### **a. Business Report**

##### **i. Result of Operations**

Looking back at 2024, the overall economic landscape remained complex and volatile. Developed economies demonstrated clear signs of recovery, injecting momentum into global markets. The European Central Bank and the US Federal Reserve both implemented monetary easing policies. Japan's economy experienced weak growth due to multiple factors, leading the Bank of Japan to end its 17-year negative interest rate policy. Meanwhile, the real estate market in Mainland China remained sluggish, dampening consumer confidence and investor sentiment. Despite various countries having vastly different economic performances and inflation conditions, as well as industries recovering at varying paces, the global economy has shown moderate growth, driven by a pickup in international commodity trading and strong demand for emerging technology applications.

Facing myriad uncertainties and challenges in the business environment, the Company maintained a prudent business approach and demonstrated strong corporate resilience, resulting in significant growth in overall operations. For the year ended December 31, 2024, the Company reported its non-consolidated operating revenue of NT\$9.5 billion, and its consolidated operating revenue of NT\$263.8 billion, representing an increase of 6.97% compared to NT\$246.6 billion in the previous year. The net income attributable to owners of the Company reached as high as NT\$16 billion, representing a substantial increase of 50.94% compared to NT\$10.6 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 and wholesale business, accounting for 69% and 31% of consolidated operating revenue in 2024, respectively. (Refer to Schedule 2)

In the manufacturing of shoes business, the Company's operating revenue in 2024 increased by NT\$23 billion, mainly due to the end of the inventory adjustment cycle, a significant rebound in global demand for footwear products, and double-digit growth in shipment volume compared with the low base in 2023.

Meanwhile, the retail of sporting goods and wholesale business faced challenges stemming from an increasingly dynamic retail environment and more cautious



consumer behavior in its main operating regions. Although online sales remained resilient, foot traffic in physical stores declined sharply, resulting in a decrease of NT\$5.8 billion in operating revenue for the business in 2024 compared with the previous year.

## (2) Income from operations

In 2024, the Company's consolidated gross profit was NT\$65.2 billion, representing a 6.65% increase from NT\$61.1 billion in the previous year. The consolidated gross profit margin remained stable at 24.70%, mainly due to near-full order levels in the manufacturing of shoes business, significantly improved overall capacity utilization and production efficiency, and a substantial increase in its contribution to consolidated gross profit. At the same time, the retail of sporting goods and wholesale business also achieved improvements in discount control and inventory management.

With the growth in consolidated operating revenue, the benefits of operating scale steadily emerged. Through strict expense management, the consolidated operating expense rate declined to 18.66% in 2024, down from 20.64% in 2023. As a result, the consolidated income from operations was NT\$16 billion, representing an increase of 56.18% compared to the previous year.

## (3) Net income and Earnings per share

The Company's delivered strong profit performance in 2024, benefiting from an increase in recognized investment income under equity method, which made a significant contribution to non-operating income. Both operating and non-operating profits recorded growth, driving net income attributable to owners of the Company to increase significantly by NT\$5.4 billion compared with the previous year. Earnings per share reached NT\$5.44, an increase of NT\$1.83 from NT\$3.61 in the previous year, demonstrating the Company's solid profitability.



# POU CHEN CORPORATION

## Schedule 1: Consolidated Financial Statements

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

Year Item		2024		2023		+(-)%
		Amount	%	Amount	%	
Operating revenue		263,817,827	100%	246,633,714	100%	6.97%
Gross profit		65,175,049	25%	61,110,995	25%	6.65%
Income from operations		15,954,237	6%	10,215,593	4%	56.18%
Profit before income tax		29,725,734	11%	19,466,681	8%	52.70%
Net income for the year		23,435,902	9%	15,973,481	6%	46.72%
Net income attributable to	Owners of the Company	16,035,591	6%	10,623,608	4%	50.94%
	Non-controlling interests	7,400,311	3%	5,349,873	2%	38.33%
Earnings per share (Basic)		5.44		3.61		

## Schedule 1-1: Separate Financial Statements

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

Year Item		2024		2023		+(-)%
		Amount	%	Amount	%	
Operating revenue		9,547,132	100%	8,238,380	100%	15.89%
Gross profit		5,121,818	54%	4,602,011	56%	11.30%
Income from operations		976,339	10%	550,962	7%	77.21%
Profit before income tax		17,445,053	183%	11,536,264	140%	51.22%
Net income for the year		16,035,591	168%	10,623,608	129%	50.94%
Earnings per share (Basic)		5.44		3.61		

## Schedule 2: Consolidated Operating Revenue

(In NT\$ thousands)

Year Primary business		2024		2023	
		Amount	%	Amount	%
Manufacturing of shoes		180,733,596	69%	157,726,049	64%
Retail of sporting goods and wholesale business		82,157,958	31%	87,972,900	36%
Others		926,273	-	934,765	-
Total		263,817,827	100%	246,633,714	100%





## **ii. Research and Development**

In 2024, the Company's consolidated research and development expenses amounted to NT\$4.7 billion, primarily allocated to the establishment of independent product development centers for brand customers. The Company works closely with customers throughout all stages, from product development to product prototyping, incorporating innovative elements and sustainable materials to produce high-quality footwear with enhanced flexibility in order to respond to market changes. The Company also invested in introducing self-developed critical equipment, modular production lines, flexible production processes, and digital management systems, thereby improving development efficiency, mass production capacity, and delivery management, while also fulfilling the requirements for sustainable development.

## **iii. Corporate Sustainability**

As a responsible corporate citizen, the Company is committed to upholding its corporate governance, promoting environmental sustainability, fulfilling social responsibilities, and respecting the rights and interests of stakeholders, including shareholders/investors, customers, employees, suppliers, and communities, while pursuing business performance. The Company has actively implemented the following actions:

### **(1) Environmental Sustainability**

To effectively manage environmental risks and maintain ecological balance, the Company has continued to optimize the production process and introduced pollution prevention and control facilities as ways to reduce the impact on the environment. At the same time, we actively participate in carbon reduction and green energy development initiatives worldwide. Designating 2019 as the base year, we have adopted low-carbon production practices, expanded the use of green energy, and implemented energy-saving measures, with a target of achieving zero carbon emission growth by 2025. Furthermore, the Company has set a target to reduce GHG emissions by 46.2% by 2030 as compared with 2019. This target has been affirmed by the World Resources Institute (WRI) as aligned with the Science-Based Target initiative (SBTi). These efforts not only demonstrate the Company's commitment to addressing sustainability issues, but also enhance its reputation within the international community and among customers, as well as ensuring that energy consumption is in line with long-term environmental goals.

### **(2) Harmonious working environment**

The Company identifies potential human rights and employee relations risks through interviews and grievance mechanisms, and endeavors to respond in a timely manner. Moreover, the Company has established effective two-way



communication and problem-solving mechanisms, such as employee seminars, employee harmony and disciplinary committees, and employee relations communication platforms, etc., to better understand employee concerns, identify management opportunities, and effectively prevent labor-management disputes. In 2025, the Company will continue to organize employee engagement activities and community service events, and will encourage employee participation in order to foster stronger cohesion and strengthen alignment with the Company's core values. The Company will also maintain close interactions with unions as well as promote collective growth and development, thereby creating a positive and friendly workplace environment.

(3) Occupational Safety and Health Management

The Company has established and implemented a top-down safety culture and risk prevention practices to ensure continuous safe operations across all manufacturing facilities. In 2025, the Company will continue to strengthen occupational hazard and fire prevention technologies, root cause analysis and improvement of accidents, basic infrastructure, risk mapping, and behavioral safety observations. A safety-first culture will be further embedded across all facilities through safety visits between factories, key factory coaching programs, and the implementation of ten core safety principles. In addition, the Company will strengthen factory self-management based on occupational safety and health assessment results, and enhance employees' safety awareness and implementation capabilities through the occupational safety and health companionship system and cross-departmental collaborations. These efforts will help identify potential risks at an early stage, enabling more effective risk control and continuous improvement in overall safety performance.

