

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

Pou Chen Corporation
2025 Annual Shareholders' Meeting Minutes
(Summary Translation)

Date and Time: May 29, 2025 (Thursday) at 9:30 a.m.

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

Convening Method: Physical Shareholders' meeting

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

Total shares represented by Shareholders' presented in person or by proxy: 2,393,251,996 shares.
(Including 2,200,802,031 votes casted electronically)

Percentage of shares held by Shareholders' present in person or by proxy: 81.21%

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

Recorder: Huang, Chao-Fen

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

Attendees: Wu, Ker-Chang (CPA), Charles Chang (Lawyer)

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

Chairperson Remarks: (Omitted)

A. Reported Matters

1. 2024 Business and Financial Reports: please refer to Appendix I.
2. Audit Committee's Review Report on the 2024 Financial Statements: please refer to Appendix II.
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

A. Acknowledgement of 2024 Business Report, Financial Statements and Profit Distribution Plan.

- 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 refers to Appendix 1 and the profit distribution plan please refers to following page.

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) ^{1&2}	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



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

² 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.

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

Voting Results: Shares represented at the time of voting: 2,393,251,996 votes.

Voting results*	% of the total represented share present
Votes in favor: 2,119,055,053 votes (1,926,651,886 votes)	88.54%
Votes against: 3,282,085 votes (3,240,085 votes)	0.13%
Votes abstained/No votes: 270,914,858 votes (270,910,060 votes)	11.31%

*including votes casted electronically (numbers in brackets)

C. Matters for Discussion

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

- To amend the Company's "Articles of Incorporation" in accordance with the amendment of Article 14 of the Securities and Exchange Act.
- Comparisons of pre-amended and amended "Articles of Incorporation" are set forth below.

Article No.	Amended Provisions	Pre-amended Provisions	Commentary
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 shall be independent Directors. Regulations governing independent Directors' professional qualifications,	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 <u>and at least one fifth of all incumbent Directors</u> shall be independent Directors. Regulations governing independent Directors'	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

Article No.	Amended Provisions	Pre-amended Provisions	Commentary
	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.	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.	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.
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, <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	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	Increase remuneration for entry-level employees accordance with the amendment of Article 14 of the Securities and Exchange Act.

Article No.	Amended Provisions	Pre-amended Provisions	Commentary
	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.	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 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.

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

Voting Results: Shares represented at the time of voting: 2,393,251,996votes.

Voting results*	% of the total represented share present
Votes in favor: 2,133,383,210votes (1,940,938,043 votes)	89.14%
Votes against: 2,166,893 votes (2,166,893 votes)	0.09%
Votes abstained/No votes: 257,701,893 votes (257,697,095 votes)	10.76%

*including votes casted electronically (numbers in brackets)

D. Election Matters

Election of the 25th Directors, including three independent Directors.

(Proposed by the Board of Directors)

- The term of the 24th Board of Directors will expire on June 14, 2025, and the election of the 25th Board of Directors is scheduled to take place at the annual shareholders' meeting on May 29, 2025.
- 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.
- 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.
- List of director (including independent director) candidates is as follows:

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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

Type	Candidate's Name	Gender	Education	Experience	Shareholdings (Shares)
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
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

Type	Candidate's Name	Gender	Education	Experience	Shareholdings (Shares)
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
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: The Directors (including independent Directors) with votes received was as followed:

Title	ID Number	Name	Voted received
Director	00037675	Chuan Mou Investments Co., Limited (Representative: Chan, Lu-Min)	2,594,768,258
Director	00179619	Tsai, Pei-Chun	2,337,738,570
Director	00065990	Tzong Ming Investments Co., Ltd. (Representative: Tsai, Min-Chieh)	2,130,413,497
Director	00065988	Ever Green Investments Corporation (Representative: Lu, Chin-Chu)	2,145,365,595
Director	00031497	Sheachang Enterprise Corporation (Representative: Wu, Pan-Tsu)	1,946,009,237
Director	00039024	Shun Tai Investments Co., Ltd. (Representative: Ho, Yue-Ming)	1,904,854,747
Independent Director	A12229****	Hsu, Chu-Sheng	1,637,107,458
Independent Director	B12073****	Chang, Shih-Chieh	1,633,152,871
Independent Director	A21003****	Wu Wang, Pu Yu	1,687,116,550

E. Other Proposals

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

- a. Pursuant to Article 209 of the Company Act, a director who engages in activities either for himself 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.
- b. 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 ^(Note)		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
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	Management and operation of stadium service

Type	Candidate's Name	Positions held concurrently in other companies ^(Note)	Relationship with Pou Chen Corporation	Business items
			(Holdings) Limited; Director appointed by the Group.	
		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
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.

