Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

For the Years Ended December 31, 2024, and 2023

(Stock Code: 9802)

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Independent Auditors' Report

To the Board of Directors and Shareholders of Fulgent Sun International (Holding) Co., Ltd.

Opinion

We have audited the consolidated balance sheets of Fulgent Sun International (Holding) Co., Ltd. and its subsidiaries (collectively, the "Group") as of December 31, 2024, and 2023, and the related consolidated statements of comprehensive income, as well as the consolidated statements of changes in equity and cash flows for the years ended December 31, 2024, and 2023, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of the year ended December 31, 2024, and 2023, and its consolidated financial performance and consolidated cash flows for the years ended December 31, 2024, and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 of Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norms of Professional Ethics for Certified Public Accountants in 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.

Key Audit Matter

The key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on the matter.

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2024, is as follows:

Sales Revenue Recognition

<u>Description</u>

Please refer to the consolidated financial statements for the accounting policy on sales revenue (Note 4 (29)), and the description of the sales revenue (Note 6 (17)). The Group is engaged in the production and sale of sports and leisure outdoor shoes. The exporting business is 96% of the consolidated sales revenue of the Group for the year ended December 31, 2024. Control over the goods is transferred when the exported goods are delivered to customer-designated forwarders, per the trading terms of sales revenue. The timing of sales revenue recognition for exports significantly impacts the financial statements; therefore, we believe that the correctness of revenue recognition is one of the key audit matters.

Corresponding Audit Procedures

Our audit procedures for the specific aspects described in the key audit matter above are summarized as follows:

1. We understood and evaluated the operating procedures and internal controls for the sale of goods.
2. We examined the revenue recognition of the export business and checked the supporting documents and invoices to ensure the correctness of the sales.
3. We examined the significant export sales returns and checked the sales return documents (credit memos).
4. We performed confirmation procedures on accounts receivable from major sales counterparties.

Responsibilities of the 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 applicable IFRS, IAS, IFRIC, and SIC that came into effect as endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management deems necessary to enable the preparation of the consolidated financial statements to be 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.

Auditor's 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 auditor's report. Reasonable assurance means a high degree of assurance, but it is not a guarantee that an audit conducted in accordance with the auditing standards accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 misstatements 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 the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for 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, any 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 auditor’s 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 audit resulting in this independent auditors' report are Hua-Ling Liang and Yu-Chuan Wang.

PricewaterhouseCoopers
Taipei, Taiwan
Republic of China

February 25, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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 version, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024, and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Assets	Note	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	6 (1)	$ 3,378,425	16	$ 2,609,321	14
1170	Accounts receivable, net	6 (3)	3,673,067	17	2,706,739	15
1200	Other receivables		360,198	2	501,640	3
130X	Inventories	6 (4)	2,466,239	11	2,139,472	11
1410	Prepayments		70,071	-	65,688	-
1470	Other current assets	6 (7) and 8	191,237	1	272,862	1
11XX	**Total current assets**		10,139,237	47	8,295,722	44
	Non-current assets					
1600	Property, plant and equipment	6 (5) and 8	9,536,332	44	8,285,905	45
1755	Right-of-use assets	6 (6)	1,719,290	8	1,792,630	10
1780	Intangible assets		39,373	-	12,593	-
1840	Deferred tax assets	6 (23)	243,728	1	236,493	1
1900	Other non-current assets	6 (7) and 8	87,223	-	58,494	-
15XX	**Total non-current assets**		11,625,946	53	10,386,115	56
1XXX	**Total assets**		$ 21,765,183	100	$ 18,681,837	100

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Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024, and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Liabilities and Equity	Note	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities					
2100	Short-term borrowings	6 (8) and 8	$ 1,510,000	7	$ 1,685,000	9
2130	Current contract liabilities	6 (17)	29,059	-	36,938	-
2170	Accounts payable		2,039,801	9	1,301,804	7
2200	Other payables	6 (9)	1,517,174	7	1,244,333	7
2230	Current tax liabilities		311,332	2	516,676	3
2280	Current lease liabilities		67,588	-	41,098	-
2399	Other current liabilities, others		60,549	-	58,135	-
21XX	**Total current liabilities**		5,535,503	25	4,883,984	26
	Non-Current liabilities					
2500	Non-current financial liabilities at fair value through profit or loss	6 (2)	1,800	-	-	-
2530	Bonds payable	6 (10)	936,237	4	-	-
2560	Non-current tax liabilities		64,752	-	212,199	1
2570	Deferred tax liabilities	6 (23)	159,356	1	151,954	1
2580	Non-current lease liabilities		791,235	4	861,220	5
2600	Other non-current liabilities	6 (11)	205,405	1	200,887	1
25XX	**Total non-current liabilities**		2,158,785	10	1,426,260	8
2XXX	**Total liabilities**		7,694,288	35	6,310,244	34
	Equity attributable to owners of the parent company					
	Share capital	6 (14)				
3110	Ordinary share		1,909,899	9	1,909,899	10
3140	Advance receipts for share capital		625,798	3	-	-
	Capital surplus	6 (15)				
3200	Capital surplus		5,905,340	27	5,701,867	31
	Retained earnings	6 (16)				
3310	Legal reserve		1,318,803	6	1,209,683	6
3320	Special reserve		380,450	2	474,813	3
3350	Unappropriated retained earnings		4,236,542	19	3,826,489	20
	Other equity					
3400	Other equity		(269,057)	(1)	(693,575)	(4)
3500	Treasury shares	6 (14)	(57,583)	-	(57,583)	-
31XX	**Total equity attributable to owners of the parent company**		14,050,192	65	12,371,593	66
36XX	**Non-controlling interests**	6 (25)	20,703	-	-	-
3XXX	**Total equity**		14,070,895	65	12,371,593	66
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
	Significant Events after the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 21,765,183	100	$ 18,681,837	100

The attached annex to the consolidated financial statements is part of this consolidated financial report. Please refer to it.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years ended December 31, 2024, and 2023
(Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Share)

	Item	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	6 (17)	$ 14,611,471	100	$ 16,893,226	100
5000	Operating costs	6 (4)	(11,823,935)	(81)	(13,698,439)	(81)
5950	Gross profit from operations		2,787,536	19	3,194,787	19
	Operating expenses	6 (22)				
6100	Selling expenses		(221,692)	(1)	(269,330)	(2)
6200	Administrative expenses		(999,015)	(7)	(941,012)	(5)
6300	Research and development expenses		(303,285)	(2)	(180,326)	(1)
6450	Expected credit Impairment gain	12 (2)	7,399	-	1,677	-
6000	Total operating expenses		(1,516,593)	(10)	(1,388,991)	(8)
6900	Net operating income		1,270,943	9	1,805,796	11
	Non-operating income and expenses					
7100	Interest income	6 (18)	90,087	-	58,388	-
7010	Other income	6 (19)	127,923	1	121,875	1
7020	Other gains and losses	6 (20)	295,011	2	132,687	1
7050	Finance costs	6 (21)	(43,565)	-	(78,093)	(1)
7000	Total non-operating income and expenses		469,456	3	234,857	1
7900	**Profit before income tax**		1,740,399	12	2,040,653	12
7950	Income tax expenses	6 (23)	(366,553)	(3)	(543,675)	(3)
8200	**Profit for the period**		$ 1,373,846	9	$ 1,496,978	9
	Other comprehensive income (loss), net					
	Items that may be subsequently reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		$ 424,494	3	($ 290,275)	(2)
8300	**Other comprehensive income (loss), net**		$ 424,494	3	($ 290,275)	(2)
8500	**Total comprehensive income for the period**		$ 1,798,340	12	$ 1,206,703	7
	Profit (loss) attributable to:					
8610	Owners of the parent company		$ 1,376,460	9	$ 1,496,978	9
8620	Non-controlling interests		($ 2,614)	-	$ -	-
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 1,800,978	12	$ 1,206,703	7
8720	Non-controlling interests		($ 2,638)	-	$ -	-
	Basic earnings per share	6 (24)				
9750	Total basic earnings per share		$ 7.23		$ 7.87	
	Diluted earnings per share					
9850	Total diluted earnings per share		$ 7.20		$ 7.86	

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years ended December 31, 2024, and 2023

(Expressed in Thousands of New Taiwan Dollars)

		Equity attributable to owners of the parent company										
		Share capital			Retained earnings							
	Note	Ordinary share	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Treasury shares	Total	Non-controlling interests	Total equity
Balance at January 1, 2023		$ 1,907,235	$ -	$ 5,677,352	$ 907,119	$ 554,857	$ 4,073,113	($ 403,300)	($ 57,583)	$ 12,658,793	$ -	$ 12,658,793
Profit for the period		-	-	-	-	-	1,496,978	-	-	1,496,978	-	1,496,978
Other comprehensive loss for the period		-	-	-	-	-	-	(290,275)	-	(290,275)	-	(290,275)
Total comprehensive income (loss) for the period		-	-	-	-	-	1,496,978	(290,275)	-	1,206,703	-	1,206,703
Distribution of earnings for the second half year of 2022	6(16)											
Legal reserve appropriated		-	-	-	189,788	-	(189,788)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(151,556)	151,556	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	-	(1,140,422)	-	-	(1,140,422)	-	(1,140,422)
Distribution of earnings for the first half year of 2023	6(16)											
Legal reserve appropriated		-	-	-	112,776	-	(112,776)	-	-	-	-	-
Special reserve appropriated		-	-	-	-	71,512	(71,512)	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	-	(380,660)	-	-	(380,660)	-	(380,660)
Conversion of convertible bonds	6(14)(15)(26)	2,664	-	24,515	-	-	-	-	-	27,179	-	27,179
Balance at December 31, 2023		$ 1,909,899	$ -	$ 5,701,867	$ 1,209,683	$ 474,813	$ 3,826,489	($ 693,575)	($ 57,583)	$ 12,371,593	$ -	$ 12,371,593
Balance at January 1, 2024		$ 1,909,899	$ -	$ 5,701,867	$ 1,209,683	$ 474,813	$ 3,826,489	($ 693,575)	($ 57,583)	$ 12,371,593	$ -	$ 12,371,593
Profit (loss) for the period		-	-	-	-	-	1,376,460	-	-	1,376,460	(2,614)	1,373,846
Other comprehensive income (loss) for the period		-	-	-	-	-	-	424,518	-	424,518	(24)	424,494
Total comprehensive income (loss) for the period		-	-	-	-	-	1,376,460	424,518	-	1,800,978	(2,638)	1,798,340
Distribution of earnings for the second half year of 2023	6(16)											
Legal reserve appropriated		-	-	-	40,143	-	(40,143)	-	-	-	-	-
Special reserve appropriated		-	-	-	-	218,762	(218,762)	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	-	(570,990)	-	-	(570,990)	-	(570,990)
Distribution of earnings for the first half year of 2024	6(16)											
Legal reserve appropriated		-	-	-	68,977	-	(68,977)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(313,125)	313,125	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	-	(380,660)	-	-	(380,660)	-	(380,660)
Issue of shares	6(13)(14)(15)	-	625,798	55,740	-	-	-	-	-	681,538	-	681,538
Due to recognition of equity component of convertible bonds issued	6(10)(15)	-	-	145,622	-	-	-	-	-	145,622	-	145,622
Changes in ownership interests in subsidiaries	6(15)(25)	-	-	2,111	-	-	-	-	-	2,111	(2,111)	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	25,452	25,452
Balance at December 31, 2024		$ 1,909,899	$ 625,798	$ 5,905,340	$ 1,318,803	$ 380,450	$ 4,236,542	($ 269,057)	($ 57,583)	$ 14,050,192	$ 20,703	$ 14,070,895

