

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Financial Statements and Independent Auditor's Report  
For the Six Months Ended June 30, 2025, and 2024  
(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 June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for three months and six months ended June 30, 2025 and 2024, the consolidated changes in equity, and cash flows for the six months then ended, as well as the 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 June 30, 2025, and 2024, and its consolidated financial performance and consolidated cash flows for the three months and six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by 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 Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the first half of the year ended 2025. These matters were addressed in the content 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 those matters.

Key audit matters for the Group's consolidated financial statements for the first half of the year ended 2025, are stated as follows:

#### **Sales Revenue Recognition**

##### Description

Please refer to the consolidated financial statements for the accounting policy on sales revenue (Note 4 (4)), and the description of the sales revenue (Note 6 (17)). The sales revenue from the Group's top ten customers accounted for 87% of the sales revenue for the six months ended June 30, 2025. As the recognition of sales revenue from the Group's top ten customers has a significant impact on the financial statements, we consider the accuracy of such revenue recognition to be 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 obtained an understanding of and evaluated the operating procedures and internal controls over sales transactions.
2. We tested the sales revenue from the Group's top ten customers by examining supporting documents to verify the accuracy of revenue recognition.
3. We performed tests of significant sales returns subsequent to the reporting period.
4. We sent confirmation requests for accounts receivable from significant sales customers.

### **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 International Accounting Standard 34 "Interim Financial Reporting" 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 of 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, 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 first half of the year ended 2025, 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

August 26, 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 versions, 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  
June 30, 2025, December 31, 2024, and June 30, 2024  
(Expressed in Thousands of New Taiwan Dollars)

Assets		Note	June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6 (1)	\$ 2,037,132	10	\$ 3,378,425	16	\$ 2,489,928	13
1170	Accounts receivable, net	6 (3)	4,448,571	22	3,673,067	17	3,360,811	17
1200	Other receivables		399,079	2	360,198	2	523,855	3
130X	Inventories	6 (4)	2,302,016	11	2,466,239	11	2,220,924	11
1410	Prepayments		63,009	1	70,071	-	50,960	-
1470	Other current assets	6 (7) and 8	38,621	-	191,237	1	244,337	1
11XX	Total current assets		9,288,428	46	10,139,237	47	8,890,815	45
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)	200	-	-	-	-	-
1600	Property, plant and equipment	6 (5) and 8	9,057,751	45	9,536,332	44	8,713,021	44
1755	Right-of-use assets	6 (6)	1,474,656	7	1,719,290	8	1,740,883	9
1780	Intangible assets		35,275	-	39,373	-	39,986	-
1840	Deferred tax assets	6 (23)	261,241	1	243,728	1	248,498	1
1900	Other non-current assets	6 (7) and 8	248,619	1	87,223	-	76,805	1
15XX	Total non-current assets		11,077,742	54	11,625,946	53	10,819,193	55
1XXX	Total assets		\$ 20,366,170	100	\$ 21,765,183	100	\$ 19,710,008	100

(Continued)

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

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

## Consolidated Balance Sheets

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		Note	June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6 (8) and 8	\$ 1,672,300	8	\$ 1,510,000	7	\$ 1,924,700	10
2130	Current contract liabilities	6 (17)	25,008	-	29,059	-	115,070	1
2170	Accounts payable		1,981,570	10	2,039,801	9	1,688,670	9
2200	Other payables	6 (9)	1,741,567	9	1,517,174	7	1,405,605	7
2230	Current tax liabilities		327,085	2	311,332	2	307,895	1
2280	Current lease liabilities		73,457	-	67,588	-	51,942	-
2399	Other current liabilities, others		56,793	-	60,549	-	46,365	-
21XX	Total current liabilities		5,877,780	29	5,535,503	25	5,540,247	28
Non-Current liabilities								
2500	Non-current financial liabilities at fair value through profit or loss	6(2)	-	-	1,800	-	-	-
2530	Bonds payable	6(10)	946,872	5	936,237	4	-	-
2560	Non-current tax liabilities		62,643	-	64,752	-	144,174	1
2570	Deferred tax liabilities	6 (23)	117,647	1	159,356	1	164,632	1
2580	Non-current lease liabilities		670,794	3	791,235	4	827,207	4
2600	Other non-current liabilities	6 (11)	185,745	1	205,405	1	205,959	1
25XX	Total non-current liabilities		1,983,701	10	2,158,785	10	1,341,972	7
2XXX	Total liabilities		7,861,481	39	7,694,288	35	6,882,219	35
Equity attributable to owners of the parent company								
	Share capital	6 (14)						
3110	Ordinary share		2,009,917	10	1,909,899	9	1,909,899	10
3140	Advance receipts for share capital		-	-	625,798	3	-	-
	Capital surplus	6 (15)						
3200	Capital surplus		6,605,628	32	5,905,340	27	5,703,978	29
	Retained earnings	6 (16)						
3310	Legal reserve		1,387,473	7	1,318,803	6	1,249,826	6
3320	Special reserve		269,057	1	380,450	2	693,575	3
3350	Unappropriated retained earnings		4,208,341	21	4,236,542	19	3,686,357	19
	Other equity							
3400	Other equity		( 1,993,407)	( 10)	( 269,057)	( 1)	( 380,450)	( 2)
3500	Treasury shares	6 (14)	-	-	( 57,583)	-	( 57,583)	-
31XX	Total equity attributable to owners of the parent company		12,487,009	61	14,050,192	65	12,805,602	65
36XX	Non-controlling interests	6(25)	17,680	-	20,703	-	22,187	-
3XXX	Total equity		12,504,689	61	14,070,895	65	12,827,789	65
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
3X2X	Total liabilities and equity		\$ 20,366,170	100	\$ 21,765,183	100	\$ 19,710,008	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 Six Months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Share)