(4) Compliance Management

The Company identifies operational deficiencies through routine inspection mechanisms coupled with annual audits. In-depth investigations are conducted on any issues identified in daily operations, with follow-up tracking to ensure timely and effective improvements. These efforts aim to reduce or eliminate the likelihood of major incidents and ensure that all factory operations comply with the Group's code of conduct, local laws and regulations, customers' standards, and international regulations, so as to achieve the ultimate goal of deepening relationships with customers. In 2025, the Company will continue to uphold the spirit and principles of the UN's "Universal Declaration of Human Rights" and "Guiding Principles on Business and Human Rights," as well as the ILO's "Declaration on Fundamental Principles and Rights at Work" among other international human rights conventions, in an effort to create a workplace



environment where human rights are protected, and where employees' legal rights to freedom of assembly and collective bargaining are fully respected.

## **iv.2025 Business Plan**

### **(1) Operating Guidelines**

The Company adheres to its core values of "Professionalism, Dedication, Innovation and Service", leveraging flexible and forward-looking business strategies to maintain a leading position in the industry. The Company will continue to focus on the steady development of its two core businesses, manufacturing of shoes and retail of sporting goods and wholesale business. The following initiatives will be sequentially undertaken:

#### **■ Manufacturing of Shoes Business**

##### **(a) Improved production capacity management and implementation of diversified production bases**

To leverage regional production advantages and respond quickly to market demand fluctuations, the Company has established diversified production bases and achieved economies of scale. In light of intensifying global trade challenges and the ongoing restructuring of production networks, the Company will, in 2025, continue to strengthen its global manufacturing by increasing production capabilities across various regions and flexibly adjusting capacity allocations. These efforts will support the Company's medium- and long-term strategic deployment plans, including the expansion of production capacity in Indonesia and India, thereby laying a solid foundation for sustained growth in the footwear manufacturing business.

##### **(b) Providing comprehensive solutions through innovative manufacturing technology**

As a key strategic partner to brand customers, the Company will continue to expand its investment in advanced technologies and smart manufacturing, further solidifying its position at the forefront of innovation. From innovative development and process optimization to flexible production and diversified products, the Company provides brand customers with comprehensive solutions and differentiated services that precisely align with market demands. In doing so, the Company ensures that the footwear products it manufactures are of high quality and competitiveness, thereby fostering long-term, mutually beneficial partnerships.

##### **(c) Moving towards smart manufacturing through digital technology**

The Company will continue to advance its long-term digital transformation strategy, including the deep integration of its manufacturing management systems into the One Common Platform (OCP). The Company has also upgraded its SAP



ERP system, focusing on automation enhancements and innovative applications to comprehensively optimize production scheduling, resource allocations, and quality management. In addition, the Company has widely adopted digital tools such as Robotic Process Automation (RPA) and Dynamic Resource Scheduling (DRS), and has introduced AI machine learning technologies to enable intelligent, data-driven decision-making. These initiatives contribute to the full realization of digital transformation, unlock deeper business value, and drive continued innovation and growth.

- (d) Actively strengthening supply flexibility in response to the ongoing trend of supply chain shortening

The Company has established a comprehensive and flexible supply chain, striving to take full advantage of vertical integration. Furthermore, it continuously enhances product quality and cost-effectiveness by adhering to the principles of localized sourcing and timely responsiveness. Amid the ongoing global trend of supply chain restructuring, the Company will further strengthen its collaboration with supply chain partners. Through resource integration, knowledge sharing, and technological cooperation, the Company aims to improve overall operational efficiency and adaptability, thereby building a supply chain network characterized by greater agility, resilience, and efficiency.

■ Retail of sporting goods and wholesale business

- (a) Reorganizing physical stores based on precisely-identified market requirements

Physical stores remain a critical and irreplaceable sales touch point for consumers seeking to discover new products, enjoy personalized services, and engage in unique shopping experiences. In 2025, the Company will continue to dynamically plan its physical store network, focusing on core target consumer groups, delivering friendly one-stop shopping experiences, and creating a complete sales cycle. Moreover, through the implementation of efficiency improvement initiatives aimed at increasing store traffic, conversion rates, and repurchase frequency, the Company seeks to drive high-margin, in-season sales growth.

- (b) Effective sales scaling with digitalized operations

In response to rapidly changing consumer demands, the Company has accelerated the integration of online channels into its overall sales network. In addition to driving sales through traffic generated by major e-commerce platforms, the Company has also developed a "Pan-WeChat Ecosphere" as an extension of its physical stores to enhance profitability. In 2025, the Company will continue to deepen its digital operations, refine the precision of its marketing strategies, and expand market reach and business growth momentum through a differentiated,



multi-dimensional operational matrix.

(c) Improving sales efficiency and strengthening operational growth capabilities

The Company will continue to deepen and expand strategic cooperation with brand partners, enhance membership programs and inventory integration, and provide customers with a more comprehensive and higher quality experience. Moreover, the Company will further upgrade and optimize its ERP system and integrate it with business intelligence systems to enable real-time monitoring of overall business performance. By leveraging digital tools to improve operational efficiency, optimize resource allocation, and enhance member services, the Company aims to develop unique core competitiveness in order to drive long-term business growth.

(2) Prospects

Looking ahead to 2025, slowing inflation rates have led to major central banks easing their interest rate policies, which will help stimulate consumer demand and enhance investment willingness. Most international forecasting agencies expect the global economy to maintain stable growth. However, austerity measures in some countries nonetheless lead to pressure on their economies, and coupled with the increasing number of import restrictions between nations, the risk of economic shocks and fluctuations remains.

Despite the numerous challenges in the global business environment, increasing awareness toward health has led to the mainstream adoption of exercise lifestyles. This has positively influenced people's demand for exercise and, concordantly, more opportunities for growth within the industry. The Company is confident in the future development of the sports industry, of which it is a part.

In terms of footwear manufacturing, the Company will adhere to flexible and diversified production capacity strategy and continue to invest in digital transformation and smart manufacturing, thus strengthening the resilience and sustainability of its supply chains. This will enable the Company to provide brand customers with comprehensive manufacturing services that offer the highest value. Regarding retail of sporting goods and wholesale business, the Company will continue to promote the integrated development of physical stores and digital channels in order to expand its sales platforms and reach a broader range of consumer groups. The Company will also leverage digital tools to assist in decision-making and further improve its operational efficiency.

The Company will continue to uphold the highest standards of corporate governance, prioritize talent development and organizational efficiency, and create an environment for digital innovation. Furthermore, the Company has established a Risk Management Steering Committee and a Sustainable Development Steering Committee, both



management mechanisms and gradually implement sustainable development strategies. These measures will help the Company strengthen key competitive advantages as well as create mutual value and sustainable returns for all stakeholders.

Chan, Lu- Min



Chairman of the Board

Lu, Chin- Chu



President

Wu, Hui- Chi



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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024 are stated as follows:

## Write-downs of Inventory

As of December 31, 2024, the carrying amount of finished goods related to the retail segment included in the inventories was \$22,102,959 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, 2024.

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, 2024, goodwill allocated to the retailing business-retail and distribution of sportswear products of the Group amounted to \$2,374,060 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, 2024.