The attached annex to the consolidated financial statements is part of this consolidated financial report. Please refer to it.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Year ended December 31, 2024, and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Note	2024	2023
Cash flows from operating activities			
Profit before income tax		$ 1,740,399	$ 2,040,653
Adjustments items			
Adjustments to reconcile profit and loss			
Depreciation expense	6(5)(6)(22)	987,584	1,045,811
Amortization expense	6(22)	19,574	21,046
Expected credit impairment gain	12(2)	(7,399)	(1,677)
Gain on financial assets or liabilities at fair value through profit or loss, net	6(2)(20)	(2,300)	(8,376)
Interest expense	6(21)	43,565	78,093
Interest income	6(18)	(90,087)	(58,388)
Share-based payments	6(13)	55,740	-
Loss (gain) on disposal of property, plant and equipment	6(20)	3,790	(3,820)
Profit from lease modification	6(6)	(666)	-
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable		(795,324)	1,465,430
Other receivables		151,205	(69,834)
Inventories		(195,995)	2,861,740
Prepayments		(692)	16,662
Other current assets		(12,945)	13,115
Net changes in operating liabilities			
Contract liability		22,482	35,400
Accounts payable		654,402	(1,629,629)
Other payables		159,547	(434,049)
Other current liabilities		(1,283)	15,000
Other non-current liabilities		(3,166)	(3,104)
Cash flows generated from operations		2,728,431	5,384,073
Interest received		91,325	57,973
Interest paid		(30,981)	(73,168)
Income tax paid		(748,211)	(420,469)
Net cash flows generated from operating activities		2,040,564	4,948,409

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Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Year ended December 31, 2024, and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Note	2024	2023
Cash flows from investing activities			
Acquisition of financial assets at amortized cost		($ 167,815)	($ 266,478)
Proceeds from disposal of financial assets at amortized cost		257,111	179,466
Proceeds from disposal of financial assets at fair value through profit or loss		-	14,341
Acquisition of property, plant and equipment	6(26)	(1,792,838)	(955,924)
Proceeds from disposal of property, plant and equipment		24,251	18,307
Increase in refundable deposits		(7,601)	(12,026)
Acquisition of intangible assets		(7,333)	(479)
Net cash inflows from business combination		952	-
Acquisition of use-of-right assets	6(6)	-	(98,357)
(Increase) decrease in other non-current assets		(30)	439
Net cash flows used in investing activities		(1,693,303)	(1,120,711)
Cash flows from financing activities			
Increase in short-term borrowings	6(27)	14,416,507	19,267,429
Decrease in short-term borrowings	6(27)	(14,699,832)	(21,085,586)
Proceeds from issuing bonds	6(27)	1,086,001	-
Payments of lease liabilities	6(6) (27)	(37,960)	(64,452)
Cash dividends paid	6(16)(27)	(951,650)	(1,368,127)
Proceeds from issuing shares	6(14)	625,798	-
Net cash flows generated from (used in) financing activities		438,864	(3,250,736)
Effects of exchange rate changes		(17,021)	(163,020)
Net increase in cash and cash equivalents		769,104	413,942
Cash and cash equivalents at beginning of period		2,609,321	2,195,379
Cash and cash equivalents at end of period		$ 3,378,425	$ 2,609,321

The attached annex to the consolidated financial statements is part of this consolidated financial report. Please refer to it.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Years ended December 31, 2024, and 2023,
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Fulgent Sun International (Holding) Co., Ltd. (the "Company") was established in November 2009 in British Cayman Islands. The office is located at No. 76, Section 3, Yunlin Road, Douliu City, Yunlin County. The main business activities of the Company and its subsidiaries (the "Group") are the production and sale of sports and leisure outdoor footwear.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

The consolidated financial statements were authorized for issuance by the Board of Directors and published on February 25, 2025.

3. Application of the New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial Instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

Financial assets and liabilities at fair value through profit or loss.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of Consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non- controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main business activities	Percentage of ownership December 31, 2024	December 31, 2023	Notes
The Company	Capital Concord Enterprises Limited (Capital Concord)	Holding company; Sports Leisure Outdoor Footwear Sales	100.00	100.00	
The Company	Wisesquare Enterprise Limited (Wisesquare)	-	100.00	100.00	Note 1
Capital Concord	Fujian Laya Outdoor Products Co., Ltd. (Fujian Laya)	Import/export trading	100.00	100.00	
Capital Concord	Fujian Sunshine Footwear Co., Ltd. (Sunshine)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	
Capital Concord	Sunny Footwear Co., Ltd. (Sunny)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	
Capital Concord	Hubei Sunsmile Footwear Co., Ltd. (Sunsmile)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	
Capital Concord	Lin Wen Chih Sunbow Enterprises Co., Ltd. (Sunbow)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	
Capital Concord	Lin Wen Chih Sunstone Enterprises Co., Ltd. (Sunstone)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	
Capital Concord	Lin Wen Chih Sunzeal Enterprises Co., Ltd. (Sunzeal)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	Note 2
Capital Concord	Fulgent Sun Footwear Co., Ltd. (Fulgent Sun)	Sports Leisure Outdoor Footwear Production	100.00	100.00	
Capital Concord	NGOC Hung Footwear Co., Ltd. (NGOC HUNG)	Sports Leisure Outdoor Footwear Production	100.00	100.00	
Capital Concord	Eversun Footwear Co., Ltd. (Eversun)	Sports Leisure Outdoor Footwear Production	100.00	100.00	
Capital Concord	Sunglory Footwear Co., Ltd. (Sunglory)	Sports Leisure Outdoor Footwear Production	100.00	100.00	Note 3
Capital Concord	PT. SUN BRIGHT LESTARI	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	
Capital Concord	Laya Technology Co., Ltd. (Laya Technology)	Shoes material Production and Sales	70.12	100.00	Note 4
Sunbow	Lin Wen Chih Sunlit Enterprises Co., Ltd. (Sunlit)	Land lease	100.00	100.00	Note 5
-	Medao Trading Co., Ltd. (Medao Trading)	Import/export trading	-	-	Note 6

Note 1:The Group established Wisesquare in 2023 in Hong Kong, and has included it in the consolidated financial statements since then. Upon the Board of Directors' resolution on November 7, 2024, to liquidate Wisesquare, the procedure had not been finished at December 31, 2024.

Note 2:The Group established Sunzeal in 2023 in Cambodia, and has included it in the consolidated financial statements since then.

Note 3:The Group acquired 100% equity interest in Sunglory from unrelated parties in May, 2023.The entire transaction consideration has been fully settled, and it has been included in the consolidated financial statements since the date of obtaining control. The assets acquired in the aforementioned transactions do not meet the definition of a business; therefore, the accounting treatment for asset acquisition is applied.

Note 4:Laya Chemical Engineering Co., Ltd. changed its name to Laya Technology Co., Ltd.; Laya Technology increased its capital by issuing 2,450 thousand new shares on April 2024, based on the technology from unrelated parties, with a total amount of $24,500 thousand. And Laya Technology increased its capital by issuing 3,200 thousand new shares on June 2024, with a total amount of $32,000 thousand, all of which were subscribed by Capital Concord. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 70.12% from 100%, please refer to Note 6 (25).

Note 5:A total of 51% of the equity is registered in the name of a related party who is a Cambodian in compliance with the local law and regulations. The Group has already taken relevant preservation measures.

Note 6:The Group has de facto control over Medao Trading, and has included it in the consolidated financial statements since Q2 2024. Upon the Board of Directors' resolution on February 25, 2025 intends to acquire 100% equity of Medao Trading from related parties.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

The functional currencies of the Group's subsidiaries in the Republic of China, the People's Republic of China, and Southeast Asia are NTD, RMB, VND, IDR, and USD. The consolidated financial statements are presented using "NTD" as the reporting currency.

A. Foreign currency transactions and balances

(A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(B) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(C) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non- monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(D) All other foreign exchange gains and losses are presented in the statement of comprehensive income 'other income and expenses – net' or 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(A) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(B) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(C) All resulting exchange differences are recognized in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(A) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(B) Assets held mainly for trading purposes;

(C) Assets that are expected to be realized within twelve months from the balance sheet date;

(D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(A) Liabilities that are expected to be settled within the normal operating cycle;

(B) Liabilities arising mainly from trading activities;

(C) Liabilities that are to be settled within twelve months from the balance sheet date;

(D) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:

(A) The objective of the Group's business model is achieved by collecting contractual cash flows.

(B) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost (including forward-looking information) , at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(13) Property, plant and equipment

A. Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant, and equipment are subsequently measured in cost mode with depreciation amortized using the straight-line method based on the period of depreciation except land for which no depreciation is to be amortized. If each component of property, plant, and equipment is significant, it is depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2～50 years
Machinery and equipment	2～20 years
Transport equipment	2～11 years
Office equipment	2～11 years
Other equipment	2～30 years

(14) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low- value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(A) Fixed payments, less any lease incentives receivable;

(B) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(A) The amount of the initial measurement of lease liability;

(B) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(15) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 15 years.

B. Patent rights

Patent rights are stated at cost and amortized on a straight-line basis over its estimated useful life of 10 to 18 years.

(16) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(17) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(18) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(20) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as the gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. The host contracts of bonds are initially recognized at the residual value of total issue price less the amount of 'financial assets or financial liabilities at fair value through profit or loss' as stated above. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to the 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and 'capital surplus—share options.

When the holders of corporate bonds have the right to execute a put option within the next year, the corporate bonds payable should be classified as current liabilities. The corporate bonds payable that are without the right of put exercised after the deadline for exercising the right of puts should be reversed as non-current liabilities.

(21) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(22) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(23) Embedded derivatives

A. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognized as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.

B. Under the non-financial assets, whether the hybrid contracts embedded with derivatives are accounted for separately at initial recognition is based on whether the economic characteristics and risks of an embedded derivative are closely related in the host contract. When they are closely related, the entire hybrid instrument is accounted for by its nature in accordance with the applicable standard. When they are not closely related, the derivative is accounted for differently from the host contract as derivative while the host contract is accounted for by its nature in accordance with the applicable standard. Alternatively, the entire hybrid instrument is designated as financial liabilities at fair value through profit or loss upon initial recognition.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pension

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) Employee share-based payment

For the equity settled share based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments. that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(26) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(27) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. When the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. When such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. Sales of goods—wholesale

(A) The Group is engaged in the production and sale of sports and leisure outdoor shoes. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(B) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Financial components

The Group has contracts signed with customers to have the promised commodity or service delivered and the payment made within one year or shorter; therefore, the Group has not adjusted the transaction price to reflect the time value of money.