Item	Note	For the Three Months Ended June 30, 2025		For the Three Months Ended June 30, 2024		For the Six Months Ended June 30, 2025		For the Six Months Ended June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	6 (17)	\$ 5,232,374	100	\$ 3,965,185	100	\$ 8,899,961	100	\$ 6,624,398	100
5000 Operating costs	6 (4)	( 4,264,697)	( 82)	( 3,236,467)	( 82)	( 7,233,337)	( 81)	( 5,414,836)	( 82)
5950 Gross profit from operations		<u>967,677</u>	<u>18</u>	<u>728,718</u>	<u>18</u>	<u>1,666,624</u>	<u>19</u>	<u>1,209,562</u>	<u>18</u>
Operating expenses	6 (22)								
6100 Selling expenses		( 56,977)	( 1)	( 54,344)	( 1)	( 107,020)	( 1)	( 104,067)	( 1)
6200 Administrative expenses		( 240,208)	( 4)	( 236,795)	( 6)	( 534,993)	( 6)	( 455,375)	( 7)
6300 Research and development expenses		( 83,740)	( 2)	( 69,426)	( 2)	( 160,333)	( 2)	( 138,040)	( 2)
6450 Expected credit Impairment gain	12 (2)	<u>173</u>	<u>-</u>	<u>2,172</u>	<u>-</u>	<u>338</u>	<u>-</u>	<u>7,253</u>	<u>-</u>
6000 Total operating expenses		<u>( 380,752)</u>	<u>( 7)</u>	<u>( 358,393)</u>	<u>( 9)</u>	<u>( 802,008)</u>	<u>( 9)</u>	<u>( 690,229)</u>	<u>( 10)</u>
6900 Net operating income		<u>586,925</u>	<u>11</u>	<u>370,325</u>	<u>9</u>	<u>864,616</u>	<u>10</u>	<u>519,333</u>	<u>8</u>
Non-operating income and expenses									
7100 Interest income	6 (18)	19,441	-	26,271	1	36,197	-	50,722	1
7010 Other income	6 (19)	23,827	1	35,582	1	49,972	-	81,822	1
7020 Other gains and losses	6 (20)	( 192,787)	( 4)	87,968	2	( 180,477)	( 2)	238,192	3
7050 Finance costs	6 (21)	( 13,962)	-	( 9,177)	-	( 26,305)	-	( 18,018)	-
7000 Total non-operating income and expenses		<u>( 163,481)</u>	<u>( 3)</u>	<u>140,644</u>	<u>4</u>	<u>( 120,613)</u>	<u>( 2)</u>	<u>352,718</u>	<u>5</u>
7900 Profit before income tax		<u>423,444</u>	<u>8</u>	<u>510,969</u>	<u>13</u>	<u>744,003</u>	<u>8</u>	<u>872,051</u>	<u>13</u>
7950 Income tax expenses	6 (23)	<u>( 123,813)</u>	<u>( 2)</u>	<u>( 104,356)</u>	<u>( 3)</u>	<u>( 193,805)</u>	<u>( 2)</u>	<u>( 183,408)</u>	<u>( 3)</u>
8200 Profit for the period		<u>\$ 299,631</u>	<u>6</u>	<u>\$ 406,613</u>	<u>10</u>	<u>\$ 550,198</u>	<u>6</u>	<u>\$ 688,643</u>	<u>10</u>
Other comprehensive income, net									
Items that may be subsequently reclassified to profit or loss									
8361 Exchange differences on translation of foreign financial statements		<u>( \$ 1,882,545)</u>	<u>( 36)</u>	<u>( \$ 4,128)</u>	<u>-</u>	<u>( \$ 1,724,427)</u>	<u>( 19)</u>	<u>\$ 313,091</u>	<u>5</u>
8300 Other comprehensive (loss) income, net		<u>( \$ 1,882,545)</u>	<u>( 36)</u>	<u>( \$ 4,128)</u>	<u>-</u>	<u>( \$ 1,724,427)</u>	<u>( 19)</u>	<u>\$ 313,091</u>	<u>5</u>
8500 Total comprehensive (loss) income for the period		<u>( \$ 1,582,914)</u>	<u>( 30)</u>	<u>\$ 402,485</u>	<u>10</u>	<u>( \$ 1,174,229)</u>	<u>( 13)</u>	<u>\$ 1,001,734</u>	<u>15</u>
Profit (loss) attributable to:									
8610 Owners of the parent company		<u>\$ 300,475</u>	<u>6</u>	<u>\$ 407,733</u>	<u>10</u>	<u>\$ 552,351</u>	<u>6</u>	<u>\$ 689,763</u>	<u>10</u>
8620 Non-controlling interests		<u>( \$ 844)</u>	<u>-</u>	<u>( \$ 1,120)</u>	<u>-</u>	<u>( \$ 2,153)</u>	<u>-</u>	<u>( \$ 1,120)</u>	<u>-</u>
Comprehensive (loss) income attributable to:									
8710 Owners of the parent		<u>( \$ 1,581,980)</u>	<u>( 30)</u>	<u>\$ 403,639</u>	<u>10</u>	<u>( \$ 1,171,999)</u>	<u>( 13)</u>	<u>\$ 1,002,888</u>	<u>15</u>
8720 Non-controlling interests		<u>( \$ 934)</u>	<u>-</u>	<u>( \$ 1,154)</u>	<u>-</u>	<u>( \$ 2,230)</u>	<u>-</u>	<u>( \$ 1,154)</u>	<u>-</u>
Basic earnings per share	6 (24)								
9750 Total basic earnings per share		<u>\$ 1.50</u>		<u>\$ 2.14</u>		<u>\$ 2.76</u>		<u>\$ 3.62</u>	
Diluted earnings per share									
9850 Total diluted earnings per share		<u>\$ 1.45</u>		<u>\$ 2.14</u>		<u>\$ 2.69</u>		<u>\$ 3.62</u>	

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 Changes in Equity  
For the Six Months ended June 30, 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of the parent company												
	Share capital			Retained earnings			Exchange differences on translation of foreign financial statements	Treasury shares	Total	Non-controlling interests	Total equity	
Note	Ordinary share	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings						
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	-	-	-	-	-	689,763	-	-	689,763	( 1,120)	688,643	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	313,125	-	313,125	( 34)	313,091	
Total comprehensive income (loss) for the period	-	-	-	-	-	689,763	313,125	-	1,002,888	( 1,154)	1,001,734	
Distribution of earnings for the second half year6(16) of 2023												
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)	
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 June 30, 2024		\$ 1,909,899	\$ -	\$ 5,703,978	\$ 1,249,826	\$ 693,575	\$ 3,686,357	(\$ 380,450)	(\$ 57,583)	\$ 12,805,602	\$ 22,187	\$ 12,827,789
Balance at January 1, 2025		\$ 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
Profit (loss) for the period		-	-	-	-	-	552,351	-	-	552,351	( 2,153)	550,198
Other comprehensive loss for the period		-	-	-	-	-	-	( 1,724,350)	-	( 1,724,350)	( 77)	( 1,724,427)
Total comprehensive income (loss) for the period		-	-	-	-	-	552,351	( 1,724,350)	-	( 1,171,999)	( 2,230)	( 1,174,229)
Distribution of earnings for the second half year6(16) of 2024												
Legal reserve appropriated		-	-	-	68,670	-	( 68,670)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	( 111,393)	111,393	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	-	( 623,068)	-	-	( 623,068)	-	( 623,068)
Conversion of convertible bonds	6(10)(14)(15)(26)	18	-	170	-	-	-	-	-	188	-	188
Issue of shares	6(14)(15)	100,000	( 625,798)	657,361	-	-	-	-	-	131,563	-	131,563
Share-based payments	6(13)(15)	-	-	50,167	-	-	-	-	-	50,167	-	50,167
Treasury shares sold to employees	6(14)(15)	-	-	( 7,410)	-	-	-	-	57,583	50,173	-	50,173
Difference between consideration and carrying amount of subsidiaries acquired	6(25)	-	-	-	-	-	( 207)	-	-	( 207)	( 793)	( 1,000)
Balance at June 30, 2025		\$ 2,009,917	\$ -	\$ 6,605,628	\$ 1,387,473	\$ 269,057	\$ 4,208,341	( 1,993,407)	\$ -	\$ 12,487,009	\$ 17,680	\$ 12,504,689

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 Six Months ended June 30, 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars)

	Note	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
<u>Cash flows from operating activities</u>			
Profit before income tax		\$ 744,003	\$ 872,051
Adjustments items			
Adjustments to reconcile profit and loss			
Depreciation expense	6(5)(6)(22)	459,655	507,837
Amortization expense	6(22)	9,218	9,615
Expected credit impairment gain	12(2)	( 338 )	( 7,253 )
Gain on financial assets and liabilities at fair value through profit or loss, net	6(2)(20)	( 2,000 )	-
Interest expense	6(21)	26,305	18,018
Interest income	6(18)	( 36,197 )	( 50,722 )
Share-based payments	6(13)	50,167	-
(Gain) loss on disposal of property, plant and equipment	6(20)	( 1,030 )	4,643
Profit from lease modification	6(6)	( 10 )	( 971 )
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable		( 1,283,323 )	( 515,541 )
Other receivables		( 90,304 )	( 16,189 )
Inventories		( 120,390 )	25,253
Prepayments		( 132 )	17,552
Other current assets		( 11,874 )	( 6,753 )
Net changes in operating liabilities			
Contract liability		18,379	103,187
Accounts payable		162,797	319,621
Other payables		( 30,456 )	( 12,832 )
Other current liabilities		2,772	( 14,618 )
Other non-current liabilities		( 1,557 )	( 1,569 )
Cash (outflow) inflow generated from operations		( 104,315 )	1,251,329
Interest received		36,694	51,746
Interest paid		( 11,399 )	( 13,569 )
Income tax paid		( 208,555 )	( 484,614 )
Net cash flows (used in) generated from operating activities		( 287,575 )	804,892

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Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Six Months ended June 30, 2025 and 2024  
(Expressed in Thousands of New Taiwan Dollars)

	Note	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		( \$ 8,800 )	( \$ 150,728 )
Proceeds from disposal of financial assets at amortized cost		148,189	184,208
Acquisition of property, plant and equipment	6(26)	( 1,154,071 )	( 705,599 )
Proceeds from disposal of property, plant and equipment		3,294	15,274
Increase in refundable deposits		( 4,209 )	( 12,042 )
Acquisition of intangible assets		( 260 )	( 5,070 )
Net cash inflows from business combination		-	952
Acquisition of use-of-right assets	6(6)	( 362 )	-
Increase in other non-current assets		( 565 )	( 376 )
Net cash flows used in investing activities		( 1,016,784 )	( 673,381 )
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(27)	6,275,032	5,427,963
Decrease in short-term borrowings	6(27)	( 5,924,416 )	( 5,286,435 )
Payments of lease liabilities	6(6)(27)	( 8,999 )	( 7,032 )
Cash dividends paid	6(16)(27)	( 380,660 )	( 380,660 )
Proceeds from issuing shares	6(14)	134,202	-
Treasury shares sold to employees		50,173	-
Acquisition of equity interests in subsidiaries	6(25)	( 1,000 )	-
Net cash flows generated from (used in) financing activities		144,332	( 246,164 )
Effects of exchange rate changes		( 181,266 )	( 4,740 )
Net decrease in cash and cash equivalents		( 1,341,293 )	( 119,393 )
Cash and cash equivalents at beginning of period		3,378,425	2,609,321
Cash and cash equivalents at end of period		\$ 2,037,132	\$ 2,489,928

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 Six Months ended June 30, 2025 and 2024,  
(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 August 26, 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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (“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.