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, 2024 and 2023, the carrying amounts of investments in Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd. were \$51,250,261 thousand and \$48,215,577 thousand, respectively, representing 14.58% and 14.72%, respectively. For the years ended December 31, 2024 and 2023, the amounts of profit of the associates were \$7,637,107 thousand and \$3,787,175 thousand, respectively, representing 25.69% and 19.45% 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, 2024 and 2023 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, 2024 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 Ker-Chang Wu and Wen-Yea, Shyu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

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.*

# Handbook for the 2025 Annual General Shareholders' Meeting



## POU CHEN CORPORATION AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 29,926,773	9	\$ 40,582,121	12
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,594,584	-	945,643	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	23,600,478	7	22,747,994	7
Financial assets at amortized cost - current (Notes 4 and 9)	9,996,487	3	8,238,845	3
Notes receivable (Notes 4 and 10)	440	-	201	-
Accounts receivable (Notes 4, 10 and 32)	30,801,572	9	27,221,196	8
Other receivables (Notes 4, 10 and 27)	8,833,620	3	5,845,568	2
Current tax assets (Notes 4 and 27)	1,039,603	-	420,896	-
Inventories - manufacturing and retailing (Notes 4, 5 and 11)	43,941,138	12	38,368,737	12
Inventories - construction (Notes 4 and 11)	3,913,375	1	3,658,698	1
Other current assets (Notes 4 and 12)	11,633,782	3	9,825,235	3
Total current assets	165,281,852	47	157,855,134	48
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	2,108,157	1	889,745	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	795,084	-	760,400	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 33)	15,264,873	4	3,758,063	1
Investments accounted for using the equity method (Notes 4 and 14)	70,567,938	20	66,899,029	20
Property, plant and equipment (Notes 4 and 15)	57,927,175	17	57,772,269	18
Right-of-use assets (Notes 4 and 16)	15,537,506	4	16,443,139	5
Investment properties (Notes 4 and 17)	6,376,030	2	6,034,953	2
Goodwill (Notes 4, 5 and 18)	8,897,882	3	8,379,396	3
Other intangible assets (Notes 4, 5 and 19)	2,097,138	1	2,025,692	1
Deferred tax assets (Notes 4 and 27)	4,982,093	1	5,483,415	2
Other non-current assets (Note 12)	1,574,360	-	1,280,100	-
Total non-current assets	186,128,236	53	169,726,201	52
<b>TOTAL</b>	<b>\$ 351,410,088</b>	<b>100</b>	<b>\$ 327,581,335</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 20)	\$ 25,311,935	7	\$ 26,665,698	8
Short-term bills payable (Note 20)	1,967,533	1	1,891,766	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	171,632	-	329,470	-
Notes payable (Note 21)	1,204	-	3,608	-
Accounts payable (Notes 21 and 32)	15,832,281	4	14,246,431	4
Other payables (Note 22)	20,135,874	6	17,587,766	5
Current tax liabilities (Note 4)	3,804,175	1	3,037,204	1
Lease liabilities - current (Notes 4 and 16)	2,486,327	1	2,765,479	1
Current portion of long-term borrowings (Note 20)	7,298,520	2	13,210,895	4
Other current liabilities	5,728,495	2	5,237,149	2
Total current liabilities	82,737,976	24	84,975,466	26
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 20)	33,437,480	9	28,051,451	8
Deferred tax liabilities (Notes 4 and 27)	2,436,773	1	2,750,892	1
Lease liabilities - non-current (Notes 4 and 16)	4,530,772	1	5,529,176	2
Long-term payables (Note 22)	173,451	-	155,150	-
Net defined benefit liabilities (Notes 4 and 23)	2,882,602	1	3,384,119	1
Other non-current liabilities	67,656	-	71,802	-
Total non-current liabilities	43,528,734	12	39,942,590	12
Total liabilities	126,266,710	36	124,918,056	38
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 24)</b>				
Share capital				
Ordinary shares	29,467,872	8	29,467,872	9
Capital surplus	4,516,630	1	4,410,292	2
Retained earnings				
Legal reserve	20,344,110	6	19,300,806	6
Special reserve	55,117,885	16	57,646,766	18
Unappropriated earnings	38,724,445	11	24,101,997	7
Total retained earnings	114,186,440	33	101,049,569	31
Other equity	(6,975,656)	(2)	(8,738,371)	(3)
Total equity attributable to owners of the Company	141,195,286	40	126,189,362	39
<b>NON-CONTROLLING INTERESTS (Note 24)</b>	<b>83,948,092</b>	<b>24</b>	<b>76,473,917</b>	<b>23</b>
Total equity	225,143,378	64	202,663,279	62
<b>TOTAL</b>	<b>\$ 351,410,088</b>	<b>100</b>	<b>\$ 327,581,335</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)



**POU CHEN CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 4, 25 and 32)	\$ 263,817,827	100	\$ 246,633,714	100
OPERATING COSTS (Notes 11, 23, 26 and 32)	<u>198,642,778</u>	<u>75</u>	<u>185,522,719</u>	<u>75</u>
GROSS PROFIT	<u>65,175,049</u>	<u>25</u>	<u>61,110,995</u>	<u>25</u>
OPERATING EXPENSES (Notes 23 and 26)				
Selling and marketing expenses	26,951,507	10	27,736,106	11
General and administrative expenses	17,566,285	7	18,248,985	8
Research and development expenses	<u>4,703,020</u>	<u>2</u>	<u>4,910,311</u>	<u>2</u>
Total operating expenses	<u>49,220,812</u>	<u>19</u>	<u>50,895,402</u>	<u>21</u>
INCOME FROM OPERATIONS	<u>15,954,237</u>	<u>6</u>	<u>10,215,593</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 26)	2,103,045	1	1,780,444	1
Other income (Note 26)	3,224,776	1	3,379,679	1
Other gains and (losses) (Note 26)	1,100,266	-	1,630,214	1
Net loss on derecognition of financial assets at amortized cost	(10,438)	-	(80,397)	-
Finance costs (Note 26)	(2,804,589)	(1)	(3,287,962)	(1)
Share of the profit of associates and joint ventures (Notes 4 and 14)	<u>10,158,437</u>	<u>4</u>	<u>5,829,110</u>	<u>2</u>
Total non-operating income and expenses	<u>13,771,497</u>	<u>5</u>	<u>9,251,088</u>	<u>4</u>
INCOME BEFORE INCOME TAX	29,725,734	11	19,466,681	8
INCOME TAX EXPENSE (Notes 4 and 27)	<u>6,289,832</u>	<u>2</u>	<u>3,493,200</u>	<u>2</u>
NET INCOME FOR THE YEAR	<u>23,435,902</u>	<u>9</u>	<u>15,973,481</u>	<u>6</u>
OTHER COMPREHENSIVE NET INCOME (LOSS)				
Items that will not be reclassified subsequently to income or loss:				
Remeasurement of defined benefit plan (Note 23)	498,463	-	(221,740)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	566,277	-	5,241,384	2

(Continued)



## POU CHEN CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Share of the other comprehensive gain (loss) of associates and joint ventures	\$ 57,077	-	\$ (415,815)	-
Items that may be reclassified subsequently to income or loss:				
Exchange differences on translating foreign operations	10,570,384	4	(1,325,518)	-
Share of the other comprehensive (loss) gain of associates and joint ventures	<u>(4,872,753)</u>	<u>(2)</u>	<u>7,979,334</u>	<u>3</u>
Other comprehensive net income for the year, net of income tax	<u>6,819,448</u>	<u>2</u>	<u>11,257,645</u>	<u>5</u>
TOTAL COMPREHENSIVE NET INCOME FOR THE YEAR	<u>\$ 30,255,350</u>	<u>11</u>	<u>\$ 27,231,126</u>	<u>11</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 16,035,591	6	\$ 10,623,608	4
Non-controlling interests	<u>7,400,311</u>	<u>3</u>	<u>5,349,873</u>	<u>2</u>
	<u>\$ 23,435,902</u>	<u>9</u>	<u>\$ 15,973,481</u>	<u>6</u>
TOTAL COMPREHENSIVE NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 18,141,052	7	\$ 23,018,261	9
Non-controlling interests	<u>12,114,298</u>	<u>4</u>	<u>4,212,865</u>	<u>2</u>
	<u>\$ 30,255,350</u>	<u>11</u>	<u>\$ 27,231,126</u>	<u>11</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 5.44</u>		<u>\$ 3.61</u>	
Diluted	<u>\$ 5.43</u>		<u>\$ 3.60</u>	

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(Concluded)