(30) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the Group will comply with the conditions attached to the government grant and that the grant will be received. If the nature of the government grant is to compensate the Group for expenses incurred, the government grant will be recognized in profit and loss on a systematic basis during the period when the related expenses are incurred. Government grants related to property, plant, and equipment are recognized as non-current liabilities and are amortized to profit and loss over the estimated useful lives of the related assets using the straight-line method.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

6. Explanation of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 5,345	$ 4,269
Checking deposits & demand deposits	2,113,107	957,115
Time deposits	1,259,973	1,647,937
Total	$ 3,378,425	$ 2,609,321

A. The financial institutions of the Group have good credit quality, and the Group has dealings with several financial institutions to distract credit risk; therefore, the default is very unlikely.

B. The Group classifies time deposits with an original maturity of more than 3 months and not meeting short-term cash commitments as financial assets at amortized cost and presents them under "other current assets".

C. For restricted bank deposits of the Group, please refer to Note 6 (7).

(2) Financial assets (liabilities) at fair value through profit or loss

Item	December 31, 2024	December 31, 2023
Non-current items:		
Financial liabilities mandatorily measured at fair value through profit or loss		
- Convertible corporate bond redemption and sale rights	($ 1,800)	-

A. The financial liabilities mandatorily measured at fair value through profit or loss for the years ended December 31, 2024, and 2023, with recognized gain and loss were $2,300 and ($27), respectively.

B. The shares of listed OTC companies the Group held for the year ended December 31, 2023, with recognized gain was $8,403.

C. The Group has not pledged any financial assets at fair value through profit or loss.

(3) Accounts receivable, net

	December 31, 2024	December 31, 2023
Accounts receivable	$ 3,680,980	$ 2,721,222
Less: Allowance for impairment	(7,913)	(14,483)
	$ 3,673,067	$ 2,706,739

A. The aging analysis of accounts receivable is as follows:

	December 31, 2024	December 31, 2023
Current	$ 3,626,208	$ 2,587,858
Overdue 0 to 90 days	47,115	115,785
Overdue 91 to 180 days	21	5,338
Overdue 181 to 365 days	6	5,056
Over 365 days past due	7,630	7,185
Total	$ 3,680,980	$ 2,721,222

The above ageing analysis was based on the number of overdue days.

B. The balances of accounts receivable of December 31, 2024, and 2023, were generated by the customer contracts. The balances of accounts receivable from the customer contract as of January 1, 2023, was $4,229,321.

C. The amount of the maximum credit risk of the Group's accounts receivables as of December 31, 2024, and 2023, regardless of the collateral or other credit enhancements held, was the book value of each type of accounts receivable.

D. For relevant credit risk information, please refer to Note 12(2).

(4) Inventories

	December 31, 2024		
	Cost	Allowance for inventory market decline and obsolescence	Book value
Raw materials	$ 533,165	($ 35,835)	$ 497,330
Work in process	762,832	(4,909)	757,923
Finished goods	861,559	(21,738)	839,821
Inventory in transit	371,165	-	371,165
Total	$ 2,528,721	($ 62,482)	$ 2,466,239

	December 31, 2023		
	Cost	Allowance for inventory market decline and obsolescence	Book value
Raw materials	$ 509,270	($ 50,060)	$ 459,210
Work in process	559,873	(1,917)	557,956
Finished goods	991,861	(39,865)	951,996
Inventory in transit	170,310	-	170,310
Total	$ 2,231,314	($ 91,842)	$ 2,139,472

The cost of inventories recognized by the Group as expenses in the current period:

	Year ended December 31, 2024	Year ended December 31, 2023
Cost of inventories sold	$ 11,851,289	$ 13,680,534
Inventory valuation (gains) losses from price recovery	(29,360)	65
Inventory scrap losses	13,626	4,546
Others	(11,620)	13,294
	$ 11,823,935	$ 13,698,439

The Group recognized a reduction in the cost of goods sold due to a rebound in the net realizable value of inventory due to the degraded part of the inventory that had been listed as loss of price for the year ended December 31, 2024.

(5) Property, Plant and Equipment

Cost	2024 Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	$ 338,956	$ 27,224	$ -	$ -	$ 23,520	$ 389,700
Buildings	5,524,545	5,498	-	36,936	231,675	5,798,654
Machinery equipment	5,547,612	108,394	(80,625)	4,487	213,534	5,793,402
Transportation equipment	90,741	5,225	(3,879)	1,572	3,088	96,747
Office equipment	65,505	6,709	(62)	294	2,880	75,326
Others	2,406,688	175,481	(67,414)	7,005	120,953	2,642,713
Construction in progress and to-be-inspected equipment	301,587	1,525,280	-	(53,468)	7,824	1,781,223
	$ 14,275,634	$ 1,853,811	($ 151,980)	($ 3,174)	$ 603,474	$ 16,577,765

Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	($ 1,795,658)	($ 262,685)	$ -	$ -	($ 74,679)	($ 2,133,022)
Machinery equipment	(2,275,736)	(305,477)	57,740	-	(92,718)	(2,616,191)
Transportation equipment	(60,864)	(7,129)	3,839	-	(2,408)	(66,562)
Office equipment	(48,483)	(7,769)	62	-	(2,209)	(58,399)
Others	(1,808,988)	(323,741)	62,298	-	(96,828)	(2,167,259)
	($ 5,989,729)	($ 906,801)	$ 123,939	$ -	($ 268,842)	($ 7,041,433)
	$ 8,285,905					$ 9,536,332

2023						
Cost	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	$ 339,011	$ -	$ -	$ -	($ 55)	$ 338,956
Buildings	5,504,936	42,646	-	81,780	(104,817)	5,524,545
Machinery equipment	5,404,819	132,717	(56,518)	183,130	(116,536)	5,547,612
Transportation equipment	96,145	445	(3,814)	-	(2,035)	90,741
Office equipment	59,049	8,308	(557)	-	(1,295)	65,505
Others	2,182,228	283,348	(53,719)	29,531	(34,700)	2,406,688
Construction in progress and to-be-inspected equipment	415,201	177,275	-	(285,852)	(5,037)	301,587
	$ 14,001,389	$ 644,739	($ 114,608)	$ 8,589	($ 264,475)	$ 14,275,634

Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	($ 1,599,923)	($ 237,993)	$ -	$ -	$ 42,258	($ 1,795,658)
Machinery equipment	(2,038,727)	(340,804)	51,366	-	52,429	(2,275,736)
Transportation equipment	(57,473)	(8,498)	3,814	-	1,293	(60,864)
Office equipment	(43,371)	(6,645)	553	-	980	(48,483)
Others	(1,513,059)	(365,544)	44,388	-	25,227	(1,808,988)
	($ 5,252,553)	($ 959,484)	$ 100,121	$ -	$ 122,187	($ 5,989,729)
	$ 8,748,836					$ 8,285,905

A. For the years ended December 31, 2024, and 2023, the Group had no interest capitalized.

B. For property, plant and equipment provided by the Group as collateral as of December 31, 2024, and 2023, please refer to Note 8.

(6) Lease arrangements - Lessee

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 3 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. There are no restrictions except that the leased assets may not be used as loan guarantees.

B. The book value of the right-of-use assets and the depreciation charge are as follows:

	December 31, 2024	December 31, 2023
	Book value	Book value
Land	$ 1,046,923	$ 1,058,418
Buildings	672,367	734,212
	$ 1,719,290	$ 1,792,630

	Year ended December 31, 2024	Year ended December 31, 2023
	Depreciation charge	Depreciation charge
Land	$ 35,688	$ 35,311
Buildings	45,095	51,016
	$ 80,783	$ 86,327

C. The Group's right-of-use assets increased $0 and $129,174 for the years ended December 31, 2024, and 2023, respectively.

D. The profit and loss item related to lease contracts is as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Items affecting profit and loss:		
Interest expense on lease liabilities	$ 8,800	$ 9,654
Expense on short-term lease contracts	8,326	889
Profit from lease modification	(666)	-

E. The Group's total cash outflow for leases were $46,286 and $65,341 for the years ended December 31, 2024, and 2023, respectively.

(7) Other current assets and other non-current assets

Item	December 31, 2024	December 31, 2023
Current:		
Financial assets at amortized cost - Restricted bank deposits	$ 4,089	$ 1,658
Financial assets at amortized cost - Time deposits	166,696	242,161
Others	20,452	29,043
Total	$ 191,237	$ 272,862

Item	December 31, 2024	December 31, 2023
Non-current:		
Prepayments for equipment	35,644	13,362
Refundable deposits	48,117	39,614
Others	3,462	5,518
Total	$ 87,223	$ 58,494

For other current assets and other non-current assets provided by the Group as collateral as of December 31, 2024, and 2023, please refer to Note 8.

(8) Short-term borrowings

Loans Type	December 31, 2024	Interest rate range	Collateral
Credit loans	$ 1,510,000	1.730%~1.816%	Note

Loans Type	December 31, 2023	Interest rate range	Collateral
Credit loans	$ 1,685,000	1.510%~1.734%	Note

Note: For property, plant and equipment provided by the Group as collateral as of December 31, 2024, and 2023, please refer to Note 8.

(9) Other payables

	December 31, 2024	December 31, 2023
Accrued salaries	$ 732,496	$ 556,136
Dividends payable	380,660	380,660
Payables on equipment	218,691	138,610
Others	185,327	168,927
	$ 1,517,174	$ 1,244,333

(10) Bonds payable

	December 31, 2024	December 31, 2023
Domestic sixth unsecured convertible corporate bonds	$ 1,000,000	$ -
Less: Discount on corporate bonds payable	(63,763)	-
Total	$ 936,237	$ -

The sixth unsecured convertible corporate bonds in the Republic of China, issued by the Board of Directors of the Company on August 19, 2024, were as follows:

A. The conditions for issuing the sixth unsecured convertible corporate bonds of the Company were as follows:

(A) With the approval of the competent authority, the Company raised and issued the 6th unsecured convertible corporate bonds in the Republic of China, totaling $1,000,000, with a par value of $100,000 and a coupon interest rate of 0%. The convertible corporate bond was issued for 3 years and circulated from November 15, 2024, to November 15, 2027. When the convertible corporate bond matures, it will be repaid in cash at the face value of the bond. The convertible corporate bond was listed on the Taipei Exchange on November 15, 2024.

(B) The convertible corporate bondholder may at any time request the Company for conversion to its common stock from the next 3 months after the issuance of the bond to the expiration date, except for the period of suspension of the transfer according to the regulations or decrees. The rights and obligations of the convertible corporate bondholder are the same as those of the original common stock.

(C) The conversion price of the convertible corporate bond is set at $112.9 (in dollars) per share at the time of issue, and the conversion price of the convertible corporate bond is determined according to the prescribed model stipulated in the conversion method, and the conversion price will be in case of the Company's anti-dilution clause. It will be adjusted according to the model set out in the conversion method.

(D) Within 40 days before the convertible corporate bond is issued 2 full years, the bondholder may require the Company to redeem the convertible corporate bond in cash at 101.0025% of the face value of the bond.