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

Voting Results: Shares represented at the time of voting: 2,393,251,996 votes.

Voting results*	% of the total represented share present
Votes in favor: 2,081,937,852 votes (1,889,534,685 votes)	86.99%
Votes against: 3,450,986 votes (3,450,986 votes)	0.14%
Votes abstained/No votes: 307,863,158 votes (307,816,360votes)	12.86%

*including votes casted electronically (numbers in brackets)

F. Extemporaneous Motions (Summary of Key Points)

Shareholder (Account Number 194577) asked:

Please pay attention to riots and occupational accidents at overseas factories.

The Chairman replied:

No riots or major occupational accidents have occurred at the Company's overseas factories. The Company's Sustainable Development Department is fully informed of all factory safety and labor-related matters. The Head of the Sustainable Development Department will respond further.

The Head of the Sustainable Development Department replied:

The Sustainable Development Department continuously monitors the status of each factory on a monthly basis. Based on the information gathered so far, our overseas factories have not experienced any riots or major occupational accidents. All factories are currently operating normally.

The Chairman replied:

As the Head of the Sustainable Development Department has described, no riots or major occupational accidents have occurred at our overseas factories, and our factories are overall operating in good condition. The shareholders' general meeting today is mainly focused on discussing topics relevant to all shareholders. A company representative will be assigned to answer your questions after the meeting.

Shareholder (Account Number 549869) asked:

I appreciate the efforts of the Company's management team in delivering strong results last year. However, the Company's dividend payout ratio appears relatively low compared to other companies in the industry. Will the Company consider increasing the dividend payout ratio?

The Chairman replied:

The Company's dividend payout ratio is determined pursuant to Article 23-1 of the Company's Articles of Incorporation, which stipulates that, in principle, the Company shall distribute dividends of no less than 30% of the net profit after tax for the current period. The Company reported earnings per share of NT\$5.44 in 2024, and approved a resolution to distribute NT\$1.7 in cash dividends per share. This represents a significant increase of NT\$0.6 compared to the NT\$1.1 distributed per share in 2023, and the dividend payout ratio of 31.2% was the highest in the past 5 years. The Company fully understands shareholders' expectations regarding dividend returns, and has always attached great importance to shareholder interests. The Company's dividend policy is based on a comprehensive assessment of future development plans, financial structure, operating conditions, and prevailing market environment. The Company strives to find an optimal balance between business stability and shareholder interests. The dividend

distribution for 2024 was approved by a resolution of the Board of Directors on April 17, 2025. We sincerely ask for all shareholders' continued support, thank you.

G. Adjournment The meeting was adjourned at 10:17 a.m.

(The minutes of the AGM only summarize key points and resolution results. The full meeting content, procedures, and shareholders' remarks are subject to the official audio-video recording.)

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.

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

composed of high-level managers, in order to continuously improve the Company's risk 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.

POU CHEN CORPORATION AND SUBSIDIARIES

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

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
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)	<u>11,633,782</u>	<u>3</u>	<u>9,825,235</u>	<u>3</u>
Total current assets	<u>165,281,852</u>	<u>47</u>	<u>157,855,134</u>	<u>48</u>
NON-CURRENT ASSETS				
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)	<u>1,574,360</u>	<u>-</u>	<u>1,280,100</u>	<u>-</u>
Total non-current assets	<u>186,128,236</u>	<u>53</u>	<u>169,726,201</u>	<u>52</u>
TOTAL	<u>\$ 351,410,088</u>	<u>100</u>	<u>\$ 327,581,335</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
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	<u>5,728,495</u>	<u>2</u>	<u>5,237,149</u>	<u>2</u>
Total current liabilities	<u>82,737,976</u>	<u>24</u>	<u>84,975,466</u>	<u>26</u>
NON-CURRENT LIABILITIES				
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	<u>67,656</u>	<u>-</u>	<u>71,802</u>	<u>-</u>
Total non-current liabilities	<u>43,528,734</u>	<u>12</u>	<u>39,942,590</u>	<u>12</u>
Total liabilities	<u>126,266,710</u>	<u>36</u>	<u>124,918,056</u>	<u>38</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 24)				
Share capital				
Ordinary shares	<u>29,467,872</u>	<u>8</u>	<u>29,467,872</u>	<u>9</u>
Capital surplus	<u>4,516,630</u>	<u>1</u>	<u>4,410,292</u>	<u>2</u>
Retained earnings				
Legal reserve	20,344,110	6	19,300,806	6
Special reserve	55,117,885	16	57,646,766	18
Unappropriated earnings	<u>38,724,445</u>	<u>11</u>	<u>24,101,997</u>	<u>7</u>
Total retained earnings	<u>114,186,440</u>	<u>33</u>	<u>101,049,569</u>	<u>31</u>
Other equity	<u>(6,975,656)</u>	<u>(2)</u>	<u>(8,738,371)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	141,195,286	40	126,189,362	39
NON-CONTROLLING INTERESTS (Note 24)	<u>83,948,092</u>	<u>24</u>	<u>76,473,917</u>	<u>23</u>
Total equity	<u>225,143,378</u>	<u>64</u>	<u>202,663,279</u>	<u>62</u>
TOTAL	<u>\$ 351,410,088</u>	<u>100</u>	<u>\$ 327,581,335</u>	<u>100</u>