(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 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of 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
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
Annual Improvements to IFRS Accounting Standards –Volume 11	January 1, 2026

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 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

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 are the same as Note 4 of the 2024 consolidated financial statements except for the statement of compliance, basis of preparation, basis of consolidation and newly added accounting policies are explained below. These policies apply consistently during all reporting periods, unless otherwise specified.

(1) Compliance statement

- A. These consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and the International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the FSC.
- B. The consolidated financial statements should be read along with the consolidated financial statements for the year ended December 31, 2024.

(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 International Financial Reporting Standards, International Accounting Standards, IFRIC<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "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

The principles for preparing the consolidated financial statements are the same as those for the 2024 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Percentage of Ownership			Notes
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Capital Concord Enterprises Limited (Capital Concord)	Holding company; Sports Leisure Outdoor Footwear Sales	100.00	100.00	100.00	
The Company	Wisesquare Enterprise Limited (Wisesquare)	-	-	100.00	100.00	Note 1
The Company	Medao Trading Co., Ltd. (Medao Trading)	Import/export trading	100.00	-	-	Note2
Capital Concord	Fujian Laya Outdoor Products Co., Ltd. (Fujian Laya)	Import/export trading	100.00	100.00	100.00	
Capital Concord	Fujian Sunshine Footwear Co., Ltd. (Sunshine)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord	Sunny Footwear Co., Ltd. (Sunny)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord	Hubei Sunsmile Footwear Co., Ltd. (Sunsmile)	Sports Leisure Outdoor Footwear Production and Sales	100.00	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	100.00	
Capital Concord	Lin Wen Chih Sunstone Enterprises Co., Ltd. (Sunstone)	Sports Leisure Outdoor Footwear Production and Sales	100.00	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	100.00	
Capital Concord	Fulgent Sun Footwear Co., Ltd. (Fulgent Sun)	Sports Leisure Outdoor Footwear Production	100.00	100.00	100.00	
Capital Concord	NGOC Hung Footwear Co., Ltd. (NGOC HUNG)	Sports Leisure Outdoor Footwear Production	100.00	100.00	100.00	
Capital Concord	Eversun Footwear Co., Ltd. (Eversun)	Sports Leisure Outdoor Footwear Production	100.00	100.00	100.00	
Capital Concord	Sunglory Footwear Co., Ltd. (Sunglory)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord	PT. SUN BRIGHT LESTARI	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord	Laya Technology Co., Ltd. (Laya Technology)	Shoes Material and Equipment Production and Sales	70.12	70.12	70.12	Note 3
Sunbow	Lin Wen Chih Sunlit Enterprises Co., Ltd. (Sunlit)	Land lease	100.00	100.00	100.00	Note 4

Note 1: The cancellation of registration was completed in March 2025.

Note 2: The Group has de facto control over Medao Trading, and has included it in the consolidated financial statements since Q2 2024. The Company acquired 100% of the equity interests of Medao Trading from related parties in May, 2025, please refer to Note 6 (25) and 7.

Note 3: 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. 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. 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 4: 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.

- 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) Accounting Policies Of Key Audit Matters

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.

(5) Income Tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

## 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. Except for the descriptions below regarding significant accounting judgments, estimates, and assumptions with uncertainties that are related to the key audit matters, please refer to Note 5 of the consolidated financial statements for the year ended 2024 for further details.

### (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

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and revolving funds	\$ 6,006	\$ 5,345	\$ 3,704
Checking deposits & demand deposits	1,585,568	2,113,107	1,304,858
Time deposits	445,558	1,259,973	1,181,366
Total	<u>\$ 2,037,132</u>	<u>\$ 3,378,425</u>	<u>\$ 2,489,928</u>

A. The financial institutions of the Group have good credit quality, and the Group has dealings with several financial institutions to diversify 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	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
- Convertible corporate bond redemption and sale rights	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>

Item	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
- Convertible corporate bond redemption and sale rights	<u>\$ -</u>	<u>(\$ 1,800)</u>	<u>\$ -</u>

The redemption and sale rights embedded in the Group's convertible corporate bonds resulted in recognized gains of \$300 and \$2,000 for the three months and six months ended June 30, 2025, respectively.

(3) Accounts receivable, net

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	\$ 4,455,332	\$ 3,680,980	\$ 3,368,740
Less: Allowance for impairment	( 6,761)	( 7,913)	( 7,929)
	<u>\$ 4,448,571</u>	<u>\$ 3,673,067</u>	<u>\$ 3,360,811</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ 4,403,102	\$ 3,626,208	\$ 3,331,345
Overdue 0 to 90 days	45,543	47,115	29,638
Overdue 91 to 180 days	-	21	184
Overdue 181 to 365 days	-	6	21
Over 365 days past due	6,687	7,630	7,552
Total	<u>\$ 4,455,332</u>	<u>\$ 3,680,980</u>	<u>\$ 3,368,740</u>

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

B. The balances of accounts receivable of June 30, 2025, December 31, 2024 and June 30, 2024 were generated by the customer contracts. The balances of accounts receivable from the customer contract as of January 1, 2024 was \$2,706,739.

C. The amount of the maximum credit risk of the Group's accounts receivables as of June 30, 2025, December 31, 2024 and June 30, 2024 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

	June 30, 2025		
	Cost	Allowance for inventory market decline and obsolescence	Book value
Raw materials	\$ 528,776	(\$ 36,203)	\$ 492,573
Work in process	803,640	( 5,448)	798,192
Finished goods	797,993	( 15,613)	782,380
Inventory in transit	228,871	-	228,871
Total	<u>\$ 2,359,280</u>	<u>(\$ 57,264)</u>	<u>\$ 2,302,016</u>

	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	<u>\$ 2,528,721</u>	<u>(\$ 62,482)</u>	<u>\$ 2,466,239</u>

	June 30, 2024		
	Cost	Allowance for inventory market decline and obsolescence	Book value
Raw materials	\$ 490,962	(\$ 46,415)	\$ 444,547
Work in process	653,921	( 4,303)	649,618
Finished goods	1,013,749	( 33,995)	979,754
Inventory in transit	147,005	-	147,005
Total	<u>\$ 2,305,637</u>	<u>(\$ 84,713)</u>	<u>\$ 2,220,924</u>

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

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Cost of inventories sold	\$ 4,269,151	\$ 3,254,093
Inventory valuation gains from price recovery	( 16,836)	( 16,352)
Inventory scrap losses	5,378	3,070
Others	7,004	( 4,344)
	<u>\$ 4,264,697</u>	<u>\$ 3,236,467</u>

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Cost of inventories sold	\$ 7,227,844	\$ 5,427,509
Inventory valuation gains from price recovery	( 5,218)	( 7,129)
Inventory scrap losses	5,378	3,071
Others	5,333	( 8,615)
	<u>\$ 7,233,337</u>	<u>\$ 5,414,836</u>

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 three months and the six months ended June 30, 2025 and 2024.