(E) When the convertible corporate bond is issued 3 months from the next day to the first 40 days after the expiration of the issuance period, the 30 consecutive business days of the closing price of the Company’s common stock exceeds (or includes) 30% of the conversion price at that time; the Company will notify the creditors within 30 business days thereafter and withdraw the outstanding bonds in cash on the basis of the day of recovery based on the bond value. When the convertible corporate bond is issued 3 months, when the balance of the convertible corporate bond is less than 10% of the total issued in the first 40 days before the expiration of the issuance period, the Company will have to withdraw all its bonds in cash at any time thereafter based on the denomination of the bonds.

(F) As per the conversion method, all of the Company's recovered (including purchased from the Securities Merchants Business Offices), repaid or converted convertible corporate bond will be revoked, no longer be sold or issued, and the attached conversion rights will be revoked accordingly.

B. As of December 31, 2024, the convertible corporate bond of $1,000,000 was not yet converted to the common stock. The conversion price of the convertible corporate bond is $112.9 (in dollars) per share; furthermore, due to the Company's cash capital increase, the conversion price has been adjusted to $111.0(in dollars) per share, effective from January 7, 2025, the date on which the capital increase was fully subscribed.

C. When issuing the convertible corporate bond, the Company will, in accordance with the International Accounting Standards No.32, separate the conversion rights of equity from the constituent elements of the liabilities, and account for the “capital surplus - stock options”. The balance on December 31, 2024, was $145,622. The other is the right to buy back and sell back. According to the International Financial Reporting Standard No. 9, because of the economic characteristics of the goods that are in debt with the principal contract, the relationship between economic characteristics and risk is not closely related, so it is separated and list as the net account of “financial assets or financial liabilities at fair value through profit or loss”. The effective interest rate of the principal contract obligation after separation is 2.32%.

(11) Other non-current liabilities

Item		December 31, 2024		December 31, 2023
Deferred government grant income(Note)	$	111,245	$	110,205
Other non-current liabilities, others		94,160		90,682
Total	$	205,405	$	200,887

Note: This is generated from the acquisition of land use rights by the Group's subsidiaries, Hubei Sunsmile Footwear Co., Ltd. and Sunny Footwear Co., Ltd.

(12) Pension

A. Since November 9, 2009, the Group’s subsidiaries in Taiwan have set up a defined retirement scheme according to the “Labor Pension Act,” which is applicable to employees of this nationality. The Group has paid the labor pension to 6% of the monthly salary of the labor pension system applicable to the employee's choice of the “Labor Pension Act,” the personal accounts of the Bureau of Labor Insurance, and the payment of employees' pensions are collected on the basis of the pensions of employees' personal pensions and the amount of accumulated income or by a pension. For the years ended December 31, 2024, and 2023, the pensions recognized by the Group in accordance with the above regulations were $7,032 and $7,560, respectively.

B. In accordance with the regulations of the People's Republic of China, the Group's subsidiaries in China set aside the pension, monthly at 16%~19% of the total local staff’s salaries (Sunny and Sunshine: 16%~18%; Sunsmile: 16%~19%; Fujian Laya: 16%). Each employee’s monthly pension is managed and arranged by the government, and the Group is solely obliged to set aside the pension. For the years ended December 31, 2024, and 2023, the pensions recognized by the Group in accordance with the above regulations were $76,517 and $98,602, respectively.

C. The Group's subsidiaries in Vietnam are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the years ended December 31, 2024, and 2023, the pensions recognized by the Group in accordance with the above regulations were $168,802 and $185,174, respectively.

D. The Group's subsidiaries in Cambodia are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the years ended December 31, 2024, and 2023, the pensions recognized by the Group in accordance with the above regulations were $17,832 and $19,433, respectively.

(13) Share-based payment

A. For the year ended December 31, 2024, the Group’s share-based payment arrangement was as follows:

Type of agreement	Grant date	Quantity granted	Contract period	Vesting Conditions
Cash capital increase reserved for employee preemption	2024.11.04	1,500 units	-	Vested immediately

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Unit：NT$

Type of agreement	Grant date	Stock price	Exercise price	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free Interest Rate	Fair value per unit
Cash capital increase reserved for employee preemption	2024.11.04	$113	$76	27.99%	0.16 year	$ -	1.29%	$37.16

Note: Expected price volatility refers to the volatility of stock prices in a period of time in the future, and is estimated based on the standard deviation of stock returns in a specific period.

C. Expenses incurred on share-based payment transactions are showing below:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Equity-settled	$ 55,740	$ -

(14) Share capital

A. On December 31, 2024, the Company's rated capital was $3,000,000, divided into 300 million shares, the paid-in-capital was $1,909,899 with a par value of $10 (in dollars) per share.

The adjustment made to the Company’s outstanding common stock shares at the beginning and end of the period were as follows:

Unit: Thousand Shares

	2024	2023
January 1	190,330	190,064
Conversion of convertible bonds	-	266
December 31	190,330	190,330

B. Treasury Stock

(A) Reason and quantity of share recovery

		December 31, 2024	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Book value
The Company	Transfer to employees	660	$ 57,583

		December 31, 2023	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Book value
The Company	Transfer to employees	660	$ 57,583

(B) According to the Securities and Exchange Act, the number of shares bought back under shall not exceed 10% of the total number of issued and outstanding shares of the Company. The total amount of the shares bought back shall not exceed the amount of retained earnings plus premium on capital stock plus realized capital surplus.

(C) According to the Securities and Exchange Act, treasury stocks held by the Company shall not be pledged; before the transfer, the shareholder's rights shall not be enjoyed.

(D) According to the Securities and Exchange Act, the shares bought back by the Company shall be transferred to employees within 5 years from the date of buyback. The shares not transferred within the said time limit shall be deemed as not issued by the Company, and amendment registration shall be processed for cancellation. Where the buyback is required to maintain the company's credit and shareholders' rights and interests, amendment registration for cancellation shall be retired within nine months from the date of buyback.

C. On August 19, 2024, the Company’s Board of Directors approved to conduct a cash capital increase by issuing 10,000 thousand common shares with a par value of $10 (in dollars) per share. The capital increase was approved by the FSC on September 26, 2024. On November 4, 2024, the Company set the issuance price at $76 (in dollars) per share, resulting in a total issuance amount of $760,000. Additionally, the Company applied to the FSC for a three-month extension of the subscription period for the cash capital increase, which was approved under letter No. 1130364963 on November 21, 2024, extending the subscription deadline to March 26, 2025. As of December 31, 2024, the amount of share subscriptions received in advance totaled $625,798, which has been recorded as share capital collected in advance.

(15) Capital surplus

A. According to the Company Act, the excess of the income from the issuance of shares in excess of the coupon amount and the capital surplus of the received gift shall, in addition to being used to make up for the loss, be issued to new shares or cash in proportion to the original shares of the shareholders when the Company has no accumulated losses. In accordance with the relevant provisions of the Securities and Exchange Act, the above capital surplus is limited to 10% of the total amount of paid-in-capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. The changes in capital surplus were as follows:

	2024				
	Issue Premium	Stock Options	Changes in ownership interests in subsidiaries	Others	Total
January 1	$ 5,701,321	$ -	$ -	$ 546	$ 5,701,867
Cash capital increase reserved for employee preemption	-	55,740	-	-	55,740
Due to recognition of equity component of convertible bonds issued	-	145,622	-	-	145,622
Changes in ownership interests in subsidiaries	-	-	2,111	-	2,111
December 31	$ 5,701,321	$ 201,362	$ 2,111	$ 546	$ 5,905,340

	2023			
	Issue Premium	Stock Options	Others	Total
January 1	$ 5,674,184	$ 2,622	$ 546	$ 5,677,352
Conversion of convertible bonds	27,137	(2,622)	-	24,515
December 31	$ 5,701,321	$ -	$ 546	$ 5,701,867

(16) Retained Earnings

A. Under the Company's Articles of Association, stipulating that the Company may, at the end of each semi-fiscal year, distribute earnings in the form of stock dividends upon supermajority resolution in the shareholders' meeting or in the form of cash dividends upon the Board of Directors' resolution. The company shall not set aside exceeding than 3% and lower than 0.1% of the remaining earnings as directors' remuneration and less than 3% of the remaining profits as bonuses to the employees of the Company and subsidiaries. The Company shall make up the loss when company still has accumulated losses. The Company shall (1) first make up the loss over the years, set aside a legal surplus reserve at 10% of the remaining earnings until the accumulated legal surplus reserve equals the Company's paid-in-capital; (2) set aside a special surplus reserve in accordance with the rules of the public offering company or at the request of the competent authority.

B. When the Company's earnings are distributed, dividends distributed to shareholders should not be less than the balance of the remaining earnings net of 20% of the amounts in the preceding (1) (2), wherein the cash dividend issued should not be less than 20% of the dividends.

C. In accordance with the Articles of Association, the Company shall not distribute dividends or assign dividends or other assignments in respect of the realized or unrealized benefits of the Company, the premium account for the issuance of shares, or other payments permitted by the Cayman Company Act; provided that the legal surplus reserve is more than 25% of paid-in-capital, only the legal surplus reserve shall be accumulated as the above allocation and shall be limited to the portion of the legal surplus reserve in excess of 25% of the paid-in-capital.

D. (A) When the Company distributes earnings, it should make special surplus reserve accumulated in respect of the debit balance of other equity on the balance sheet date in accordance with the provisions of the laws. When the debit balance of subsequent other equity is reversed, the amount reversed may be included in the earnings available for distribution.

(B) Upon the first application of the IFRSs, a special surplus reserve set aside in letter No. 1090150022 issued by the FSC on March 31, 2021 is to be reversed when the Company subsequently uses, disposes of or reclassifies the related assets.

E. The appropriations of earnings for 2022 which have been resolved in the shareholders' meeting on May 30, 2023, respectively, were as follows:

	For the second half year of 2022	For the first half year of 2022
Board resolution date	February 23, 2023	December 28, 2022
Legal reserve appropriated	$ 189,788	$ 149,770
Reversal for special reserve	($ 151,556)	($ 372,585)
Cash dividends	$ 1,140,422	$ 227,705
Dividends per share (NT$)	$ 6.00	$ 1.20

F. The appropriations of earnings for 2023 which have been resolved in the shareholders' meeting on May 27, 2024, respectively, were as follows:

	For the second half year of 2023	For the first half year of 2023
Board resolution date	February 26, 2024	December 28, 2023
Legal reserve appropriated	$ 40,143	$ 112,776
Special reserve appropriated	$ 218,762	$ 71,512
Cash dividends	$ 570,990	$ 380,660
Dividends per share (NT$)	$ 3.00	$ 2.00

G. The appropriations of earnings for 2024 which have been resolved by the Company's Board of Directors, were as follows:

	For the second half year of 2024	For the first half year of 2024
Board resolution date	February 25, 2025	December 26, 2024
Legal reserve appropriated	$ 68,670	$ 68,977
Reversal for special reserve	($ 111,393)	($ 313,125)
Cash dividends	$ 623,069	$ 380,660
Dividends per share (NT$)	$ 3.10	$ 2.00

Before the record date of the appropriations of interim earnings for the first half year of 2022, due to the conversion of convertible corporate bonds, on December 28, 2022, the Board of Directors resolved to authorize the chairman to implement the adjustment of the dividend rate for shareholders to $1.198 (in dollars) per share.