# POU CHEN CORPORATION

## POU CHEN CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
	Share Capital	Capital Surplus	Retained Earnings			Unappropriated Earnings	Exchange Difference on Translation of the Financial Statements of Foreign Operations	Other Equity		Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Others			Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2023	\$ 29,467,872	\$ 4,420,389	\$ 17,986,740	\$ -	\$ 76,460,614	\$ (273,894)	\$ (3,520,843)	\$ (17,528,857)	\$ 107,012,021	\$ 75,115,457	\$ 182,127,478
Appropriation of 2022 earnings (Note 24)	-	-	1,314,066	-	(1,314,066)	-	-	-	-	-	-
Legal reserve	-	-	-	57,646,766	(57,646,766)	-	-	-	-	-	(3,830,823)
Special reserve	-	-	-	-	(3,830,823)	-	-	-	(3,830,823)	-	-
Cash dividends	-	-	1,314,066	57,646,766	(62,791,655)	-	-	-	(3,830,823)	-	(3,830,823)
Net income for the year ended December 31, 2023	-	-	-	-	10,623,608	-	-	-	10,623,608	5,349,873	15,973,481
Other comprehensive net (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 net 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	-	-	-	-	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
Appropriation of 2023 earnings (Note 24)	-	-	1,043,304	-	(1,043,304)	-	-	-	-	-	-
Legal reserve	-	-	-	(2,528,881)	2,528,881	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(3,241,466)	-	-	-	(3,241,466)	-	(3,241,466)
Cash dividends	-	-	1,043,304	(2,528,881)	(1,755,889)	-	-	-	(3,241,466)	-	(3,241,466)
Net income for the year ended December 31, 2024	-	-	-	-	16,035,591	-	-	-	16,035,591	7,400,311	23,435,902
Other comprehensive net income (loss) for the year ended December 31, 2024	-	-	-	-	302,371	6,009,529	(1,742,631)	(2,463,808)	2,105,461	4,713,987	6,819,448
Total comprehensive net income (loss) for the year ended December 31, 2024	-	-	-	-	16,337,962	6,009,529	(1,742,631)	(2,463,808)	18,141,052	12,114,298	30,255,350
Disposal of associates accounted for using the equity method	-	-	-	-	33,666	-	(33,666)	-	-	-	-
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	7,594	-	-	-	-	-	-	7,594	-	7,594
Changes in ownership interests in subsidiaries	-	97,032	-	-	-	-	-	-	97,032	-	97,032
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates	-	-	-	-	6,709	-	(6,709)	-	-	-	-
Unclaimed dividends by shareholders	-	1,712	-	-	-	-	-	-	1,712	-	1,712
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(4,640,123)	(4,640,123)
Changes in equity for the year ended December 31, 2024	-	106,338	1,043,304	(2,528,881)	14,622,448	6,009,529	(1,783,006)	(2,463,808)	15,005,924	7,474,175	22,480,099
BALANCE AT DECEMBER 31, 2024	\$ 29,467,872	\$ 4,516,630	\$ 20,344,110	\$ 55,117,885	\$ 38,724,445	\$ 5,267,610	\$ 650,057	\$ (12,893,323)	\$ 141,195,286	\$ 83,948,092	\$ 225,143,378

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

(With Deloitte & Touche auditors' report dated March 12, 2025)



## POU CHEN CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax for the year	\$ 29,725,734	\$ 19,466,681
Adjustments for:		
Depreciation expense	12,676,940	13,086,275
Amortization expense	155,184	131,905
Expected credit loss (reversed) recognized on trade receivables	(179,356)	63,377
Net gain on fair value change of financial instruments at fair value through profit or loss	(423,917)	(957,319)
Finance costs	2,804,589	3,287,962
Net loss on derecognition of financial assets at amortized cost	10,438	80,397
Interest income	(2,103,045)	(1,780,444)
Dividend income	(897,935)	(738,845)
Compensation cost of employee share options	106,704	106,342
Share of profit of associates and joint ventures	(10,158,437)	(5,829,110)
Net gain on disposal of property, plant and equipment	(45,516)	(53,562)
Net loss (gain) on disposal of investment properties	15,752	(7,915)
(Gain) loss on modification of lease	(301,452)	562
Net gain on disposal of associates	(1,007,444)	(970,895)
Impairment loss of assets	206,391	124,775
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(1,601,274)	2,847,915
Notes receivable	(356)	(45)
Accounts receivable	(3,402,705)	1,447,858
Other receivables	(2,791,233)	(1,309,353)
Inventories	(5,758,075)	11,701,318
Other current assets	(1,805,338)	1,012,862
Other operating assets	17,319	(21,139)
Notes payable	(2,404)	(386)
Accounts payable	1,585,850	1,710,254
Other payables	2,107,824	(3,457,961)
Other current liabilities	491,346	(773,370)
Net defined benefit liabilities	102,986	13,262
Other operating liabilities	15,634	(14,094)
Cash generated from operations	19,544,204	39,167,307
Interest paid	(2,749,865)	(3,266,343)
Income tax paid	(6,021,323)	(4,083,143)
Net cash generated from operating activities	<u>10,773,016</u>	<u>31,817,821</u>

(Continued)



# POU CHEN CORPORATION

## POU CHEN CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (395,606)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	51,025	4,609
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	85,198	60,898
Purchases of financial assets at amortized cost	(29,058,400)	(14,468,290)
Proceeds from sale of financial assets at amortized cost	16,572,254	7,218,972
Acquisition of associates and joint ventures	(100,000)	(100,000)
Proceeds from disposal of associates and joint ventures	1,949,483	2,806,330
Acquisition of property, plant and equipment	(5,571,432)	(5,096,457)
Proceeds from disposal of property, plant and equipment	297,792	2,639,444
Decrease in refundable deposits	51,782	97,238
Payments for intangible assets	(212,336)	(352,455)
Payments for right-of-use assets	(176,639)	(898,371)
Payments for investment properties	(324)	(7,532)
Proceeds from disposal of investment properties	172,121	12,915
Increase in prepayments for equipment and long-term prepayment	(968,768)	(387,875)
Interest received	1,950,187	1,712,190
Dividends received	2,796,888	2,350,046
Proceeds from disposal of right-of-use assets	403,209	-
Net cash used in investing activities	<u>(12,153,566)</u>	<u>(4,408,338)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	-	6,053,889
Repayments of short-term borrowings	(1,353,763)	-
Proceeds of short-term bills payable	76,000	311,500
Repayments of long-term borrowings	(545,446)	(20,689,503)
Increase in guarantee deposits	-	2,812
Decrease in guarantee deposits	(1,362)	-
Repayments of principal portion of lease liabilities	(3,436,490)	(3,817,655)
Cash dividends	(3,241,466)	(3,830,823)
Change in non-controlling interests	(4,642,201)	(2,960,742)
Unclaimed dividends by shareholders	1,712	1,116
Net cash used in financing activities	<u>(13,143,016)</u>	<u>(24,929,406)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>3,868,218</u>	<u>(1,234,004)</u>

(Continued)





**POU CHEN CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

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	<b>2024</b>	<b>2023</b>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (10,655,348)	\$ 1,246,073
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>40,582,121</u>	<u>39,336,048</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 29,926,773</u>	<u>\$ 40,582,121</u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024 are stated as follows:

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

As described in Notes 4, 5, 13 and Table 5 of Note 32 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, 2024.

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, 2024 and 2023 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, 2024 and 2023, the carrying amounts of the investments were \$51,249,280 thousand and \$48,214,653 thousand, which constituted 26.30% and 27.32% of the Company's total assets, respectively. For the years ended December 31, 2024 and 2023, the profit of the associate that the Company recognized amounted to \$7,636,957 thousand and \$3,787,099 thousand, which constituted 43.78% and 32.83% 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.