(Blank Below)

(5) Property, Plant and Equipment

For the Six Months Ended June 30, 2025						
Cost	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	\$ 389,700	\$ -	\$ -	\$ -	(\$ 41,424)	\$ 348,276
Buildings	5,798,654	2,936	-	292,931	( 662,619)	5,431,902
Machinery equipment	5,793,402	144,674	( 16,499)	49,427	( 661,697)	5,309,307
Transportation equipment	96,747	4,229	-	3,278	( 11,900)	92,354
Office equipment	75,326	7,135	( 1,785)	70	( 8,487)	72,259
Others	2,642,713	73,189	( 17,060)	8,995	( 292,363)	2,415,474
Construction in progress and to-be-inspected equipment	1,781,223	859,611	-	( 345,589)	( 253,194)	2,042,051
	<u>\$ 16,577,765</u>	<u>\$ 1,091,774</u>	<u>(\$ 35,344)</u>	<u>\$ 9,112</u>	<u>(\$ 1,931,684)</u>	<u>\$ 15,711,623</u>
Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	(\$ 2,133,022)	(\$ 130,934)	\$ -	\$ -	\$ 229,360	(\$ 2,034,596)
Machinery equipment	( 2,616,191)	( 145,807)	15,222	-	289,701	( 2,457,075)
Transportation equipment	( 66,562)	( 3,302)	-	-	7,847	( 62,017)
Office equipment	( 58,399)	( 4,139)	1,775	-	6,396	( 54,367)
Others	( 2,167,259)	( 137,200)	16,083	-	242,559	( 2,045,817)
	<u>(\$ 7,041,433)</u>	<u>(\$ 421,382)</u>	<u>\$ 33,080</u>	<u>\$ -</u>	<u>\$ 775,863</u>	<u>(\$ 6,653,872)</u>
	<u>\$ 9,536,332</u>					<u>\$ 9,057,751</u>

For the Six Months Ended June 30, 2024						
Cost	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	\$ 338,956	\$ -	\$ -	\$ -	\$ 19,263	\$ 358,219
Buildings	5,524,545	4,469	-	35,005	180,959	5,744,978
Machinery equipment	5,547,612	47,006	( 51,175)	7,901	162,610	5,713,954
Transportation equipment	90,741	5,190	( 3,415)	1,568	2,195	96,279
Office equipment	65,505	3,992	-	293	2,260	72,050
Others	2,406,688	84,885	( 23,611)	6,889	97,160	2,572,011
Construction in progress and to-be-inspected equipment	301,587	520,058	-	( 54,497)	( 586)	766,562
	<u>\$ 14,275,634</u>	<u>\$ 665,600</u>	<u>(\$ 78,201)</u>	<u>(\$ 2,841)</u>	<u>\$ 463,861</u>	<u>\$ 15,324,053</u>
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)	( \$ 129,198)	\$ -	\$ -	( \$ 59,485)	( \$ 1,984,341)
Machinery equipment	( 2,275,736)	( 157,405)	34,577	-	( 72,058)	( 2,470,622)
Transportation equipment	( 60,864)	( 3,493)	3,415	-	( 1,791)	( 62,733)
Office equipment	( 48,483)	( 3,980)	-	-	( 1,744)	( 54,207)
Others	( 1,808,988)	( 173,004)	20,292	-	( 77,429)	( 2,039,129)
	<u>( \$ 5,989,729)</u>	<u>( \$ 467,080)</u>	<u>\$ 58,284</u>	<u>\$ -</u>	<u>( \$ 212,507)</u>	<u>( \$ 6,611,032)</u>
	<u>\$ 8,285,905</u>					<u>\$ 8,713,021</u>

A. For the six months ended June 30, 2025 and 2024, the Group had no interest capitalized.

B. For property, plant and equipment provided by the Group as collateral as of June 30, 2025, December 31, 2024 and June 30, 2024, 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:

	June 30, 2025	December 31, 2024	June 30, 2024
	Book value	Book value	Book value
Land	\$ 906,830	\$ 1,046,923	\$ 1,050,491
Buildings	567,826	672,367	690,392
	<u>\$ 1,474,656</u>	<u>\$ 1,719,290</u>	<u>\$ 1,740,883</u>

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
	Depreciation charge	Depreciation charge
Land	\$ 8,245	\$ 8,872
Buildings	10,057	11,062
	<u>\$ 18,302</u>	<u>\$ 19,934</u>

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
	Depreciation charge	Depreciation charge
Land	\$ 17,213	\$ 17,744
Buildings	21,060	23,013
	<u>\$ 38,273</u>	<u>\$ 40,757</u>

- C. The Group's right-of-use assets for the three months ended June 30, 2025 and 2024 both increased to \$0. For the six months ended June 30, 2025 and 2024 increased to \$2,107 and \$0, respectively.

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

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 1,924	\$ 2,177
Expense on short-term lease contracts	153	2,784
Profit from lease modification	- (	22)

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 4,036	\$ 4,449
Expense on short-term lease contracts	2,846	2,911
Profit from lease modification	( 10)	( 971)

- E. The Group's total cash outflows for leases were \$11,845 and \$9,943 for the six months ended June 30, 2025 and 2024, respectively.

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

Item	June 30, 2025	December 31, 2024	June 30, 2024
Current:			
Financial assets at amortized cost -			
Restricted bank deposits	\$ 2,115	\$ 4,089	\$ 1,670
Financial assets at amortized cost -			
Time deposits	12,900	166,696	221,618
Others	23,606	20,452	21,049
Total	<u>\$ 38,621</u>	<u>\$ 191,237</u>	<u>\$ 244,337</u>
Non-current:			
Prepayments for land and equipment	\$ 199,140	\$ 35,644	\$ 18,741
Refundable deposits	45,909	48,117	52,106
Others	3,570	3,462	5,958
Total	<u>\$ 248,619</u>	<u>\$ 87,223</u>	<u>\$ 76,805</u>

For other current assets and other non-current assets provided by the Group as collateral as of June 30, 2025, December 31, 2024 and June 30, 2024, please refer to Note 8.

(8) Short-term borrowings

Loans Type	June 30, 2025	Interest rate range	Collateral
Credit loans	<u>\$ 1,672,300</u>	1.700%~4.810%	Note
Loans Type	December 31, 2024	Interest rate range	Collateral
Credit loans	<u>\$ 1,510,000</u>	1.730%~1.816%	Note
Loans Type	June 30, 2024	Interest rate range	Collateral
Credit loans	<u>\$ 1,924,700</u>	1.650%~5.810%	Note

Note: For property, plant and equipment provided by the Group as collateral as of June 30, 2025, December 31, 2024 and June 30, 2024, please refer to Note 8.

(9) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Accrued salaries	\$ 599,571	\$ 732,496	\$ 539,930
Dividends payable	623,068	380,660	570,990
Payables on equipment	329,002	218,691	101,149
Others	189,926	185,327	193,536
	<u>\$ 1,741,567</u>	<u>\$ 1,517,174</u>	<u>\$ 1,405,605</u>

(10) Bonds payable

Item	June 30, 2025	December 31, 2024	June 30, 2024
Domestic sixth unsecured convertible corporate bonds	\$ 999,800	\$ 1,000,000	\$ -
Less: Discount on corporate bonds payable	( 52,928)	( 63,763)	-
Total	<u>\$ 946,872</u>	<u>\$ 936,237</u>	<u>\$ -</u>

The issuance of domestic sixth unsecured convertible corporate bonds by the Company, as approved by the regulatory authority:

## A. The terms are as follows:

- (A) The totaling \$1,000,000, with a par value of \$100 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. 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 June 30, 2025, was \$145,593. 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%.

C. On March 3, 2025, the conversion price was adjusted to \$109.6 (in dollars) per share with the approval of the Chairman.

D. As of June 30, 2025, the bonds totaling \$200 had been converted into 1,801 shares of common stock.

(11) Other non-current liabilities

Item	June 30, 2025	December 31, 2024	June 30, 2024
Deferred government grant income (Note)	\$ 99,933	\$ 111,245	\$ 112,272
Other non-current liabilities, others	85,812	94,160	93,687
Total	<u>\$ 185,745</u>	<u>\$ 205,405</u>	<u>\$ 205,959</u>

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 and branches 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 three months ended June 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$1,888 and \$1,718, respectively. For the six months ended June 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$3,711 and \$3,434, 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 three months ended June 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$20,912 and \$18,618, respectively. For the six months ended June 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$42,713 and \$40,011, 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 three months ended June 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$53,643 and \$36,746, respectively. For the six months ended June 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$108,112 and \$72,376, 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 three months ended June 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$4,446 and \$4,854, respectively. For the six months ended June 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$9,513 and \$8,625, respectively.
- E. The Group's subsidiaries in Indonesia 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 three months and six months ended June 30, 2025, the pensions recognized by the Group in accordance with the above regulations were both \$2.