Before the record date of the appropriations of interim earnings for the second half year of 2022, due to the conversion of convertible corporate bonds, on February 23, 2023, the Board of Directors resolved to authorize the chairman to implement the adjustment of the dividend rate for shareholders to $5.99 (in dollars) per share.

For more information on the distribution of earnings resolved at the Board of Directors' meeting and shareholders' meeting, please refer to the "Market Observation Post System" ("MOPS") of Taiwan Stock Exchange Corporation.

(17) Operating revenue

	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenue from contracts with customers	$ 14,611,471	$ 16,893,226

A. Breakdown of Customer Contract Income

The income of the Group originates from the transfer of goods at a certain point. For relevant information, please refer to Note 14(5).

B. Contract liabilities

The contract liabilities related to customer contract income recognized by the Group were as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities:			
- Advance sales receipts	$ 29,059	$ 36,938	$ 76,777

Revenue recognized that was included in the contract liability balance at the beginning of the period:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	$ 32,654	$ 75,838

(18) Interest income

	Year Ended December 31, 2024	Year Ended December 31, 2023
Interest on bank deposits	$ 90,087	$ 58,388

(19) Other income

	Year Ended December 31, 2024	Year Ended December 31, 2023
Government grants	$ 14,472	$ 17,769
Mold	68,929	42,258
Other income - others	44,522	61,848
	$ 127,923	$ 121,875

(20) Other gains and losses

	Year Ended December 31, 2024	Year Ended December 31, 2023
(Loss) gain on disposal of property, plant and equipment	($ 3,790)	$ 3,820
Foreign exchange gain	312,541	135,787
Gain on financial assets and liabilities measured at fair value through profit and loss	2,300	8,376
Other losses	(16,040)	(15,296)
	$ 295,011	$ 132,687

(21) Finance Costs

	Year Ended December 31, 2024	Year Ended December 31, 2023
Bank borrowings	$ 32,034	$ 68,252
Convertible bonds	2,731	187
Lease liabilities	8,800	9,654
	$ 43,565	$ 78,093

(22) Expenses Expressed by Nature

	Year Ended December 31, 2024	Year Ended December 31, 2023
Employee benefits		
Salary	$ 4,495,388	$ 4,388,411
Labor and health insurance	138,015	170,356
Pension	270,183	310,769
Others	59,495	70,603
	4,963,081	4,940,139
Depreciation expense	987,584	1,045,811
Amortization expense	19,574	21,046
	$ 5,970,239	$ 6,006,996

A. According to the Articles of Association, the Company may allocate a surplus not exceeding 3% of the remaining surplus as the directors’ remuneration and 0.1%~3% of the remaining profits as employees’ bonuses for the employees of the Company and subsidiaries.

B. The employees' compensation and directors' remuneration estimate of the Company for the years ended December 31, 2024, and 2023, were $20,000. The above employees' bonuses and directors' remuneration are assessed on the basis of the ratio set forth in the Articles of Association, taking into account such factors as net income for the period after consideration of the legal surplus reserve.

The employees' bonuses and directors' remuneration for the year ended December 31, 2023, approved by the Board of Directors are consistent with those recognized in the financial statements for the year ended December 31, 2023.

Information regarding employees' bonuses and directors' remuneration approved by the Board of Directors is available on the MOPS.

(23) Income tax

A. Income tax expenses

(A) Components of income tax expense:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Current tax:		
Current tax on profits for the period	$ 359,849	$ 521,230
Underestimated income tax in prior periods	6,537	20,270
Total current tax	366,386	541,500
Deferred tax:		
Origination and reversal of temporary differences	167	2,175
Total deferred tax	167	2,175
Income tax expenses	$ 366,553	$ 543,675

(B) Relationship between income tax expense and accounting profit:

	Year ended December 31, 2024	Year ended December 31, 2023
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 482,703	$ 542,975
Income tax effect of items removed according to law	5,936	(5,626)
Tax-free income under the Income Tax Act	(76,437)	(17,337)
The impact of tax incentives on corporate investment	(15,187)	(1,865)
Underestimated income tax in prior periods	6,537	20,270
Income tax effect of unrecognized deferred income tax assets and liabilities	(36,999)	6,718
Adjustments on deferred tax assets and liabilities	-	(1,460)
Income tax expense	$ 366,553	$ 543,675

Note: The basis for computing the applicable tax rate The statutory tax rate is the rate applicable in the parent company's country.

B. Amount of deferred tax assets or liabilities as a result of temporary differences and tax losses were as follows:

	2024		
	January 1	Recognized in profit and loss	December 31
Deferred tax assets:			
- Temporary differences:			
Inventory valuation losses and obsolescence	$ 8,004	($ 340)	$ 7,664
Deferred income after tax	23,857	(1,556)	22,301
Deferred tax related to liabilities arising from a single transaction	175,986	(4,189)	171,797
Others	16,379	542	16,921
Loss carryforwards	12,267	12,778	25,045
Subtotal	$ 236,493	$ 7,235	$ 243,728
Deferred tax liabilities:			
Deferred tax related to assets arising from a single transaction	($ 142,655)	$ 8,078	($ 134,577)
Others	(9,299)	(15,480)	(24,779)
Subtotal	($ 151,954)	($ 7,402)	($ 159,356)

2023			
	January 1	Recognized in profit and loss	December 31
Deferred tax assets:			
- Temporary differences:			
Inventory valuation losses and obsolescence	$ 4,490	$ 3,514	$ 8,004
Deferred income after tax	22,668	1,189	23,857
Deferred tax related to liabilities arising from a single transaction	188,369	(12,383)	175,986
Others	24,435	(8,056)	16,379
Loss carryforwards	5,932	6,335	12,267
Subtotal	$ 245,894	($ 9,401)	$ 236,493
Deferred tax liabilities:			
Deferred tax related to assets arising from a single transaction	($ 156,153)	$ 13,498	($ 142,655)
Others	(3,027)	(6,272)	(9,299)
Subtotal	($ 159,180)	$ 7,226	($ 151,954)

C. The Company has not recognize deferred tax liabilities for taxable temporary differences related to the investments of certain subsidiaries. The temporary differences of un recognized deferred income tax liabilities as of December 31, 2024, and 2023, were $3,712,894 and $3,370,933, respectively.

D. The profit-seeking enterprise income tax returns of Capital Concord Enterprises Limited (H.K.), Taiwan Branch and Laya Technology Co., Ltd. for the year ended December 31, 2022 have been approved by the tax authorities.

(24) Earnings per share

	Year Ended December 31, 2024		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,376,460	190,330	$ 7.23
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	1,376,460	190,330	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	2,731	1,107	
Employee bonus	-	244	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	$ 1,379,191	191,681	$ 7.20

	Year Ended December 31, 2023		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,496,978	190,193	$ 7.87
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	1,496,978	190,193	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	187	137	
Employee bonus	-	224	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	$ 1,497,165	190,554	$ 7.86

(25) Transactions with non-controlling interest

The Group's subsidiary, Laya Technology, increased its capital by issuing 2,450 thousand new shares on April 2024, based on the technology from unrelated parties, with a total amount of $24,500. And Laya Technology increased its capital by issuing 3,200 thousand new shares on June 2024, with a total amount of $32,000, all of which were subscribed by Capital Concord Enterprises Limited. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 70.12% from 100%. The transaction increased non-controlling interest by $22,389 and increased the capital surplus attributable to owners of the parent by $2,111.

(26) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Additions to property, plant and equipment	$ 1,850,637	$ 653,328
Less: Prepayments for equipment, beginning of period	(13,362)	(70,313)
Add: Prepayments for equipment, end of period	35,644	13,362
Add: Payables on equipment, beginning of period	138,610	498,157
Less: Payables on equipment, end of period	(218,691)	(138,610)
Cash paid during the period	$ 1,792,838	$ 955,924

B. Financing activities with no cash flow effects:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Share capital converted from convertible corporate bonds	$ -	$ 2,664
Declared cash dividends not yet paid	$ 380,660	$ 380,660

(27) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Convertible corporate bonds	Dividends payable	Total liabilities from financing activities
January 1, 2024	$ 1,685,000	$ 902,318	$ -	$ 380,660	$ 2,967,978
Changes in cash flows from financing	(283,325)	(37,960)	1,086,001	(951,650)	(186,934)
Changes in other non-cash items	-	(21,510)	(149,764)	951,650	780,376
Impact of changes in foreign exchange rate	108,325	15,975	-	-	124,300
December 31, 2024	$ 1,510,000	$ 858,823	$ 936,237	$ 380,660	$ 3,685,720

	Short-term borrowings	Lease liabilities	Convertible corporate bonds (Note)	Dividends payable	Total liabilities from financing activities
January 1, 2023	$ 3,476,180	$ 964,040	$ 26,992	$ 227,705	$ 4,694,917
Changes in cash flows from financing	(1,818,157)	(64,452)	-	(1,368,127)	(3,250,736)
Changes in other non-cash items	-	28,013	(26,992)	1,521,082	1,522,103
Impact of changes in foreign exchange rate	26,977	(25,283)	-	-	1,694
December 31, 2023	$ 1,685,000	$ 902,318	$ -	$ 380,660	$ 2,967,978

Note：The portion due within one year is included.

7. Related Party Transactions

Key management compensation

	Year Ended December 31, 2024	Year Ended December 31, 2023
Short-term employee benefits	$ 103,164	$ 86,926

8. Pledged Assets

Assets	Book value December 31, 2024	Book value December 31, 2023	Guarantee use
Land	$ 117,209	$ 109,773	Short-term borrowings
Buildings	157,045	151,225	Short-term borrowings
Financial assets at amortized cost (recognized in other current assets and other non-current assets)	7,220	6,886	performance guarantee of the power supply agreement, performance bond and others
Refundable deposits (recognized in other non-current assets)	48,117	39,614	Plants lease deposits and others
	$ 329,591	$ 307,498	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	Total contract price	
	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 2,864,789	$ 435,074

	Outstanding amount	
	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 1,283,460	$ 222,831

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

A. Please refer to Note 6(16)7.

B. On August 19, 2024, the Company's Board of Directors resolved to issue common shares for cash capital increase to issue 10,000 thousand common shares, the issuance price is $76 (in dollars) per share. The total amount raised from the issuance was $760,000. The entire issued share capital was fully received by the Company on January 7, 2025. The base date for the capital increase was set as January 7, 2025.

C. On February 25, 2025, the Board of Directors resolved to transfer the third repurchase of treasury shares, totaling 660 thousand shares, to employees at a price of $76.02 (in dollars) per share. The record date for the employee stock subscription was set as February 25, 2025.