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)

	2024		2023	
	Amount	%	Amount	%
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 profit or loss:				
Remeasurement of defined benefit plan (Note 23)	498,463	-	(221,740)	-
Unrealized gain 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 profit 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 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										
						Other Equity			Total	Non-controlling Interests	Total Equity
						Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Others			
	Share Capital	Capital Surplus	Retained Earnings								
			Legal Reserve	Special Reserve	Unappropriated Earnings						
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)											
Legal reserve	-	-	1,314,066	-	(1,314,066)	-	-	-	-	-	-
Special reserve	-	-	-	57,646,766	(57,646,766)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,830,823)	-	-	-	(3,830,823)	-	(3,830,823)
	-	-	1,314,066	57,646,766	(62,791,655)	-	-	-	(3,830,823)	-	(3,830,823)
Net profit for the year ended December 31, 2023	-	-	-	-	10,623,608	-	-	-	10,623,608	5,349,873	15,973,481
Other comprehensive 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)											
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)	-	(3,241,466)
	-	-	1,043,304	(2,528,881)	(1,755,889)	-	-	-	(3,241,466)	-	(3,241,466)
Net profit 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
CASH FLOWS FROM OPERATING ACTIVITIES		
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	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	10,773,016	31,817,821

(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)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (395,606)	\$ -
Proceeds from sale of financial assets at fair value through other comprehensive income	51,025	4,609
Proceeds from return of capital 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	<u>403,209</u>	<u>-</u>
Net cash used in investing activities	<u>(12,153,566)</u>	<u>(4,408,338)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
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	<u>1,712</u>	<u>1,116</u>
Net cash used in financing activities	<u>(13,143,016)</u>	<u>(24,929,406)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<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)

	2024	2023
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.

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

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

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
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
NON-CURRENT ASSETS				
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
TOTAL	\$ 194,843,709	100	\$ 176,455,260	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
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
NON-CURRENT LIABILITIES				
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
EQUITY (Notes 4 and 22)				
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
TOTAL	\$ 194,843,709	100	\$ 176,455,260	100

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 profit 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

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 profit 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)

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)

			Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity	Others	Total Equity
							Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings				
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
Appropriation of 2022 earnings (Note 22)									
Legal reserve	-	-	1,314,066	-	(1,314,066)	-	-	-	-
Special reserve	-	-	-	57,646,766	(57,646,766)	-	-	-	-
Cash dividends	-	-	-	-	(3,830,823)	-	-	-	(3,830,823)
	-	-	1,314,066	57,646,766	(62,791,655)	-	-	-	(3,830,823)
Net profit for the year ended December 31, 2023	-	-	-	-	10,623,608	-	-	-	10,623,608
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(194,112)	(468,025)	5,957,448	7,099,342	12,394,653
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	10,429,496	(468,025)	5,957,448	7,099,342	23,018,261
Disposal of associates accounted for using the equity method (Notes 4 and 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)									
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 profit 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	\$ 4,516,630	\$ 20,344,110	\$ 55,117,885	\$ 38,724,445	\$ 5,267,610	\$ 650,057	\$ (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

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
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
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(136,151)	-
Proceeds from return of capital 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)

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>
CASH FLOWS FROM FINANCING ACTIVITIES		
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)

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

Audit Committee's Review Report

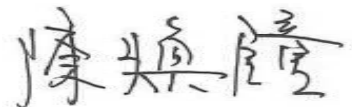
The Board of Directors has prepared and submitted the Company's 2024 business report and financial statements. Deloitte & Touch, the CPA firm commissioned by the Board of Directors, has audited the financial statements and issued an auditors' report regarding them.

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