(13) Share-based payment

- A. For the six months ended June 30, 2025, the Group's share-based payment arrangement was as follows:

Type of agreement	Grant date	Quantity granted	Contract period	Vesting Conditions
Treasury shares sold to employees	2025.02.25	660,000 shares	-	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
Treasury shares sold to employees	2025.02.25	\$152	\$76.02	35.78%	0.03 year	\$ -	1.28%	\$76.01

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:

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Equity-settled	\$ -	\$ -
	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Equity-settled	\$ 50,167	\$ -

#### (14) Share capital

- A. 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. The issuance price was \$76 (in dollars) per share, with the capital increase record date set on January 7, 2025. The total amount raised was \$760,000, of which \$625,798 and \$134,202 were collected in December 2024 and January 2025, respectively.
- B. On June 30, 2025, the Company's rated capital was \$3,000,000, divided into 300 million shares, the paid-in-capital was \$2,009,917 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	
	2025	2024
January 1	190,330	190,330
Issue of shares	10,000	-
Conversion of convertible bonds	2	-
Treasury shares sold to employees	660	-
June 30	200,992	190,330

#### C. Treasury shares

##### (A) Reason and quantity of share recovery

The Company had no treasury shares as of June 30, 2025.

December 31, 2024			
		Number of Shares	
Shareholder	Reason for Buyback	(in Thousands)	Book value
The Company	Transfer to employees	660	\$ 57,583
June 30, 2024			
		Number of Shares	
Shareholder	Reason for Buyback	(in Thousands)	Book value
The Company	Transfer to employees	660	\$ 57,583

- (B) The changes in the number of treasury shares held by the Company at the beginning and end of the period were as follows:

	Unit: Thousand Shares	
	2025	2024
January 1	660	660
Transfer to employees	( 660)	-
June 30	-	660

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

(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:

2025							
	Share Premium	Share Options	Employee Share Options	Treasury share transaction	Changes in ownership interests in subsidiaries	Others	Total
January 1	\$ 5,701,321	\$ 145,622	\$ 55,740	\$ -	\$ 2,111	\$ 546	\$ 5,905,340
Conversion of convertible bonds	199 (	29)	-	-	-	-	170
Cash capital increase	713,101	- (	55,740)		-	-	657,361
Share-based payments	-	-	50,167	-	-	-	50,167
Treasury shares sold to employees	-	- (	50,167)	42,757	-	- (	7,410)
June 30	<u>\$ 6,414,621</u>	<u>\$ 145,593</u>	<u>\$ -</u>	<u>\$ 42,757</u>	<u>\$ 2,111</u>	<u>\$ 546</u>	<u>\$ 6,605,628</u>

  

2024				
	Share Premium	Changes in ownership interests in subsidiaries	Others	Total
January 1 and June 30	\$ 5,701,321	\$ -	\$ 546	\$ 5,701,867
Changes in ownership interests in subsidiaries	-	2,111	-	2,111
June 30	<u>\$ 5,701,321</u>	<u>\$ 2,111</u>	<u>\$ 546</u>	<u>\$ 5,703,978</u>

(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 2023, as resolved at the shareholders' meeting held on May 27, 2024, were as follows:

	<u>For the second half year of 2023</u>		<u>For the first half year of 2023</u>	
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

F. The appropriations of earnings for 2024, as resolved at the shareholders' meeting held on May 28, 2025, were as follows:

	<u>For the second half year of 2024</u>		<u>For the first half year of 2024</u>	
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	\$	623,068	\$	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 2024, due to the Company's cash capital increase and the conversion of convertible corporate bonds, on December 26, 2024, the Board of Directors resolved to authorize the Chairman to implement the adjustment of the dividend rate for shareholders. On March 3, 2025, the dividend rate was adjusted to \$1.90 (in dollars) per share.

Before the record date of the appropriations of interim earnings for the second half year of 2024, if the number of outstanding shares is affected by the conversion of convertible corporate bonds, or other legal factors, resulting in a change in shareholders' dividends and a need for modification, it should be reported to the Board of Directors, which should authorize the Chairman to act at his/her own discretion.

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

(17) Operating revenue

	<u>For the Three Months Ended June 30, 2025</u>		<u>For the Three Months Ended June 30, 2024</u>	
Revenue from Contracts with Customers	\$	5,232,374	\$	3,965,185
	<u>For the Six Months Ended June 30, 2025</u>		<u>For the Six Months Ended June 30, 2024</u>	
Revenue from Contracts with Customers	\$	8,899,961	\$	6,624,398

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major geographical regions:

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Domestic sales (Note)	\$ 296,752	\$ 182,287
Asia	472,887	362,296
America	2,186,894	1,561,827
Europe	2,217,297	1,810,473
Africa	19,026	9,708
Australia	39,518	38,594
	<u>\$ 5,232,374</u>	<u>\$ 3,965,185</u>
	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Domestic sales (Note)	\$ 502,550	\$ 255,806
Asia	943,472	688,076
America	3,580,096	2,446,947
Europe	3,767,651	3,130,845
Africa	31,092	12,907
Australia	75,100	89,817
	<u>\$ 8,899,961</u>	<u>\$ 6,624,398</u>

Note: Domestic sales refer to sales in China.

B. Contract liabilities

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

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities:				
- Advance sales receipts	\$ 25,008	\$ 29,059	\$ 115,070	\$ 36,938

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

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	\$ 184	\$ 2,190
	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	\$ 19,545	\$ 28,320

(18) Interest income

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Interest on bank deposits	\$ 19,441	\$ 26,271
	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Interest on bank deposits	\$ 36,197	\$ 50,722

(19) Other income

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Government grants	\$ 1,137	\$ 10,702
Mold	11,210	9,691
Other income - others	11,480	15,189
	\$ 23,827	\$ 35,582
	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Government grants	\$ 3,747	\$ 11,881
Mold	26,176	45,589
Other income - others	20,049	24,352
	\$ 49,972	\$ 81,822

(20) Other gains and losses

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
(Loss) gain on disposal of property, plant and equipment	(\$ 172)	\$ 552
Foreign exchange (loss) gain	( 187,917)	91,766
Gain on financial assets and liabilities measured at fair value through profit and loss	300	-
Other losses	( 4,998)	( 4,350)
	(\$ 192,787)	\$ 87,968
	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Gain (loss) on disposal of property, plant and equipment	\$ 1,030	(\$ 4,643)
Foreign exchange (loss) gain	( 166,905)	249,915
Gain on financial assets and liabilities measured at fair value through profit and loss	2,000	-
Other losses	( 16,602)	( 7,080)
	\$ 180,477	\$ 238,192

(21) Finance Costs

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Bank borrowings	\$ 6,581	\$ 7,000
Convertible bonds	5,457	-
Lease liabilities	1,924	2,177
Others	-	-
	\$ 13,962	\$ 9,177

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Bank borrowings	\$ 11,439	\$ 13,569
Convertible bonds	10,823	-
Lease liabilities	4,036	4,449
Others	7	-
	<u>\$ 26,305</u>	<u>\$ 18,018</u>

(22) Expenses Expressed by Nature

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Employee benefits		
Salary	\$ 1,392,511	\$ 1,117,523
Labor and health insurance	37,060	33,659
Pension	80,891	61,936
Others	14,865	18,053
	<u>1,525,327</u>	<u>1,231,171</u>
Depreciation expense	223,046	251,773
Amortization expense	4,451	4,798
	<u>\$ 1,752,824</u>	<u>\$ 1,487,742</u>
	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Employee benefits		
Salary	\$ 2,766,902	\$ 1,981,523
Labor and health insurance	75,375	67,008
Pension	164,051	124,446
Others	29,270	31,158
	<u>3,035,598</u>	<u>2,204,135</u>
Depreciation expense	459,655	507,837
Amortization expense	9,218	9,615
	<u>\$ 3,504,471</u>	<u>\$ 2,721,587</u>

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' compensation for the employees of the Company and subsidiaries.

B. The estimated employees' compensation of the Company for the three months and six months ended June 30, 2025 and 2024 were both \$5,000 and \$10,000, respectively. The estimated directors' remuneration for the same periods amounted to \$3,750, \$5,000, \$7,500, and \$10,000, respectively. The above employees' compensation and directors' remuneration were recorded as operating expenses. Such estimates were determined based on the percentages specified in the Articles of Association, taking into consideration factors such as net income after tax and the legal reserve.

The employees' compensation and directors' remuneration for the year ended December 31, 2024, approved by the Board of Directors are consistent with those recognized in the financial statements for the year ended December 31, 2024.