# Handbook for the 2025 Annual General Shareholders' Meeting



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, 2024 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 Ker-Chang Wu and Wen-Yea Shyu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

## 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

## POU CHEN CORPORATION

### PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 448,335	-	\$ 166,414	-
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	65,950	-	139,663	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	8,102,735	4	7,800,812	5
Notes receivable (Notes 4 and 10)	420	-	84	-
Accounts receivable (Notes 4 and 10)	22,019	-	10,444	-
Accounts receivable from related parties (Notes 4, 10 and 29)	1,543,814	1	1,455,178	1
Other receivables (Notes 4 and 10)	53,387	-	54,049	-
Inventories (Notes 4 and 11)	127,884	-	70,647	-
Other current assets (Notes 4 and 12)	40,280	-	40,478	-
Total current assets	10,404,824	5	9,737,769	6
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	46,136	-	53,014	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	98,355	-	-	-
Investments accounted for using the equity method (Notes 4, 5 and 13)	176,162,403	91	158,403,320	90
Property, plant and equipment (Notes 4 and 14)	4,358,807	2	4,448,522	2
Right-of-use asset (Notes 4 and 15)	120,763	-	89,238	-
Investment properties (Notes 4 and 16)	1,851,847	1	1,905,491	1
Intangible assets (Notes 4 and 17)	1,667,116	1	1,654,092	1
Deferred tax assets (Notes 4 and 25)	89,079	-	93,651	-
Other non-current assets (Notes 4 and 12)	44,379	-	70,163	-
Total non-current assets	184,438,885	95	166,717,491	94
<b>TOTAL</b>	<b>\$ 194,843,709</b>	<b>100</b>	<b>\$ 176,455,260</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 18 and 29)	\$ 25,413,568	13	\$ 24,628,172	14
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	206,885	-
Notes payable (Note 19)	1,204	-	1,763	-
Accounts payable (Note 19)	451,958	-	373,741	-
Accounts payable to related parties (Notes 19 and 29)	36,126	-	35,922	-
Other payables (Notes 20 and 29)	1,591,029	1	1,597,182	1
Current tax liabilities (Note 4)	1,290,355	1	866,931	1
Lease liabilities - current (Notes 4 and 15)	35,245	-	26,654	-
Current portion of long-term borrowings (Note 18)	4,013,796	2	4,013,796	2
Other current liabilities	172,312	-	170,279	-
Total current liabilities	33,005,593	17	31,921,325	18
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 18)	20,310,326	11	17,904,122	10
Deferred tax liabilities (Notes 4 and 25)	86,547	-	92,983	-
Lease liabilities - non-current (Notes 4 and 15)	89,312	-	66,533	-
Net defined benefit liabilities (Notes 4 and 21)	135,611	-	259,608	-
Other non-current liabilities (Note 13)	21,034	-	21,327	-
Total non-current liabilities	20,642,830	11	18,344,573	10
Total liabilities	53,648,423	28	50,265,898	28
<b>EQUITY (Notes 4 and 22)</b>				
Share capital				
Ordinary shares	29,467,872	15	29,467,872	17
Capital surplus	4,516,630	2	4,410,292	3
Retained earnings				
Legal reserve	20,344,110	11	19,300,806	11
Special reserve	55,117,885	28	57,646,766	33
Unappropriated earnings	38,724,445	20	24,101,997	13
Total retained earnings	114,186,440	59	101,049,569	57
Other equity	(6,975,656)	(4)	(8,738,371)	(5)
Total equity	141,195,286	72	126,189,362	72
<b>TOTAL</b>	<b>\$ 194,843,709</b>	<b>100</b>	<b>\$ 176,455,260</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)



## POU CHEN CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 29)	\$ 9,547,132	100	\$ 8,238,380	100
OPERATING COSTS (Notes 11, 21, 24 and 29)	<u>4,425,314</u>	<u>46</u>	<u>3,636,369</u>	<u>44</u>
GROSS PROFIT	<u>5,121,818</u>	<u>54</u>	<u>4,602,011</u>	<u>56</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	40,025	1	33,696	-
General and administrative expenses	2,464,530	26	2,333,473	28
Research and development expenses	<u>1,640,924</u>	<u>17</u>	<u>1,683,880</u>	<u>21</u>
Total operating expenses	<u>4,145,479</u>	<u>44</u>	<u>4,051,049</u>	<u>49</u>
INCOME FROM OPERATIONS	<u>976,339</u>	<u>10</u>	<u>550,962</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	22,265	-	14,770	-
Other income (Notes 24 and 29)	478,601	5	411,640	5
Other gains and losses (Note 24)	774,255	8	1,522,893	18
Finance costs (Notes 24 and 29)	(712,268)	(7)	(582,314)	(7)
Share of profit of subsidiaries and associates (Notes 4 and 13)	<u>15,905,861</u>	<u>167</u>	<u>9,618,313</u>	<u>117</u>
Total non-operating income and expenses	<u>16,468,714</u>	<u>173</u>	<u>10,985,302</u>	<u>133</u>
INCOME BEFORE INCOME TAX	17,445,053	183	11,536,264	140
INCOME TAX EXPENSE (Notes 4 and 25)	<u>1,409,462</u>	<u>15</u>	<u>912,656</u>	<u>11</u>
NET INCOME FOR THE YEAR	<u>16,035,591</u>	<u>168</u>	<u>10,623,608</u>	<u>129</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to income or loss:				
Remeasurement of defined benefit plan (Notes 21 and 25)	76,697	1	11,212	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	160,448	1	1,806,887	22

(Continued)



# POU CHEN CORPORATION

## POU CHEN CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	\$ 640,391	7	\$ 3,041,186	37
Items that may be reclassified subsequently to income or loss:				
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	<u>1,227,925</u>	<u>13</u>	<u>7,535,368</u>	<u>91</u>
Other comprehensive income for the year, net of income tax	<u>2,105,461</u>	<u>22</u>	<u>12,394,653</u>	<u>150</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 18,141,052</u>	<u>190</u>	<u>\$ 23,018,261</u>	<u>279</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 5.44</u>		<u>\$ 3.61</u>	
Diluted	<u>\$ 5.43</u>		<u>\$ 3.60</u>	

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(Concluded)



# Handbook for the 2025 Annual General Shareholders' Meeting



## POU CHEN CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity: Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Others	Total Equity
BALANCE AT JANUARY 1, 2023	\$ 29,467,872	\$ 4,420,389	\$ 17,986,740	\$ -	\$ 76,460,614	\$ (273,894)	\$ (3,520,843)	\$ (17,528,857)	\$ 107,010,201
Appropriation of 2022 earnings (Note 22)	-	-	-	-	(1,314,066)	-	-	-	-
Legal reserve	-	-	1,314,066	-	(1,314,066)	-	-	-	-
Special reserve	-	-	-	57,646,766	(57,646,766)	-	-	-	(3,830,823)
Cash dividends	-	-	-	-	(3,830,823)	-	-	-	-
	-	-	1,314,066	57,646,766	(62,791,655)	-	-	-	(3,830,823)
Net income 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 22)	-	(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 22)	-	-	-	-	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
Appropriation of 2023 earnings (Note 22)	-	-	-	-	(1,043,304)	-	-	-	-
Legal reserve	-	-	1,043,304	-	(1,043,304)	-	-	-	-
Reversal of special reserve	-	-	-	(2,528,881)	2,528,881	-	-	-	-
Cash dividends	-	-	-	-	(3,241,466)	-	-	-	(3,241,466)
	-	-	1,043,304	(2,528,881)	(1,755,889)	-	-	-	(3,241,466)
Net income for the year ended December 31, 2024	-	-	-	-	16,035,591	-	-	-	16,035,591
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	302,371	6,009,529	(1,742,631)	(2,463,808)	2,105,461
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	16,337,962	6,009,529	(1,742,631)	(2,463,808)	18,141,052
Disposal of associates accounted for using the equity method by subsidiaries	-	-	-	-	33,666	-	(33,666)	-	-
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	7,594	-	-	-	-	-	-	7,594
Changes in ownership interests in subsidiaries	-	97,032	-	-	-	-	-	-	97,032
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	6,709	-	(6,709)	-	-
Unclaimed dividends by shareholders	-	1,712	-	-	-	-	-	-	1,712
BALANCE AT DECEMBER 31, 2024	29,467,872	4,516,620	20,344,110	55,117,885	38,724,445	5,267,610	650,657	(12,893,323)	141,195,286