12.Others

(1) Capital management

Based on the characteristics of the current industry and the future development of the Company, and considering factors such as changes in the external environment, the Group plans for the working capital, research and development expenses, and dividends needed in the future to ensure that the Group can continue to operate, provide feedback to shareholders, take into account the interests of other stakeholders, and maintain the best capital structure to enhance shareholders' value in the long run. In order to maintain or adjust the capital structure, the Group may adjust the dividend amount paid to shareholders, issue new shares, return cash to shareholders, or buy back shares of the Group. The Group monitors funds by reviewing the asset-liability ratio periodically. The Group's capital is the "total equity" shown in the balance sheet, which is also equal to the "total assets less the total liabilities." The Group's asset-liability ratio as of December 31, 2024, and 2023, were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 7,694,288	$ 6,310,244
Total assets	$ 21,765,183	$ 18,681,837
Debt ratio	35.35%	33.78%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at amortized cost/ loans and receivables		
Cash and cash equivalents	$ 3,378,425	$ 2,609,321
Accounts receivable	3,673,067	2,706,739
Other receivables	360,198	501,640
Financial assets at amortized cost - current	170,785	243,819
Refundable deposits	48,117	39,614
Financial assets at amortized cost - non-current	3,131	5,228
	$ 7,633,723	$ 6,106,361
Financial liabilities		
Financial liabilities at fair value through profit and loss		
Non-current financial liabilities mandatorily measured at fair value through profit or loss	$ $1,800	$ -
Financial liabilities at amortized cost		
Short-term borrowings	$ 1,510,000	$ 1,685,000
Accounts payable	2,039,801	1,301,804
Other payables	1,517,174	1,244,333
Bonds payable	936,237	-
	$ 6,003,212	$ 4,231,137
Lease liabilities (current and non-current)	$ 853,823	$ 902,318

B. Risk management policy

(A) The Group's financial risk management objectives are to manage foreign exchange risk, interest rate risk, credit risk and liquidity risk related to its operating activities. In order to minimize the relevant financial risks, the Group strives to identify, assess, and avoid market uncertainties, so as to minimize the potential adverse effects on the financial performance of the Company.

(B) The Group's important financial activities are audited by the Board of Directors and the Audit Committee according to relevant regulations and the internal control system. During the implementation of the financial plan, the Group must comply with the relevant financial operations procedures in relation to the overall financial risk management and segregation of duties.

C. Significant financial risks and degrees of financial risks

(A) Market risk

Foreign exchange risk

a. The Group is a multinational operation and is exposed to exchange rate risk arising from transactions with different functional currencies by the Company and its subsidiaries, which are mainly the USD and NTD. The relevant exchange rate risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

b. To avoid the decrease in foreign currency assets and future fluctuations in cash flows caused by exchange rate movements, the Group uses derivative financial instruments to hedge the exchange rate risk. This kind of derivative financial instrument can be used to assist the Group in reducing but not entirely eliminating the impact of foreign currency exchange rate movements.

c. The Group’s business involves the use of various non-functional currencies (the Company and some subsidiaries’ functional currency is NTD, whereas some subsidiaries’ functional currencies are RMB, USD, VND and IDR); as a consequence, it is subject to exchange rates fluctuation. Assets and liabilities that are denominated in foreign currencies and significantly affected by the exchange rates fluctuation and market risk were as follows:

(Blank Below)

	December 31, 2024					
				Sensitivity Analysis		
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value	Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
Financial assets						
Monetary items						
USD: RMB	$ 125,140	7.3070	$ 4,102,727	1%	$ 41,027	$ -
Financial liabilities						
Monetary items						
NTD: USD	$ 1,596,842	0.0305	$ 1,596,842	1%	$ 15,968	$ -

	December 31, 2023					
				Sensitivity Analysis		
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value	Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
Financial assets						
Monetary items						
USD: RMB	$ 132,029	7.1058	$ 4,053,940	1%	$ 40,539	$ -
Financial liabilities						
Monetary items						
NTD: USD	$ 1,772,736	0.0326	$ 1,772,736	1%	$ 17,727	$ -

d. The Group's monetary items were significantly impacted by the exchange rate changes, and the total exchange gain and loss (including realized and unrealized) for the years ended December 31, 2024, and 2023, with recognized gain were $312,541 and $135,787, respectively.

Cash flow and fair value interest rate risk

a. The Group's interest rate risk arises primarily from the short-term borrowings issued at floating rates, which expose the Group to the cash flow interest rate risk. For the years ended December 31, 2024, and 2023, the Group's loans issued at floating rates were mainly denominated in NTD and USD.

b. The Group's loans are measured at amortized cost and re-priced based on the contractual interest rates, which expose the Group to the risk of changes in future market interest rates.

c. If the loan interest rate increased or decreased by 0.1%, with all other variables held constant, net income for the years ended December 31, 2024, and 2023, would have decreased or increased $1,208 and $1,348, respectively, due to the changes in interest expenses caused by the loans issued at floating rates.

(B) Credit risk

a. The Group's credit risk is primarily attributable to the Group's financial loss from customers' or financial instruments' counterparties' failure to fulfill contractual obligations. The main reason is that the counterparties are unable to settle the accounts receivable per payment terms.

b. The Group has established a management and credit risk analysis for each new customer, before making the payment and delivery of the Company's individual business within the stipulated payment and delivery of delivery policies according to the internal defined credit policy. The internal risk control is evaluated by considering its financial situation, past experience and other factors to assess the credit quality of customers. The limits of individual risks are formulated by the Board of Directors based on internal or external ratings, and the utilization of credit line is regularly monitored. The main credit risks come from cash and cash equivalents, derivative financial instruments, deposits at banks and financial institutions, as well as credit risks from customers, including uncollected accounts receivable. For banks and financial institutions, only institutions with good credit ratings will be accepted as trading partners.

c. The Group adopts the IFRS 9 to provide the following assumptions whether the credit risk of financial instruments has increased significantly since their initial recognition:

When the contract payments are overdue for more than 30 days according to the agreed payment terms, the credit risk is increased significantly since the financial assets are initially recognized.

d. When the investment target for the independent credit rating has been lower for two grades, the Group will determine that the credit risk of the investment target is increased significantly.

e. Based on the internally specified accounting policies of the Group, it is deemed as a breach of contract when the contractual payments are overdue for more than 365 days in accordance with stipulated payment terms.

f. The Group has classified customers' accounts receivable on the characteristics of customers' ratings and adopts a simplified approach to estimate expected credit loss based on the reserve matrix.

g. After recourse procedures, the Group writes off the recoverable financial assets that cannot be reasonably expected; nonetheless, the Group will keep legal recourse to secure its creditor's rights. The Group had no creditors' rights that had been written off but still could be recourse as of December 31, 2024, and 2023.

h. The Group first assesses and recognizes impairment loss on individual receivables for which there is objective evidence of non-recoverability. For the remaining receivables, the Group adjusts the loss rate established on the history of certain periods and current information for prospective considerations to estimate the loss allowance for accounts receivable. The reserve matrixes as of December 31, 2024, and 2023, were as follows:

December 31, 2024	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	$ 3,626,208	$ -
Overdue 0 to 90 days	0.59%	47,115	279
Overdue 91 to 180 days	9.52%	21	2
Overdue 181 to 365 days	33.33%	6	2
Over 365 days past due	100.00%	7,630	7,630
Total		$ 3,680,980	$ 7,913

December 31, 2023	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	$ 2,587,858	$ -
Overdue 0 to 90 days	1.61%	115,785	1,862
Overdue 91 to 180 days	11.58%	5,338	618
Overdue 181 to 365 days	95.29%	5,056	4,818
Over 365 days past due	100.00%	7,185	7,185
Total		$ 2,721,222	$ 14,483

i. Changes in the loss allowance for accounts receivables using the simplified approach are stated as follows:

	2024	2023
	Accounts receivable	Accounts receivable
January 1	$ 14,483	$ 16,143
Reversal of impairment loss	(7,399)	(1,677)
Effect of foreign exchange	829	17
December 31	$ 7,913	$ 14,483

(C) Liquidity risk

a. The cash flow forecast is performed by each operating entity of the Group and compiled by the Group's treasury. The Group's treasury monitors rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.

b. The Group's treasury invests surplus cash in interest-bearing demand deposits and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the aforementioned forecasts.

c. As of December 31, 2024, and 2023, the Group had unused borrowing facilities of $10,020,314 and $8,899,293, respectively.

d. The following table is the Group's non-derivative financial liabilities, classified according to the relevant maturity date; the non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date; the derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date; the amounts of contractual cash flows disclosed in the following table are the undiscounted amount.

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	$ 1,513,683	$ -	$ -	$ -
Accounts payable	2,039,801	-	-	-
Other payables	1,517,174	-	-	-
Bonds payable	-	-	1,000,000	-
Lease liabilities	75,118	55,300	175,330	660,654

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	$ 1,692,751	$ -	$ -	$ -
Accounts payable	1,301,804	-	-	-
Other payables	1,244,333	-	-	-
Lease liabilities	50,340	47,135	175,542	695,739

(3) Fair value information

A. The levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group’s investment in listed stocks is included in Level 1.

Level 2: Direct or indirect observable input value of assets or liabilities, except for quotations in Level 1.

Level 3: Unobservable inputs value of assets or liabilities. Convertible corporate bonds invested by the Group is included in Level 3.

B. Financial instruments not measured at fair value

(A) The book value of cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, accounts payable and other payables are a reasonable approximation of their fair values (except those stated in the following table):

	December 31, 2024	
		Fair Value
	Book value	Level 3
Bonds payable	$ 936,237	$ 938,822

The Group had no bonds payable as of December 31, 2023.

(B) The methods and assumptions used to estimate fair value were as follows:

Convertible bonds payable: The coupon rate of convertible corporate bonds issued by the Group is similar to the market rate, so the fair value is measured at the discounted value of expected cash flows, which is equivalent to the book value.

C. The Group categorizes financial and non-financial instruments measured at fair value on the basis of the nature, characteristics, risks, and fair value of the assets and liabilities. The related information is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value				
Financial liabilities at fair value through profit and loss				
- Redemption right of convertible corporate bonds	$ -	$ -	($ 1,800)	($ 1,800)

The Group had no such situation as of December 31, 2023.

D. The methods and assumptions the Group used to measure fair value were as below:

The cash flow expected to be received by the bonds payable according to the underlying assets are measured by the discounted present value of the market interest rate at the balance sheet date.

E. There was no transfer between Level 1 and Level 2 for the years ended December 31, 2024, and 2023.

F. The following table shows the changes for the years ended December 31, 2024, and 2023:

	2024	2023
	Embedded derivative instruments	Embedded derivative instruments
January 1	$ -	$ 27
Gain or (loss) recognized in profit and loss (Note)	2,300	(27)
Period issued	(4,100)	-
December 31	($ 1,800)	$ -

Note: Recognized in other gains and losses.

G. Evaluation process regarding fair value Level 3 is conducted by the Group's treasury, by which the independence of fair value of financial instruments is verified through use of independent data source in order that such valuation results are close to market conditions, and that the data source is independent, reliable, consistent with other resources, and representative of the exercisable price. In addition, multiple actions are regularly taken to ensure the reasonableness of the fair value valuation, e.g., calibrating the valuation model, conducting retrospective testing, updating the inputs and data for the valuation model, and making any necessary fair value adjustments.

H. Below states the quantitative information about the significant unobservable inputs of the valuation model used in the measurements categorized within Level 3 of the fair value hierarchy, as well as the sensitivity analysis of changes in significant unobservable inputs:

	Fair value as of December 31, 2024	Evaluation techniques	Significant unobservable inputs	Interval (weighted average)	Relationship of inputs to fair value
Redemption right of corporate bonds	($ 1,800)	Binomial tree evaluation model	Volatility	30.64%	The higher the volatility, the higher the fair value.