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

(23) Income tax

A. Income tax expenses

Components of income tax expense:

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Current tax:		
Current tax on profits for the period	\$ 158,281	\$ 98,876
(Overestimated)		
underestimated income tax in prior periods	( 153)	6,300
Total current tax	158,128	105,176
Deferred tax:		
Origination and reversal of temporary differences	( 34,315)	( 820)
Total deferred tax	( 34,315)	( 820)
Income tax expenses	\$ 123,813	\$ 104,356
	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Current tax:		
Current tax on profits for the period	\$ 249,587	\$ 176,198
Underestimated income tax in prior periods	3,440	6,537
Total current tax	253,027	182,735
Deferred tax:		
Origination and reversal of temporary differences	( 59,222)	673
Total deferred tax	( 59,222)	673
Income tax expenses	\$ 193,805	\$ 183,408

B. The profit-seeking enterprise income tax returns of Capital Concord Enterprises Limited (H.K.), Taiwan Branch, Laya Technology Co., Ltd. and Medao Trading Co., Ltd. for the year ended December 31, 2023 have been approved by the tax authorities.

(24) Earnings per share

	For the Three Months Ended June 30, 2025		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 300,475	200,992	\$ 1.50
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	300,475	200,992	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	5,457	9,122	
Employee compensation	-	231	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 305,932	210,345	\$ 1.45

For the Three Months Ended June 30, 2024			
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 407,733	190,330	\$ 2.14
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	407,733	190,330	
Effect of dilutive potential ordinary shares			
Employee compensation	-	188	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 407,733	190,518	\$ 2.14

For the Six Months Ended June 30, 2025			
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 552,351	200,293	\$ 2.76
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	552,351	200,293	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	10,823	9,123	
Employee compensation	-	270	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 563,174	209,686	\$ 2.69

For the Six Months Ended June 30, 2024			
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 689,763	190,330	\$ 3.62
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	689,763	190,330	
Effect of dilutive potential ordinary shares			
Employee compensation	-	221	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 689,763	190,551	\$ 3.62

(25) Transactions with non-controlling interest

- A. 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.
- B. The Company acquired 100% of the equity interests in Medao Trading from related parties for cash consideration of \$1,000 in May 2025. Medao Trading had 100 thousand shares issued in total. Please refer to Note 7 for details. For the six months ended June 30, 2025, the impact of changes in non-controlling interests on equity attributable to owners of the parent is as follows:

	For the Six Months Ended June 30, 2025
Carrying amount of non-controlling interest acquired	\$ 793
Consideration paid to non-controlling interest	( 1,000)
	<u>( \$ 207)</u>
Difference between proceeds on actual acquisition of equity interest in a subsidiary and its carrying amount:	
Presented as a deduction from retained earnings	<u>(\$ 207)</u>

(26) Supplemental cash flow information

- A. Investing activities with partial cash payments:

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Additions to property, plant and equipment	\$ 1,100,886	\$ 662,759
Less: Prepayments for equipment, beginning of period	( 35,644)	( 13,362)
Add: Prepayments for land and equipment, end of period	199,140	18,741
Add: Payables on equipment, beginning of period	218,691	138,610
Less: Payables on equipment, end of period	( 329,002)	( 101,149)
Cash paid during the period	<u>\$ 1,154,071</u>	<u>\$ 705,599</u>

- B. Financing activities with no cash flow effects:

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Share capital converted from convertible corporate bonds	<u>\$ 188</u>	<u>\$ -</u>
Declared cash dividends not yet paid	<u>\$ 623,068</u>	<u>\$ 570,990</u>

(27) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Lease liabilities</u>	<u>Convertible corporate bonds</u>	<u>Dividends payable</u>	<u>Total liabilities from financing activities</u>
January 1, 2025	\$ 1,510,000	\$ 858,823	\$ 936,237	\$ 380,660	\$ 3,685,720
Changes in cash flows from financing	350,616	( 8,999)	-	( 380,660)	( 39,043)
Changes in other non-cash items	-	5,771	10,635	623,068	639,474
Impact of changes in foreign exchange rate	( 188,316)	( 111,344)	-	-	( 299,660)
June 30, 2025	<u>\$ 1,672,300</u>	<u>\$ 744,251</u>	<u>\$ 946,872</u>	<u>\$ 623,068</u>	<u>\$ 3,986,491</u>

	<u>Short-term borrowings</u>	<u>Lease liabilities</u>	<u>Dividends payable</u>	<u>Total liabilities from financing activities</u>
January 1, 2024	\$ 1,685,000	\$ 902,318	\$ 380,660	\$ 2,967,978
Changes in cash flows from financing	141,528	( 7,032)	( 380,660)	( 246,164)
Changes in other non-cash items	-	( 23,106)	570,990	547,884
Impact of changes in foreign exchange rate	98,172	6,969	-	105,141
June 30, 2024	<u>\$ 1,924,700</u>	<u>\$ 879,149</u>	<u>\$ 570,990</u>	<u>\$ 3,374,839</u>

## 7. Related Party Transactions

### (1) Name of related parties and relationship

<u>Name of the related parties</u>	<u>Relationship with the Group</u>
Hui-Yi, Lin	Group Operation Vice President
Fang-Chu, Liao	Group President

### (2) Significant related party transactions

Acquisition of equity interests in subsidiaries

	<u>For the Six Months Ended June 30, 2025</u>
	<u>Acquisition Price</u>
Hui-Yi, Lin	\$ 600
Fang-Chu, Liao	400
Total	<u>\$ 1,000</u>

The Group had no such situation for the six months ended June 30, 2024.

The Group's Board of Directors, on February 25, 2025, approved the acquisition of 100% equity interests in Medao Trading Co., Ltd. from related parties, please refer to Note 6 (25).

### (3) Key management compensation

	<u>For the Three Months Ended June 30, 2025</u>	<u>For the Three Months Ended June 30, 2024</u>
Short-term employee benefits	<u>\$ 19,285</u>	<u>\$ 22,167</u>
	<u>For the Six Months Ended June 30, 2025</u>	<u>For the Six Months Ended June 30, 2024</u>
Short-term employee benefits	\$ 39,203	\$ 43,930
Share-based payments	50,167	-
Total	<u>\$ 89,370</u>	<u>\$ 43,930</u>

## 8. Pledged Assets

	<u>Book value</u>			
<u>Assets</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>Guarantee use</u>
Land	\$ 104,750	\$ 117,209	\$ 116,011	Short-term borrowings
Buildings	138,375	157,045	157,630	Short-term borrowings
Financial assets at amortized cost (recognized in other current assets and other non-current assets)	4,857	7,220	6,949	Performance guarantee of the power supply agreement, performance bond and others
Refundable deposits (recognized in other current assets and other non-current assets)	46,190	48,117	52,106	Plants lease deposits and others
	<u>\$ 294,172</u>	<u>\$ 329,591</u>	<u>\$ 332,696</u>	

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		
	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment	\$ 3,549,325	\$ 2,864,789	\$ 1,483,274

  

	Outstanding amount		
	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment	\$ 1,395,103	\$ 1,283,460	\$ 841,682

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

There are no significant changes in this period, please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

(2) Financial instruments

A. Financial instruments by category

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit and loss			
Non-current financial assets mandatorily measured at fair value through profit or loss	\$ 200	\$ -	\$ -
Financial assets at amortized cost/ loans and receivables			
Cash and cash equivalents	\$ 2,037,132	\$ 3,378,425	\$ 2,489,928
Accounts receivable	4,448,571	3,673,067	3,360,811
Other receivables	399,079	360,198	523,855
Financial assets at amortized cost - current	15,015	170,785	223,288
Refundable deposits (current and non-current)	46,190	48,117	52,106
Financial assets at amortized cost - non-current	2,742	3,131	5,279
	<u>\$ 6,948,729</u>	<u>\$ 7,633,723</u>	<u>\$ 6,655,267</u>
<u>Financial liabilities</u>			
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	\$ 1,672,300	\$ 1,510,000	\$ 1,924,700
Accounts payable	1,981,570	2,039,801	1,688,670
Other payables	1,741,567	1,517,174	1,405,605
Bonds payable	946,872	936,237	-
	<u>\$ 6,342,309</u>	<u>\$ 6,003,212</u>	<u>\$ 5,018,975</u>
Lease liabilities (current and non-current)	<u>\$ 744,251</u>	<u>\$ 858,823</u>	<u>\$ 879,149</u>