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

(With Deloitte & Touche auditors' report dated March 12, 2025)



# POU CHEN CORPORATION

## POU CHEN CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 17,445,053	\$ 11,536,264
Adjustments for:		
Depreciation expense	265,629	311,534
Amortization expense	102,709	88,881
Net gain on fair value changes of financial instruments at FVTPL	(529,879)	(569,512)
Finance costs	712,268	582,314
Interest income	(22,265)	(14,770)
Dividend income	(306,244)	(245,228)
Share of profit of subsidiaries and associates	(15,905,861)	(9,618,313)
Net gain on disposal of property, plant and equipment	(343)	(198)
Gain on disposal of investment properties	-	(8,133)
Gain on disposal of investments accounted for using equity method	-	(566,439)
Unrealized loss (gain) on foreign currency exchange	393,482	(264,225)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	395,377	732,836
Notes receivable	(336)	(65)
Accounts receivable	(11,575)	(2,620)
Accounts receivable from related parties	(88,636)	256,019
Other receivables	(3,254)	(7,781)
Inventories	(57,237)	26,482
Other current assets	3,332	(2,737)
Other operating assets	16,747	(22,679)
Financial liability held for trading	1,330	4,015
Notes payable	(559)	(364)
Accounts payable	78,217	35,749
Accounts payable to related parties	204	1,063
Other payables	(42,894)	(45,135)
Other current liabilities	2,033	(21,634)
Net defined benefit liabilities	(59,150)	(122,452)
Cash generated from operations	2,388,148	2,062,872
Interest paid	(678,337)	(594,849)
Income tax paid	(971,808)	(917,712)
Net cash generated from operating activities	738,003	550,311
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(136,151)	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	1,554	-
Purchase of financial assets at amortized cost	(97,911)	-
Acquisition of associates and joint ventures	(100,000)	(100,000)
Disposal of associates and joint ventures	-	2,059,057

(Continued)

# Handbook for the 2025 Annual General Shareholders' Meeting



## POU CHEN CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Acquisition of property, plant and equipment	\$ (79,323)	\$ (56,559)
Proceeds from disposal of property, plant and equipment	4,252	3,529
Decrease in refundable deposits	1,025	4
Payments for intangible assets	(115,733)	(205,929)
Proceeds from disposal of investment properties	-	12,867
Increase in prepayments for equipment	(545)	(8,557)
Interest received	18,596	14,799
Dividends received	<u>525,671</u>	<u>520,048</u>
Net cash generated from investing activities	<u>21,435</u>	<u>2,239,259</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	391,474	5,449,644
Proceeds from long-term borrowings	142,060,000	80,210,000
Repayments of long-term borrowings	(139,653,796)	(84,513,796)
Increase in guarantee deposits	-	2,217
Repayments of principal portion of lease liabilities	(35,441)	(31,999)
Cash dividends	(3,241,466)	(3,830,823)
Other financing activities	<u>1,712</u>	<u>1,116</u>
Net cash flows used in financing activities	<u>(477,517)</u>	<u>(2,713,641)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	281,921	75,929
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>166,414</u>	<u>90,485</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 448,335</u>	<u>\$ 166,414</u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(Concluded)



## 2. Audit Committee's Review Report on the 2024 Financial Statements

### Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2024 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:

2025 Annual General Shareholders' Meeting of Pou Chen Corporation

Audit Committee convener:

Chen, Huan-Chung

Date : March 12, 2025



**Audit Committee's Review Report on Profit Distribution Plan**

The Board of Directors has prepared and submitted the 2024 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:

2025 Annual General Shareholders' Meeting of Pou Chen Corporation

Audit Committee convener:

Chen, Huan-Chung

Date: April 17, 2025



### 3. Report on the 2024 Distribution of Employees' Compensation and Directors' Remuneration

- a. The Company's profit in 2024 amounted to NT\$17,874,028,583. ("Profit" refers to 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\$285,984,000 and NT\$142,992,000 respectively, be allocated as employees' compensation and Directors' remuneration. The distribution will 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 2024 earnings

- a. The Company's net income for 2024 amounted to NT\$16,035,591,032. The shareholders' dividends of NT\$5,009,538,262 will be distributed to shareholders in proportion to their shareholdings at NT\$1.7 per share, rounded down to the nearest New Taiwan Dollar. Dividends distributed under NT\$1 will be recognized as "Other Income" by the Company.
- b. This 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. In the event of any 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 the necessary adjustments.

### 5. Report on the 2024 material transactions with related parties

#### Pou Chen Corporation

#### Material transactions with related parties in 2024

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

Date of the Board of Directors resolution	2024/8/14	2024/8/14
Nature of transaction	Lease renewal for office and parking lot	Lease renewal for factory and office
Underlying asset	Location: A portion of the office and car-parking space, located at 22nd Floor, No. 456, Sec. 4, Xinyi Road, Xinyi District, Taipei City, Taiwan Leased area of office: 62.23 ping Car-parking space: 5 spaces Lease period: Three years from 2024/09/01 to 2027/08/31	Location: A portion of the factory and office, located at No. 8, Gongyequ 11th Road, Xitun District, Taichung City, Taiwan Leased area: 3,243 ping Lease period: Three years from 2024/10/01 to 2027/09/30
Total transaction price, trading counterparty, and relationship between the related party and the Company.	Total transaction price: NT\$ 6,297 thousand Trading counterparty: Chuan Mou Investments Co., Limited Relationship between the related party and the Company: Pou Chen Corporation's Juristic Director	Total transaction price: NT\$ 48,499 thousand Trading counterparty: Pro Arch International Development Enterprise Inc. 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 2024 Business Report, Financial Statements and Profit Distribution Plan (Proposed by the Board of Directors)**

- a. The Audit Committee of the Company has reviewed the 2024 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, Wu, Ker-Chang and Shyu, Wen-Yea, of Deloitte & Touche.
- b. For the 2024 Business Report, Financial Statements, please refer to pages 4-33, and for the profit distribution table, please refer to page 38.

Resolution:



**Pou Chen Corporation  
2024 Profit Distribution Table**

	(in NT\$)
Beginning unappropriated retained earnings	\$ 22,346,108,646
Transfer to retained earnings of disposal of investments accounted for using the equity method	33,666,044
Transfer to retained earnings of disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates	6,708,435
Amount recognized in retained earnings of remeasurement of defined benefit plan	302,371,306
Unappropriated retained earnings after adjustment	22,688,854,431
Net income of 2024	16,035,591,032
Less: legal reserve	( 1,637,833,682)
Less: special reserve according to the law	( 3,106,972,439)
2024 Earnings available for distribution	33,979,639,342
Distribution item:	
Shareholders dividend - cash dividend (NT\$1.7/share) <sup>1&amp;2</sup>	5,009,538,262
Unappropriated retained earnings	\$ 28,970,101,080

Chan, Lu-Min  
Chairman of the Board



Lu, Chin-Chu  
President



Wu, Hui-Chi  
Accounting Officer



<sup>1</sup> The shareholders dividends are computed on the basis of 2,946,787,213 shares outstanding as of March 31, 2025.

<sup>2</sup> The Board of Directors is authorized to approve the distribution of partial or full dividends in cash. Such resolution shall be approved 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 23-1 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 amendment of Article 14 of the Securities and Exchange Act.
- b. Comparisons of pre-amended and amended "Articles of Incorporation" are set forth below.