The Group had no such situation as of December 31, 2023.

I. The evaluation models and parameters chosen by the Group after careful evaluation may lead to different results when different evaluation models or parameters are used. For financial assets and liabilities classified as Level 3, if the evaluation parameters change, the impact on current profits and losses were as follows:

			December 31, 2024	
			Recognized in Profit or Loss	
	Input value	Change	Favorable change	Unfavorable change
Financial Liabilities				
Redemption right of corporate bonds	Volatility	±5%	$ 500	($ 500)

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to Appendix 1.

B. Provision of endorsements and guarantees to others: Please refer to Appendix 2.

C. Holding of marketable securities at the end of the period (Not including subsidiaries, associates, and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to Appendix 3.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Appendix 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Appendix 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

J. Parent-subsidiary and Subsidiary-subsidiary business relations and significant transactions and amounts thereof: Please refer to Appendix 6.

(2) Information on investees

Name, locations and other information of investee companies (not including investees in Mainland China): Please refer to Appendix 7.

(3) Information on investments in Mainland China

A Basic information: Please refer to Appendix 8.

B Significant transactions, either directly or indirectly through a third area, with investee companies in Mainland Area: Please refer to Note 13(1).

(4) Major shareholders information

Major shareholders information: Please refer to Appendix 9.

14. Segment Information

(1) General information

The principal business of the Group is the production and sale of sports and leisure outdoor shoes. The Group's Board of Directors who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Department information

The Board of Directors evaluates the performance of the operating segments based on each quarter financial statements.

(3) Reconciliation of segment revenue and profit or loss

The Group has only one reportable operating segment. There was no reconciliation, since the segment revenue and profit are reported to the financial statements by revenue and profit.

(4) Information on products and services

The principal business of the Group is the production and sale of sports and leisure outdoor shoes. Since the segment's operating revenue, operating income, and identifiable assets used the account for more than 90% of total operating revenue, total operating income, and total assets, the segment is classified as a single industry.

(5) Geographical information

The Group's revenue by area is calculated based on the continent of sale. Non-current assets are classified according to the country of origin, including property, plant and equipment, right-of-use assets, intangible assets, and other non-current assets and excluding financial products and deferred tax assets.

	Year ended December 31, 2024		Year ended December 31, 2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Domestic sales (Note)	$ 588,142	$ 1,207,469	$ 954,774	$ 1,326,865
Asia	1,619,193	10,174,749	1,332,966	8,822,757
America	5,710,370	-	6,181,297	-
Europe	6,470,464	-	8,155,020	-
Africa	47,289	-	84,265	-
Australia	176,013	-	184,904	-
Total	$ 14,611,471	$ 11,382,218	$ 16,893,226	$ 10,149,622

Note: Domestic sales refer to sales in China.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2024, and 2023, were as follows:

Year ended December 31, 2024		Year ended December 31, 2023	
	Revenue		Revenue
A	$ 3,199,691	A	$ 3,018,073
B	2,280,788	B(Note)	-
C	1,910,896	C	1,962,401
D	1,477,375	D(Note)	-
	$ 8,868,750		$ 4,980,474

Note: The customer's revenue did not exceed 10% of the operating revenue in 2023, so no disclosure is provided.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Loans to Others

For the Year ended December 31, 2024

Appendix 1

Unit: NT$ Thousand
(Unless Otherwise Specified)

No. (Note 1)	Creditor	Borrower	General ledger account	Related Party	Maximum Balance for the period	Ending Balance	Amount Actually Drawn	Interest rate	Nature of loan	Transaction Amounts	Reason for short- term financing	Allowance for bad debt	Collateral Item	Collateral Value	Financing Limits for each borrowing company (Note 2)	Financing company's total financing Amount Limits (Note 3)	Note
1	Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	$ 742,522	$ 738,549	$ 738,549	1.50%	Short-term financing	$ -	Operating capital	$ -	None	$ -	$ 1,188,205	$ 1,584,274	Notes 4 &5
2	NGOC HUNG Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	Other receivables	Y	363,833	-	-	3.20%	Short-term financing	-	Build factory for sister company	-	None	-	832,224	1,109,632	Notes 4 &5
3	Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	837,293	836,018	836,018	3.50%	Short-term financing	-	Operating capital	-	None	-	1,329,981	1,773,308	Notes 4 &5
4	Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	114,923	114,748	114,748	3.50%	Short-term financing	-	Operating capital	-	None	-	231,121	308,161	Notes 4 &5
5	Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Other receivables	Y	327,850	327,850	196,710	0.00%	Short-term financing	-	Build factory	-	None	-	8,838,302	11,784,403	Notes 4 &5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is "0".
(2) The subsidiaries are numbered in order starting from "1".
Note 2: Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 60% of the lender's net worth.
Note 3: Loaning funds to others, provided that such financing amount shall not exceed 80% of the lender's net worth.
Note 4: In Q4 2024, the exchange rates for assets and profit or loss were USD:NTD=32.7850 and USD:NTD=32.1251, respectively.
Note 5: Offset in consolidated financial statements.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Provision of Endorsements and Guarantees to Others

For the Year ended December 31, 2024

Appendix 2

Unit: NT$ Thousand
(Unless Otherwise Specified)

No. (Note 1)	Endorser/ Guarantor	Party Being Endorsed/Guaranteed		Limit on Endorsements/ Guarantees Provided for a Single Party (Note 3)	Maximum Outstanding Endorsement/ Guarantee Amount for the Period	Outstanding Endorsement/ Guarantee Amount	Amount Actually Drawn	Amount of Endorsements /Guarantees Secured with Collateral	Ratio of Accumulated Endorsement/ Guarantee Amount to Net Asset Value of the Endorser/ Guarantor Company (%)	Ceiling on Total Amount of Endorsements/ Guarantees Provided (Note 4)	Provision of Endorsements/ Guarantees by Parent Company to Subsidiary	Provision of Endorsements/ Guarantees by Subsidiary to Parent Company	Provision of Endorsements/ Guarantees to the Party in Mainland China	Note
		Company Name	Relation (Note 2)											
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	4	$ 8,838,302	$ 327,850	$ 327,850	$ -	$ -	2.33%	$ 11,784,403	Y	N	N	Note 5 & 6

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company and subsidiaries are as follows:
(1) For the issuer, fill in "0".
(2) Investee companies are numbered in order starting from "1".

Note 2: The relationship between the endorser/guarantor and the party endorsed/guaranteed is classified into the following seven categories (mark the category number only):
(1) A company with which the Company conducts business.
(2) A company in which the Company directly, and indirectly, holds more than 50% of the voting shares.
(3) A company which directly, and indirectly, holds more than 50% of the voting shares in the Company.
(4) Companies in which the Company directly, and indirectly, holds more than 90% of the voting shares.
(5) A company fulfilling its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
(6) A company where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The limit of endorsements/guarantees provided for a single party is 60% of the net worth of Capital Concord Enterprises Limited.

Note 4: The maximum amount available for endorsements/guarantees is 80% of the net worth of Capital Concord Enterprises Limited.

Note 5: The joint guarantor of the endorsement/guarantee is Lin, Wen-Chih.

Note 6: In Q4 2024, the exchange rates for assets and profit or loss were USD:NTD=32.7850 and USD:NTD=32.1251, respectively.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Acquisition of Real Estate Reaching $300 Million or 20% of Paid-in Capital or More

For the Year ended December 31, 2024

Appendix 3

Unit US$ thousand
(Unless Otherwise Specified)

Real estate acquired by	Real estate	Date of the Event (Note 2)	Transaction currency	Transaction amount	Status of payment	Counterparty	Relationship	Information on prior transaction if the counterparty is a related party				Basis or reference used in setting the price	Purpose of acquisition and utilization	Other commitments
								Owner	Relationship with the issuer	Date of transfer	Amount			
PT. SUN BRIGHT LESTARI	Factory engineering	2024/02/19	USD	$ 24,430	In accordance with the contract terms	PT. PILAR TEGUH UTAMA	None	-	-	-	$ -	Price comparison and negotiation	Operational needs	-
Sunglory Footwear Co., Ltd.	Factory engineering	2023/06/15	USD	42,537	In accordance with the contract terms	Dong Do Development Construction Investment Joint Stock Company	None	-	-	-	-	Price comparison and negotiation	Operational needs	-

Note 1: Paid-in Capital refer to the amount of paid-in capital of the parent company. If the issuer's shares have no par value or the par value per share is not $10 (in dollars), the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

Note 2: Date of the event refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of board resolution, or other date that can confirm the counterpart and monetary amount of the transaction, whichever is earlier.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Purchases or Sales of Goods from or to Related Parties Reaching $100 Million or 20% of Paid-in Capital or More

For the Year ended December 31, 2024

Appendix 4

Unit NT$ thousand
(Unless Otherwise Specified)

Purchaser/Seller	Name of the Counterparty	Relationship with the counterparty	Transaction Details: Purchases/ Sales	Transaction Details: Amount	Transaction Details: Percentage of Total Purchases (Sales)	Transaction Details: Credit term	Unusual Trade Conditions and Its Reasons: Unit Price	Unusual Trade Conditions and Its Reasons: Credit term	Notes and Accounts Receivable (Payable): Balance	Notes and Accounts Receivable (Payable): Percentage of total notes/accounts receivable (payable)	Note
Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	Subsidiary	Purchases	$ 1,137,098	9.62%	180 days after purchase	Note 1	Note 1	($ 694,868)	-34.07%	Note 2 & 3
Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	Subsidiary	Purchases	137,427	1.16%	180 days after purchase	Note 1	Note 1	(91,072)	-4.46%	Note 2 & 3
Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	Subsidiary	Purchases	464,110	3.93%	180 days after purchase	Note 1	Note 1	(395,125)	-19.37%	Note 2 & 3
Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	Subsidiary	Purchases	576,691	4.88%	90 days after purchase	Note 1	Note 1	(344,294)	-16.88%	Note 2 & 3
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	3,608,233	30.52%	120 days after purchase	Note 1	Note 1	(1,334,429)	-65.42%	Note 2 & 3
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiary	Purchases	2,685,780	22.71%	120 days after invoices issued	Note 1	Note 1	(942,695)	-46.22%	Note 2 & 3
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Subsidiary	Purchases	780,397	6.60%	120 days after invoices issued	Note 1	Note 1	(494,414)	-24.24%	Note 2 & 3
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Subsidiary	Purchases	515,923	4.36%	120 days after invoices issued	Note 1	Note 1	-	-	Note 2 & 3
Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	165,306	1.40%	120 days after purchase	Note 1	Note 1	-	-	Note 2 & 3
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Sales	(1,337,584)	-9.15%	135 days after shipment	Note 1	Note 1	221,182	6.02%	Note 2 & 3
Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Sales	(156,165)	-1.07%	135 days after shipment	Note 1	Note 1	12,069	0.33%	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Sister company	Sales	(240,850)	-1.65%	90 days after shipment	Note 1	Note 1	58,519	1.59%	Note 2 & 3