## 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:

June 30, 2025										
(Foreign currency: functional currency)				Sensitivity Analysis						
	Foreign currency (in thousands)	Exchange rate	Book value	Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income				
<u>Financial assets</u>										
<u>Monetary items</u>										
USD: RMB	\$	113,552	7.1655	\$	3,327,066	1%	\$	33,271	\$	-
USD: VND		53,856	0.000039		1,577,978	1%		15,780		-
<u>Financial liabilities</u>										
<u>Monetary items</u>										
NTD: USD	\$	1,447,361	0.0341	\$	1,447,361	1%	\$	14,474	\$	-
December 31, 2024										
(Foreign currency: functional currency)				Sensitivity Analysis						
	Foreign currency (in thousands)	Exchange rate	Book value	Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income				
<u>Financial assets</u>										
<u>Monetary items</u>										
USD: RMB	\$	125,140	7.3070	\$	4,102,727	1%	\$	41,027	\$	-
<u>Financial liabilities</u>										
<u>Monetary items</u>										
NTD: USD	\$	1,596,842	0.0305	\$	1,596,842	1%	\$	15,968	\$	-
June 30, 2024										
(Foreign currency: functional currency)				Sensitivity Analysis						
	Foreign currency (in thousands)	Exchange rate	Book value	Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income				
<u>Financial assets</u>										
<u>Monetary items</u>										
USD: RMB	\$	115,786	7.2688	\$	3,757,249	1%	\$	37,572	\$	-
<u>Financial liabilities</u>										
<u>Monetary items</u>										
NTD: USD	\$	1,824,336	0.0308	\$	1,824,336	1%	\$	18,243	\$	-

- 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 three months and the six months ended June 30, 2025 and 2024, with recognized (loss) and gain was (\$187,917), \$91,766, (\$166,905) and \$249,915, 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 six months ended June 30, 2025, and 2024, 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 six months ended June 30, 2025, and 2024, would have decreased or increased \$669 and \$770, 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 June 30, 2025, December 31, 2024, and June 30, 2024.

- 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 June 30, 2025, December 31, 2024, and June 30, 2024, were as follows:

June 30, 2025	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 4,403,102	\$ -
Overdue 0 to 90 days	0.16%	45,543	74
Overdue 91 to 180 days	-	-	-
Overdue 181 to 365 days	-	-	-
Over 365 days past due	100.00%	6,687	6,687
Total		<u>\$ 4,455,332</u>	<u>\$ 6,761</u>

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		<u>\$ 3,680,980</u>	<u>\$ 7,913</u>

June 30, 2024	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 3,331,345	\$ -
Overdue 0 to 90 days	1.15%	29,638	341
Overdue 91 to 180 days	15.76%	184	29
Overdue 181 to 365 days	33.33%	21	7
Over 365 days past due	100.00%	7,552	7,552
Total		<u>\$ 3,368,740</u>	<u>\$ 7,929</u>

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

	2025	2024
	Accounts receivable	Accounts receivable
January 1	\$ 7,913	\$ 14,483
Reversal of impairment loss	( 338)	( 7,253)
Effect of foreign exchange	( 814)	699
June 30	<u>\$ 6,761</u>	<u>\$ 7,929</u>

(C) Liquidity risk

- 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.
- 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.
- As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group had unused borrowing facilities of \$7,775,500, \$10,020,314, and \$9,365,875, 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:

June 30, 2025	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	\$ 1,675,827	\$ -	\$ -	\$ -
Accounts payable	1,981,570	-	-	-
Other payables	1,741,567	-	-	-
Bonds payable	-	-	999,800	-
Lease liabilities	79,823	48,406	156,078	548,415

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:

June 30, 2024	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	\$ 1,926,899	\$ -	\$ -	\$ -
Accounts payable	1,688,670	-	-	-
Other payables	1,405,605	-	-	-
Lease liabilities	50,292	45,015	164,575	694,416

(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.

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):

		June 30, 2025	
		Fair Value	
		Book value	Level 3
Bonds payable		\$ 946,872	\$ 953,443

  

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

The Group had no bonds payable as of June 30, 2024.

- (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:

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit and loss				
- Redemption right of convertible corporate bonds	\$ -	\$ -	\$ 200	\$ 200

  

December 31, 2024	Level 1	Level 2	Level 3	Total
Liabilities				
<u>Recurring fair value</u>				
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 June 30, 2024.

- 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 six months ended June 30, 2025, and 2024.

F. The following table shows the changes for the six months ended June 30, 2025:

	2025
	Embedded derivative instruments
January 1	(\$ 1,800)
Gain recognized in profit and (loss) (Note)	2,000
June 30	\$ 200

Note: Recognized in other gains and losses.

The Group had no such situation for the six months ended June 30, 2024.

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 June 30, 2025	Evaluation techniques	Significant unobservable inputs	Interval (weighted average)	Relationship of inputs to fair value
Redemption right of corporate bonds	\$ 200	Binomial tree evaluation model	Volatility	47.16%	The higher the volatility, the higher the fair value.
	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 June 30, 2024.

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:

		June 30, 2025	
		Recognized in Profit or Loss	
Input value	Change	Favorable change	Unfavorable change
Financial Liabilities			
Redemption right of corporate bonds	Volatility ±5%	\$ 400	(\$ 400)
		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)

The Group had no such situation as of June 30, 2024.

### 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 significant marketable securities at the end of the period (Not including subsidiaries, associates, and joint ventures): None.
- D. 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 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Appendix 4.
- F. Significant inter-company transactions during the reporting period: Please refer to Appendix 5.

#### (2) Information on investees

Name, locations and other information of investee companies (not including investees in Mainland China): Please refer to Appendix 6.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to Appendix 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in Mainland Area: Please refer to Note 13(1).

### 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.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Loans to Others  
For the Six Months Ended June 30, 2025

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		Nature of loan	Transaction Amounts	Reason for short- term financing	Allowance for bad debt	Collateral		Financing Limits for each borrowing company (Note 2)	Financing company's total financing Amount Limits (Note 3)	Note
							Drawn	Interest rate					Item	Value			
1	Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	\$ 791,100	\$ 791,100	\$ 439,500	1.50%	Short-term financing	\$ -	Operating capital	\$ -	- None	\$ -	\$ 1,058,861	\$ 1,411,815	Notes 4 & 5
2	Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	1,201,300	1,201,300	454,150	3.50%	Short-term financing	-	Operating capital	-	- None	-	1,080,065	1,440,086	Notes 4 ,5& 6
3	Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	116,218	102,550	-	3.50%	Short-term financing	-	Operating capital	-	- None	-	103,751	138,334	Notes 4 & 5
4	Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Other receivables	Y	326,850	-	-	0.00%	Short-term financing	-	Build factory	-	- None	-	8,399,102	11,198,803	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 Q2 2025, the exchange rates for assets and profit or loss were USD:NTD=29.3000 and USD:NTD=31.8237, respectively.

Note 5: Offset in consolidated financial statements.

Note 6: Fujian Sunshine Footwear Co., Ltd., obtained the approval of the Board of Directors on June 27, 2025 to loan \$743,070 for Capital Concord Enterprises Limited, and the limit for individual objects has not been exceeded.

Due to the failure to fully repay the previous loan amount, exceeding the above-mentioned limit, Fujian Sunshine Footwear Co., Ltd. had not been drawn down as of June 30, 2025 after Capital Concord Enterprises Limited repaid the money on July 9, 2025, the excess situation was resolved.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Provision of Endorsements and Guarantees to Others  
For the Six Months Ended June 30, 2025

Unit: NT\$ Thousand  
(Unless Otherwise Specified)

Appendix 2

No. (Note 1)	Endorser/ Guarantor	Party Being Endorsed/Guaranteed		Relation (Note 2)	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													
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.		4	\$ 8,399,102	\$ 332,050	\$ 146,500	\$ -	\$ -	1.17%	\$ 11,198,803	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 Q2 2025, the exchange rates for assets and profit or loss were USD:NTD=29.3000 and USD:NTD=31.8237, respectively.