Article No.	Amended Provisions	Pre-amended Provisions	Commentary
Article 15	<p>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.</p> <p>The shareholding ratio of all Directors collectively shall be subject to rules provided by the securities regulatory authority.</p> <p>At least three 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.</p>	<p>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.</p> <p>The shareholding ratio of all Directors collectively shall be subject to rules provided by the securities regulatory authority.</p> <p>At least three Directors <u>and at least one fifth of all incumbent Directors</u> 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.</p>	<p>According to the Article 4 of "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", a TWSE listed company that has a paid-in capital of ten billion or more should comply at least one third of all incumbent Directors shall be independent Directors starting from 2024. Therefore, in conjunction with the expiration of the term of the directors, the "Articles of Incorporation" will be amended to comply with legal provisions.</p>



Article No.	Amended Provisions	Pre-amended Provisions	Commentary
Article 23	<p>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, <u>of which no less than 10% of actual appropriate amount shall be allocated for the distribution to entry-level employees</u>, 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.</p>	<p>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.</p>	<p>Increase remuneration for entry-level employees accordance with the amendment of Article 14 of the Securities and Exchange Act.</p>

# Handbook for the 2025 Annual General Shareholders' Meeting



Article No.	Amended Provisions	Pre-amended Provisions	Commentary
Article 25	These Articles of Incorporation was adopted on August 15, 1969. The first amendment was made on April 18, 1971..... <u>The forty-eighth amendment was made on May 29, 2025.</u> These Articles of Incorporation and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.	These Articles of Incorporation was adopted on August 15, 1969. The first amendment was made on April 18, 1971..... The forty-seventh amendment was made on June 15, 2023. These Articles of Incorporation and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.	Date of Amendment added.

Resolution:

## D. Election Matters

### **Election of the 25<sup>th</sup> Directors, including three independent Directors.**

#### **(Proposed by the Board of Directors)**

- a. The term of the 24<sup>th</sup> Board of Directors will expire on June 14, 2025, and the election of the 25<sup>th</sup> Board of Directors is scheduled to take place at the annual shareholders' meeting on May 29, 2025.
- b. Pursuant to Article 192-1 of the Company Act and Article 15 of the Company's "Articles of Incorporation", the proposed election of nine directors (including three independent directors) shall be conducted by adopting a candidate nomination system, and shall be elected from the list of candidates at the shareholders' meeting.
- c. The newly appointed directors shall assume office as of the date of election and shall serve for a term of three years starting from May 29, 2025 to May 28, 2028.
- d. List of director (including independent director) candidates is as follows:



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

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

# Handbook for the 2025 Annual General Shareholders' Meeting



Type	Candidate's Name	Gender	Education	Experience	Shareholdings (Shares)
Director	Shun Tai Investments Co., Ltd. (Representative: Ho, Yue-Ming)	Male	Master of Laws, National Taiwan University	Representative of Juristic- Person Director of the Company; Vice President of the Company; Vice President of HTC Corporation	24,367,867
Independent Director	Hsu, Chu-Sheng	Male	Master of Science in Computer Science, Stevens Institute of Technology, USA	Adjunct Professor of Leadership Program at National Taiwan University; Adjunct Professor of Institute of Technology Management at National Tsing Hua University; General Manager of General Electric International Inc., Taiwan Branch (USA); Managing Director of IBM Taiwan Corporation; Independent Director of inergy Technology Inc.; Independent Director of Fubon Bank (China); Independent Director of Alexander Marine Co., Ltd. ; Independent Director of Pou Chen Corporation	0
Independent Director	Chang, Shih-Chieh	Male	Ph.D. in Statistics, University of Wisconsin- Madison	Professor of the College of Risk Management and Insurance, National Chengchi University; Independent Director of KGI Financial Holding Co., Ltd.; Independent Director of KGI Life Insurance Co., Ltd.; Independent Director of CTBC Bank Co., Ltd.; Independent Director of CTBC Financial Holdings Co., Ltd.; Chairman of Risk Management Society of Taiwan; Independent Director of Taiwan Life Insurance Co., Ltd.; Independent Director of TLG Insurance Co., Ltd.; Independent Director of Pou Chen Corporation	0



Type	Candidate's Name	Gender	Education	Experience	Shareholdings (Shares)
Independent Director	Wu Wang, Pu-Yu	Female	Public Finance, National Chengchi University	Manager of Credit Department/ Accounting Officer of Joint Credit Information Center; Independent Director of Cosmos Bank; CPA of Ingram & Wallis Corp. USA; CPA of William C. Chalmers Corp. USA	0

e. Hereby submitted for election.

Results of the election:

## E. Other Proposals

### Proposal for the release of the Company's newly appointed Directors from non-competition restrictions. (Proposed by the Board of Directors)

- Pursuant to Article 209 of the Company Act, a director who engages in activities either for himself or on behalf of another person that is within the scope of the Company's business shall explain at the shareholders' meeting the essential details of such activities and obtain shareholders' approval for engaging in such activities. The Company is committed to strengthening corporate governance and supervision mechanisms to ensure that directors' concurrent positions in investment companies align with the interests of the Company and comply with relevant laws and regulations, thereby maintaining transparency in decision-making and protect the rights and interests of shareholders.
- Proposal for the release of the Company's newly appointed directors from the restriction on participation in competitive business is as follows:

Type	Candidate's Name	Positions held concurrently in other companies <sup>(Note)</sup>	Relationship with Pou Chen Corporation	Business items
Director	Chan, Lu-Min	Yue Yuen Industrial (Holdings) Limited Executive Director	Subsidiary; Executive Director appointed by the Group	Manufacture and sale of footwear
		Oftenrich Holdings Limited Director	Joint venture, 45% owned by the Company's subsidiary, Yue Yuen Industrial (Holdings) Limited; Director appointed by the Group.	Investment holding company with reinvestments in footwear manufacturing companies in China, Indonesia, and Vietnam.
		Brilliant Ocean Limited Director	Joint venture, 50% owned by the Company's subsidiary, Yue Yuen Industrial (Holdings) Limited; Director appointed by the Group.	Investment holding company with reinvestments in Kuo Yuen Tannery

# Handbook for the 2025 Annual General Shareholders' Meeting



Type	Candidate's Name	Positions held concurrently in other companies <small>(Note)</small>	Relationship with Pou Chen Corporation	Business items
Director	Tsai, Pei-Chun	Yue Yuen Industrial (Holdings) Limited Managing Director and Executive Director	Subsidiary; Managing Director and Executive Director appointed by the Group	Manufacture and sale of footwear
		Pou Sheng International (Holdings) Limited Non-Executive Director	Subsidiary; Non-Executive Director appointed by the Group	Retail and wholesale of sporting goods
Director	Lu, Chin-Chu	Yue Yuen Industrial (Holdings) Limited Chairman and Executive Director	Subsidiary; Chairman and Executive Director appointed by the Group	Manufacture and sale of footwear
		San Fang Chemical Industry Co., Limited Director	Investments Company using the equity method, 39.96% owned by the Company's subsidiary, Yue Yuen Industrial (Holdings) Limited; Representative of Juristic-Person Director of the Company appointed by reinvestment company Pou Chien Technology Co., Ltd.	Manufacture of artificial leather, synthetic resin, other materials and international trade
		Zhongao Multiplex Management Group Co., Limited Director	Joint venture, 39.8% owned by the Company's subsidiary, Yue Yuen Industrial (Holdings) Limited; Director appointed by the Group.	Management and operation of stadium service
Director	Ho, Yue-Ming	Zhongao Multiplex Management Group Co., Limited Director	Joint venture, 39.8% owned by the Company's subsidiary, Yue Yuen Industrial (Holdings) Limited; Director appointed by the Group.	Management and operation of stadium service
		Ka Te Footwear Material (HK) Limited Director	Joint venture; 32.5% owned by the Company's subsidiary, Yue Yuen Industrial (Holdings) Limited; Director appointed by the Group.	Investment holding company with reinvestments in Ka Te Footwear Material (Shishi) Limited
		Ka Te Footwear Material (Shishi) Limited Director	Joint venture; 32.5% owned by the Company's subsidiary, Yue Yuen Industrial (Holdings) Limited; Director appointed by the Group.	Production of shoe materials
		Hua Jian Industrial Holding Co., Limited Director	Joint venture; 22.41% owned by the Company's subsidiary, Yue Yuen Industrial (Holdings) Limited; Director appointed by the Group.	Manufacture of footwear



Type	Candidate's Name	Positions held concurrently in other companies <sup>(Note)</sup>		Relationship with Pou Chen Corporation	Business items
Independent Director	Hsu, Chu-Sheng	Alexander Marine Co., Ltd.	Independent Director	-	Manufacture of ships, parts and international trade
		inergy Technology Inc.	Independent Director	-	Wholesale of electrical appliances and electronic materials

(Note): Except for the independent director candidates who act as independent directors in other companies, all other director candidates who concurrently hold director positions in reinvested companies are appointed by the Company or its subsidiaries.