Note 1: Sales transactions between the Group and related parties are valuated based on reasonable profits; thus, selling prices to related parties and those to non-related parties are incomparable. In terms of payment terms, there was no significant difference between related parties and non-related parties.
Note 2: In Q4 2024, the exchange rates for assets and profit or loss were USD:NTD=32.7850 and USD:NTD=32.1251, respectively.
Note 3: Offset in consolidated financial statements.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Receivables from Related Parties Reaching $100 Million or 20% of Paid-in Capital or More

December 31, 2024

Appendix 5

Unit NT$ thousand
(Unless Otherwise Specified)

Creditor	Name of the Counterparty	Relationship with the Counterparty	Accounts Receivable Balance from Related Party	Turnover Rate	Overdue Receivable		Amount Collected Subsequent to the Reporting Period (Note 1)	Allowance for Bad Debt	Note
					Amount	Actions Taken			
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	$ 694,868	1.16	$ 115,028	Collection after reporting period	$ 173,998	$ -	Note 2 & 3
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	836,018	-	-	-	-	-	Note 2, 3 & 4
Sunny Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	395,125	1.27	86,842	Collection after reporting period	104,256	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	344,294	1.55	162,871	Collection after reporting period	131,140	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	114,748	-	-	-	-	-	Note 2, 3 & 4
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	738,549	-	-	-	-	-	Note 2, 3 & 4
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited	Parent company	1,334,429	5.35	151,514	Collection after reporting period	595,397	-	Note 2 & 3
Fulgent Sun Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	942,695	3.31	-	-	611,440	-	Note 2 & 3
NGOC HUNG Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	494,414	2.96	229,772	Collection after reporting period	122,944	-	Note 2 & 3
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	221,182	4.85	-	-	-	-	Note 2 & 3
Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Subsidiary	196,710	-	-	-	-	-	Note 2, 3 & 4

Note 1: The subsequent collections represent collections from the balance sheet date to February 25, 2025.
Note 2: In Q4 2024, the exchange rates for assets and profit or loss were USD:NTD=32.7850 and USD:NTD=32.1251, respectively.
Note 3: Offset in consolidated financial statements.
Note 4: This amount is loaning of funds in its nature; therefore, the turnover rate will not be calculated.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Parent-subsidiary and Subsidiary-subsidiary Business Relations and Significant Transactions and Amounts Thereof

December 31, 2024

Appendix 6

Unit NT$ thousand
(Unless Otherwise Specified)

No. (Note 1)	Name of Trading Partner	Counterparty	Relationship (Note 2)	Transaction Status			
				General Ledger Account	Amount (Note 5)	Trade terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts receivables	$ 221,182	Note 4	1.02%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Accounts payable	694,868	Note 4	3.19%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Accounts payable	395,125	Note 4	1.82%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Accounts payable	344,294	Note 4	1.58%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts payable	1,334,429	Note 4	6.13%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Accounts payable	942,695	Note 4	4.33%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Accounts payable	494,414	Note 4	2.27%
1	Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	1	Other receivables	196,710	Note 4	0.90%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Other payables	836,018	Note 4	3.84%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Other payables	738,549	Note 4	3.39%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Purchases	1,137,098	Note 4	7.78%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Purchases	464,110	Note 4	3.18%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Purchases	576,691	Note 4	3.95%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Purchases	3,608,233	Note 4	24.69%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Purchases	2,685,780	Note 4	18.38%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Purchases	780,397	Note 4	5.34%
1	Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	1	Purchases	515,923	Note 4	3.53%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Sales	1,337,584	Note 4	9.15%
2	Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Purchases	165,306	Note 4	1.13%
2	Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Sales	156,165	Note 4	1.07%
3	Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd.	3	Sales	240,850	Note 4	1.65%

Note 1: The numbers filled in for parent-subsidiary transactions are described as follows:
(1) The parent company is numbered "0".
(2) The subsidiaries are numbered in order starting from "1".

Note 2: Relationships are categorized into the following three types. Please specify the type. (The same transaction shall not be disclosed repetitively. For example, if the transaction between the parent company and a subsidiary has been disclosed by the parent company, it need not be disclosed by the subsidiary.)
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Inter-subsidiary.

Note 3: Regarding the percentage of the transaction amount to consolidated total revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items, and on interim accumulated amount to consolidated total revenues for profit or loss items.

Note 4: Agreed on by both parties based on market conditions.

Note 5: In Q4 2024, the exchange rates for assets and profit or loss were USD:NTD=32.7850 and USD:NTD=32.1251, respectively.

Note 6: The disclosure standard is more than $150 million for the transaction amount.

Note 7: Offset in consolidated financial statements.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Name, Locations and Other Information of Investee Companies (Not Including Investees in Mainland China)

For the Year ended December 31, 2024

Appendix 7

Unit NT$ thousand
(Unless Otherwise Specified)

Investee Company	Investor Company	Place of Registration	Main Businesses	Original Investment Amount (Note 2) End of Period	Original Investment Amount (Note 2) End of Last Year	Shares Held as of period ended Number of Shares (Note 1)	Shares Held as of period ended Ratio	Shares Held as of period ended Book value (Note 3)	Investee company current profit or loss (Note 3)	Investment gain and loss recognized in the current period (Note 3&4)	Note
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Hong Kong	Holding company and Sports Leisure Outdoor Footwear Sales	$ 7,661,627	$ 6,585,827	1,990,400,000	100.00	$ 14,730,504	$ 1,459,713	$ 1,459,713	Subsidiary
Fulgent Sun International (Holding) Co., Ltd.	Wisesquare Enterprise Limited	Hong Kong	-	413	413	100,000	100.00	221	(80)	(80)	Subsidiary (Note 5)
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	1,518,038	1,518,038	-	100.00	3,629,138	181,495	181,495	Subsidiary
Capital Concord Enterprises Limited	Lin Wen Chih Sunstone Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	445,848	445,848	-	100.00	224,990	(1,633)	(1,633)	Subsidiary
Capital Concord Enterprises Limited	Lin Wen Chih Sunzeal Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	180,635	144,490	-	100.00	171,472	(12,118)	(12,118)	Subsidiary
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	2,177,881	2,079,418	-	100.00	3,099,402	176,965	176,965	Subsidiary
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,402,639	1,388,854	-	100.00	1,387,040	66,438	66,438	Subsidiary
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,139,429	799,883	-	100.00	1,144,573	46,432	46,432	Subsidiary
Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	498,346	193,124	-	100.00	498,057	(1,891)	(1,891)	Subsidiary
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Indonesia	Sports Leisure Outdoor Footwear Production and Sales	1,177,242	418,239	-	100.00	1.150,334	(3,528)	(3,528)	Subsidiary
Capital Concord Enterprises Limited	Laya Technology Co., Ltd.	Taiwan	Shoes material production and Sales	57,500	25,500	5,750,000	70.12	46,313	(8,761)	(6,190)	Subsidiary (Note 6)
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd.	Cambodia	Land lease	232,402	210,447	-	100.00	259,092	(125)	(125)	Subsidiary

Note 1: The companies with "-" in the blank had no shares issued.
Note 2: The historical exchange rate was adopted.
Note 3: In Q4 2024, the exchange rates for assets and profit or loss were USD:NTD=32.7850 and USD:NTD=32.1251, respectively.
Note 4: Investment income (loss) recognized in current period is based on the financial statements audited by the parent company's CPAs.
Note 5: Upon the Board of Directors' resolution on November 7, 2024, to liquidate Wisesquare, the procedure had not been completed finished at December 31, 2024.
Note 6: The Group's subsidiary, Laya Technology Co., Ltd., issued new shares, as a result, the Group changed its share interest. Please refer to Note 6 (25).

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

For the Year ended December 31, 2024

Appendix 8

Unit NT$ thousand
(Unless Otherwise Specified)

Investee Company in China	Main Businesses	Paid-in Capital (Note 3)	Investment Method (Note 2)	Accumulated Amount Remitted from Taiwan to Mainland China, as of beginning of period (Note 5)	Amount of investment Remitted or Recovered in Current Period (Note 5)		Amount Remitted from Taiwan to Mainland China, as of End of Period (Note 5)	Net Income (Loss) of the Investee in Current Period (Note 4)	Ownership Held by the Company	Investment Income (Loss) Recognized in Current Period (Notes 4 and 6)	Book Value of Investments in Mainland China, as of End of Period (Note 4)	Accumulated Amount of Investment Income Remitted Back to Taiwan, as of End of Period	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Fujian Sunshine Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	$ 723,826	2	$ -	$ -	$ -	$ -	($ 10,239)	100.00	($ 19,707)	$ 2,204,930	$ -	Note 1
Hubei Sunsmile Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	1,825,033	2	-	-	-	-	(50,975)	100.00	(34,651)	1,997,030	-	-
Sunny Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	130,680	2	-	-	-	-	16,836	100.00	16,836	512,571	-	-
Fujian Laya Outdoor Products Co., Ltd.	Import/export trading	40,656	2	-	-	-	-	59,696	100.00	58,912	379,120	-	-

Note 1: Fujian Sunshine Footwear Co., Ltd. had merged Hang Cheng Company and Yue Chen Company with the approval of the local competent authority on May 17, 2011. The initial investment amount included the original investment of US$4,000 thousand (equivalent to $120,000 thousand) in Hang Cheng Company and Yue Chen Company.

Note 2: Investment methods are classified into the following three categories (fill in the category number):
(1) Investment in Mainland China companies by remittance through a third region;
(2) Investment in Mainland China companies through a company established in a third region; or
(3) Investment in Mainland China companies through an existing investee company in a third region.

Note 3: The historical exchange rate was adopted.

Note 4: In Q4 2024, the exchange rates for assets and profit or loss were USD:NTD=32.7850 and USD:NTD=32.1251, respectively.

Note 5: The Company was established on the Cayman Islands, which is not subject to the limits on the principle limit in the “Principles for Conducting Investment or Technical Cooperation” of the Ministry of Economic Affairs. The Group has re-funded the investment in the amount of $2,565,826 thousand through re-investment in Hong Kong.

Note 6: Investment income (loss) recognized in current period is based on the financial statements audited by the parent company's CPAs.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Major Shareholders Information

December 31, 2024

Appendix 9

Name of Major Shareholder	Shares	
	Number of shares	Percentage of Ownership(%)
Custodial Account (LASPORTIVA INT'L CO., LTD.) Used by CTBC Bank	24,364,151	12.75
Custodial Account (MEINDL INT'L CO., LTD.) Used by CTBC Bank	22,064,465	11.55

Note: If the company applies to Taiwan Depository & Clearing Corporation for the information in the table, an explanation of the following may be made in the note:

(1) The table lists the shareholders holding more than 5% of the company's ordinary shares and preference shares delivered in non-physical form (including treasury shares) as of the last business day of the end of each quarter, as calculated by Taiwan Depository & Clearing Corporation. The share capital recorded in the company's financial statements and the company's shares delivered in non-physical form may vary due to different calculation bases.

(2) If shareholders have their shares in trust of the bank, a trustee's investment account should be indicated individually; for the declaration of an insider's equity exceeding 10% of the company's total equity in accordance with the Securities and Exchange Act, shareholding includes the shares held by a shareholder plus the shares in trust and with the right to decide on their use. For information on the declaration of an insider's equity, please refer to the Market Observation Post System.