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 Six Months Ended June 30, 2025

Appendix 3

											Unit NT\$ thousand (Unless Otherwise Specified)	
Purchaser/Seller	Name of the Counterparty	Relationship with the counterparty	Transaction Details				Unusual Trade Conditions and Its Reasons		Notes and Accounts Receivable (Payable)			
			Purchases /Sales	Amount	Percentage of Total Purchases (Sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note	
Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	Subsidiary	Purchases	\$ 519,453	7.18%	180 days after purchase	Note 1	Note 1	(\$ 505,245)	-25.50%	Note 2 & 3	
Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	Subsidiary	Purchases	200,300	2.77%	180 days after purchase	Note 1	Note 1	( 266,115)	-13.43%	Note 2 & 3	
Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	Subsidiary	Purchases	345,150	4.77%	90 days after purchase	Note 1	Note 1	( 233,102)	-11.76%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	1,916,625	26.50%	120 days after purchase	Note 1	Note 1	( 1,354,972)	-68.38%	Note 2 & 3	
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiary	Purchases	1,885,410	26.07%	120 days after invoices issued	Note 1	Note 1	( 1,046,827)	-52.83%	Note 2 & 3	
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Subsidiary	Purchases	466,937	6.46%	120 days after invoices issued	Note 1	Note 1	( 480,709)	-24.26%	Note 2 & 3	
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Subsidiary	Purchases	283,996	3.93%	120 days after invoices issued	Note 1	Note 1	( 47,660)	-2.41%	Note 2 & 3	
Fulgent Sun Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	Sister company	Purchases	228,496	3.16%	120 days after invoices issued	Note 1	Note 1	( 140,850)	-7.11%	Note 2 & 3	
Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	121,337	1.68%	120 days after purchase	Note 1	Note 1	27,217	1.37%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Sales	( 683,386)	-7.68%	135 days after shipment	Note 1	Note 1	196,633	4.42%	Note 2 & 3	

Note 1: Sales transactions between the Group and related parties are valued 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 Q2 2025, the exchange rates for assets and profit or loss were USD:NTD=29.3000 and USD:NTD=31.8237, 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  
June 30, 2025

Appendix 4

										Unit NT\$ thousand (Unless Otherwise Specified)
Creditor	Name of the Counterparty	Relationship with the Counterparty	Accounts Receivable		Overdue Receivable		Amount Collected Subsequent to the Reporting Period (Note 1)	Allowance for Bad Debt	Note	
			Balance from Related Party	Turnover Rate	Amount	Actions Taken				
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	\$ 505,245	1.70	\$ 27,076	Collection after reporting period	\$ 43,950	\$ -	Note 2 & 3	
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	454,150	-	-	-	454,150	-	Note 2, 3& 4	
Sunny Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	266,115	1.19	69,055	Collection after reporting period	76,180	-	Note 2 & 3	
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	233,102	2.35	83,576	Collection after reporting period	87,900	-	Note 2 & 3	
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	439,500	-	-	-	205,100	-	Note 2, 3& 4	
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited	Parent company	1,354,972	2.77	-	-	531,858	-	Note 2 & 3	
Fulgent Sun Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	1,046,827	3.68	-	-	544,980	-	Note 2 & 3	
NGOC HUNG Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	480,709	1.86	150,833	Collection after reporting period	131,850	-	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	196,633	2.64	-	-	58,600	-	Note 2 & 3	
Eversun Footwear Co., Ltd.	Fulgent Sun Footwear Co., Ltd.	Sister company	140,850	3.56	-	-	83,005	-	Note 2 & 3	
Fujian Laya Outdoor Products Co., Ltd	Fujian Sunshine Footwear Co., Ltd.	Sister company	103,427	-	-	-	103,427	-	Note 2, 3& 5	

Note 1: The subsequent collections represent collections from the balance sheet date to August 26, 2025.

Note 2: In Q2 2025, the exchange rates for assets and profit or loss were USD:NTD=29.3000 and USD:NTD=31.8237, 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.

Note 5: This amount is other receivables in its nature; therefore, the turnover rate will not be calculated.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Significant inter-company transactions  
For the Six Months Ended June 30, 2025

Appendix 5

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	196,633	Note 4	0.97%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Accounts payable	505,245	Note 4	2.48%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Accounts payable	266,115	Note 4	1.31%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Accounts payable	233,102	Note 4	1.14%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts payable	1,354,972	Note 4	6.65%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Accounts payable	1,046,827	Note 4	5.14%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Accounts payable	480,709	Note 4	2.36%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Other payables	454,150	Note 4	2.23%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Other payables	439,500	Note 4	2.16%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Purchases	519,453	Note 4	5.84%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Purchases	200,300	Note 4	2.25%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Purchases	345,150	Note 4	3.88%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Purchases	1,916,625	Note 4	21.54%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Purchases	1,885,410	Note 4	21.18%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Purchases	466,937	Note 4	5.25%
1	Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	1	Purchases	283,996	Note 4	3.19%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Sales	683,386	Note 4	7.68%
2	Fulgent Sun Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	3	Purchases	228,496	Note 4	2.57%

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 Q2 2025, the exchange rates for assets and profit or loss were USD:NTD=29.3000 and USD:NTD=31.8237, 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 Six Months Ended June 30, 2025

Appendix 6

Unit NT\$ thousand (Unless Otherwise Specified)											
Investee Company	Investor Company	Place of Registration	Main Businesses	Original Investment Amount (Note 2)		Shares Held as of period ended			Investee company current profit or loss (Note 3)	Investment gain and loss recognized in the current period (Note 3&4)	Note
				End of Period	End of Last Year	Number of Shares (Note 1)	Ratio	Book value (Note 3)			
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Hong Kong	Holding company and Sports Leisure Outdoor Footwear Sales	\$ 8,432,973	\$ 7,661,627	2,173,000,000	100.00	\$ 13,998,504	\$ 630,165	\$ 630,165	Subsidiary
Fulgent Sun International (Holding) Co., Ltd.	Wisesquare Enterprise Limited	Hong Kong	-	-	413	-	-	-	-	-	Subsidiary (Note 5)
Fulgent Sun International (Holding) Co., Ltd.	Medao Trading Co., Ltd.	Taiwan	Import/export trading	1,000	-	100,000	100.00	870	6	103	Subsidiary (Note 6)
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	3,405,551	176,155	176,155	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	201,046	( 30 )	( 30 )	Subsidiary
Capital Concord Enterprises Limited	Lin Wen Chih Sunzeal Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	181,266	180,635	-	100.00	151,380	( 2,631 )	( 2,631 )	Subsidiary
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	2,210,674	2,177,881	-	100.00	2,878,296	166,349	166,349	Subsidiary
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,417,722	1,402,639	-	100.00	1,190,283	28,213	28,213	Subsidiary
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,154,305	1,139,429	-	100.00	1,050,919	46,375	46,375	Subsidiary
Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production and Sales	1,073,193	498,346	-	100.00	952,820	( 3,382 )	( 3,382 )	Subsidiary
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Indonesia	Sports Leisure Outdoor Footwear Production and Sales	1,577,468	1,177,242	-	100.00	1,383,640	( 18,364 )	( 18,364 )	Subsidiary
Capital Concord Enterprises Limited	Laya Technology Co., Ltd.	Taiwan	Shoes Material and Equipment Production and Sales	57,500	57,500	5,750,000	70.12	41,490	( 6,880 )	( 4,824 )	Subsidiary
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd.	Cambodia	Land lease	232,402	232,402	-	100.00	232,890	1,454	1,454	Subsidiary

Note 1: The companies with "-" in the blank had no shares issued.

Note 2: The historical exchange rate was adopted.

Note 3: In Q2 2025, the exchange rates for assets and profit or loss were USD:NTD=29.3000 and USD:NTD=31.8237, 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: The cancellation of registration was completed in March 2025.

Note 6: The Group has de facto control over Medao Trading, and has included it in the consolidated financial statements since Q2 2024. The Company's Board of Directors, on February 25, 2025, approved the acquisition of 100% equity interests in Medao Trading from related parties, please refer to Note 6 (25) and 7.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Information on Investments in Mainland China  
For the Six months ended June 30, 2025

Appendix 7

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)	Unit NT\$ thousand (Unless Otherwise Specified)	
					Remitted to Mainland China	Remitted back to Taiwan						Accumulated Amount of Investment Income Remitted Back to Taiwan, as of End of Period	Note
Fujian Sunshine Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	\$ 723,826	2	\$ -	\$ -	\$ -	\$ -	(\$ 46,868 )	100.00	(\$ 52,232 )	\$ 1,784,709	\$ -	Note 1
Hubei Sunsmile Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	1,825,033	2	-	-	-	-	( 42,919 )	100.00	( 51,209 )	1,772,052	-	-
Sunny Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	130,680	2	-	-	-	-	5,579	100.00	5,579	369,277	-	-
Fujian Laya Outdoor Products Co., Ltd.	Import/export trading	40,656	2	-	-	-	-	14,215	100.00	12,720	166,107	-	-

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 Q2 2025, the exchange rates for assets and profit or loss were USD:NTD=29.3000 and USD:NTD=31.8237, 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.