Resolution:

**F. Extemporaneous Motions**

**G. Adjournment**





### III. Appendix

#### Appendix 1

## POU CHEN CORPORATION Articles of Incorporation

Adopted by shareholders' meeting on June 15, 2023

### 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.
  - (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.
- Shareholders' meeting of the Company may be held by virtual or other means as promulgated by the competent authorities.
- 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.
- (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 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 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. The forty-seventh amendment was made on June 15, 2023. These Articles of Incorporation and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.





Appendix 2

## **POU CHEN CORPORATION**

### **Rules for Election of Directors**

Adopted by shareholders' meeting on July 26, 2021

**Article 1** The election of the Directors of Pou Chen Corporation (the "Company") shall comply with the Rules for Election of Directors (the "Rules") unless otherwise provided by the laws or the Company's Articles of Incorporation.

**Article 2** The election of the Directors of the Company shall consider the composition of the board of Directors, formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics and development needs, including but not limited to these two general criteria:

1. Basic criteria and personal values including gender, age, nationality and culture background.
2. Professional knowledge and skills: a professional background (e.g. law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform his/her duties.

The abilities that must be present in the board as a whole are as follows:

1. Ability to exercise sound business judgment
2. Ability to perform accounting and financial analysis
3. Business administration skills
4. Ability to conduct crisis management
5. Knowledge of the industry
6. A global market perspective
7. Leadership skills
8. Decision-making skills

A spousal or familial relationship within the second degree kinship may not exist among more than half of the board of Directors' seats.

The board of Directors shall consider adjusting its composition based on the results of the performance evaluations.

**Article 3** The qualifications and election of independent Directors of the Company shall comply with Regulations Governing the Appointment of Independent Directors



and Compliance Matters for Public Companies and Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

**Article 4** The Directors of the Company election shall adopt the candidate nomination system according to Article 192-1 of the Company Act.

If the number of Directors falls below five due to the removal of one or more Directors of the Company for any reason, the Company shall elect new Directors to fill such vacancies at its next shareholders' meeting. If the vacancies of the board of Directors reaches one third of the total number of the board of Directors' seats prescribed in its Articles of Incorporation, the Company shall call a special shareholders' meeting within 60 days from the occurrence of such event and elect Directors to fill the vacancies.

If the number of independent Directors falls below what is required under Article 14-2, Paragraph 1 of the Securities and Exchange Act, an election shall be held at the next shareholders' meeting to fill such vacancy. In the event where all the independent Directors are removed, the Company shall call a special shareholders' meeting within 60 days from the occurrence of such event to elect new independent Directors to fill the vacancies.

**Article 5** The Directors of the Company election shall adopt the cumulative voting system. The number of votes exercisable in respect of each share shall be the same as the number of Directors to be elected, and the total number of votes per share may be consolidated for the election of one candidate or may be split for the election of two or more candidates.

**Article 6** The person having convening right shall prepare the ballots in the number equal to the number of Directors to be elected, with the number of votes being noted on the ballots; and distribute the ballots to the shareholders who are present at the shareholders' meeting. The name of the voters may be represented by the attendance number printed on their ballots.

**Article 7** The Company's Directors shall be elected in accordance with the number of Directors to be elected specified in the Company's Articles of Incorporation.

The number of votes received by the independent Directors and non-independent Directors shall be calculated separately. A candidate to whom the ballots cast represent the highest number of votes shall be deemed an elected Director or independent Director. If two or more candidates receive the same number of votes, which consequently exceeds the number of Directors or independent Directors to be elected, such candidates who received the same number of votes shall draw lots to decide the winner; if such candidate(s) is(/are) not present, the chairman shall draw lots on behalf of the candidate(s).



**Article 8** Before the election begins, the chairman shall designate a number of persons that are shareholders of the Company to supervise the casting of the ballots and a number of tellers to count the ballots, each of which shall then respectively perform their relevant functions accordingly.

A ballot box shall be prepared by the person having convening right and publicly checked by the person supervising the casting of the ballots before voting commences.

**Article 9** A ballot is deemed void if any of the following circumstances apply:

1. The ballot was not prepared by the person with the right to convene.
2. Any blank ballot is cast.
3. Any ballot with illegible writing rendering it unrecognizable; or any ballot with corrections, is cast.
4. Where the candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Any ballot which is filled in with characters other than the number of votes cast.
6. Two or more candidates are entered in the same ballot.

**Article 10** The ballots shall be counted during the shareholders' meeting immediately after they have been cast and the results shall be announced by the chairman at such shareholders' meeting, including the names of the Directors elected and the number of votes received, and the names of the Directors who were not elected and the number of votes they received.

The ballots in the preceding paragraph shall be sealed and signed by the persons supervising the casting of the ballots and kept for at least one year; provided, however, ballots concerning an action filed by a shareholder according to Article 189 of the Company Act shall be kept until the process has been concluded.

**Article 11** The board of Directors of the Company shall deliver a written notification to each of the elected Directors.

**Article 12** The Rules and any amendments there after shall become effective upon resolution at the general meeting of shareholders.



## **POU CHEN CORPORATION**

### **Rules and Procedures of Shareholders' Meetings**

Adopted by shareholders' meeting on June 15, 2023

#### **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.

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.

The Company shall be resolved by the 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.

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 thirty 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-

## Handbook for the 2025 Annual General Shareholders' Meeting



related affairs for the Company.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

1. For physical shareholders' meeting, such documents should be distributed at the shareholders' meeting
2. For hybrid shareholders' meeting, such documents should be distributed at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders' meeting, electronic files shall be shared on the virtual meeting platform.

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.

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.



## **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.

The restrictions on the place of the meeting shall not apply when the Company convenes the virtual shareholders' meeting.

## **Article 5 (Preparation of Attendance Register and other Documents)**

The Company shall set forth in the meeting notice the time and place for shareholders, solicitors and proxies (collectively "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. 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 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 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.

The shareholders shall register with the Company two days before the meeting date if attended the virtual shareholders' meeting.



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.

**Article 5-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)**

To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
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:
  - (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.
  - (2) Shareholders not having registered to attend the affected shareholders' meeting by video conference shall not attend the postponed or resumed session.
  - (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, 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.
  - (4) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.
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 Company for these assistances and other important notices shall be specified.

## **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.

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.

**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 and the shares checked in on the virtual meeting platform 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. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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. 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.

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.

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 declaring the meeting open until the chair declaring the meeting adjourned. 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.

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.

**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 or online, 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.

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.

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.

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 time limit. 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.



## **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.

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 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.

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.

## **Article 15 (External Announcement)**

The number of shares solicited by solicitors, represented by proxies and the



number of shares represented by shareholders attending the meeting by correspondence or electronic means 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 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.

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 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.

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 (Disclosure of information at virtual meetings)**

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.

**Article 19 (Location of the chairperson and secretary of virtual-only shareholders meeting)**

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.

**Article 20 (Handling of disconnection)**

The Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues, if the Company convenes a virtual shareholders meeting.

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.

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.

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 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.

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 abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

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.

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 shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

**Article 21 (Handling of digital divide)**

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 Company for these assistances and other important notices shall be specified.

**Article 22 (Approval Level)**

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



Appendix 4

**POU CHEN CORPORATION**

Shareholdings of All Directors

Effective Date: March 31, 2025

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 March 31, 2025) 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.