

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Financial Statements and
Independent Auditor's Review Report
For the Nine Months Ended September 30, 2025, and 2024
(Stock Code: 9802)

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheet of Fulgent Sun International (Holding) Co., Ltd. and its subsidiaries (collectively, the “Group”) as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. 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” endorsed and issued into effect by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, and its consolidated financial performance for the three months and the nine months ended September 30, 2025 and 2024, and its consolidated cash flows for the nine 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 the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Hua-Ling Liang and Yu-Chuan Wang.

PricewaterhouseCoopers

Taipei, Taiwan

Republic of China

November 6, 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' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two version, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 30, 2025, December 31, 2024, and September 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

Assets		Note	September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6 (1)	\$ 2,782,105	14	\$ 3,378,425	16	\$ 2,968,753	15
1170	Accounts receivable, net	6 (3)	2,923,684	14	3,673,067	17	2,804,079	14
1200	Other receivables		467,882	2	360,198	2	567,154	3
130X	Inventories	6 (4)	2,647,744	13	2,466,239	11	2,401,112	12
1410	Prepayments		49,833	-	70,071	-	58,036	-
1470	Other current assets	6 (7) and 8	46,966	-	191,237	1	178,907	1
11XX	Total current assets		8,918,241	43	10,139,237	47	8,978,041	45
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)	1,100	-	-	-	-	-
1600	Property, plant and equipment	6 (5) and 8	10,105,239	48	9,536,332	44	9,002,107	45
1755	Right-of-use assets	6 (6)	1,498,612	7	1,719,290	8	1,748,986	9
1780	Intangible assets		36,312	-	39,373	-	38,236	-
1840	Deferred tax assets	6 (24)	273,536	1	243,728	1	268,470	1
1900	Other non-current assets	6 (7) and 8	111,829	1	87,223	-	76,452	-
15XX	Total non-current assets		12,026,628	57	11,625,946	53	11,134,251	55
1XXX	Total assets		\$ 20,944,842	100	\$ 21,765,183	100	\$ 20,112,292	100

(Continued)

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

Fulgent Sun International (Holding) Co., Ltd. and SubsidiariesConsolidated Balance SheetsSeptember 30, 2025, December 31, 2024, and September 30, 2024(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		Note	September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6 (8) and 8	\$ 1,090,000	5	\$ 1,510,000	7	\$ 2,009,800	10
2130	Current contract liabilities	6 (18)	38,918	-	29,059	-	95,488	1
2170	Accounts payable		2,000,488	10	2,039,801	9	1,826,789	9
2200	Other payables	6 (9)	1,692,540	8	1,517,174	7	1,549,784	8
2230	Current tax liabilities		264,826	1	311,332	2	201,574	1
2280	Current lease liabilities		84,629	1	67,588	-	59,545	-
2320	Current portion of long-term liabilities	6 (11) and 8	50,000	-	-	-	-	-
2399	Other current liabilities, others		58,703	-	60,549	-	54,507	-
21XX	Total current liabilities		5,280,104	25	5,535,503	25	5,797,487	29
Non-Current liabilities								
2500	Non-current financial liabilities at fair value through profit or loss	6 (2)	-	-	1,800	-	-	-
2530	Bonds payable	6 (10)	952,422	5	936,237	4	-	-
2540	Long-term borrowings	6 (11) and 8	300,000	1	-	-	-	-
2560	Non-current tax liabilities		141,090	1	64,752	-	101,565	-
2570	Deferred tax liabilities	6 (24)	121,347	1	159,356	1	145,518	1
2580	Non-current lease liabilities		683,109	3	791,235	4	828,140	4
2600	Other non-current liabilities	6 (12)	193,279	1	205,405	1	207,132	1
25XX	Total non-current liabilities		2,391,247	12	2,158,785	10	1,282,355	6
2XXX	Total liabilities		7,671,351	37	7,694,288	35	7,079,842	35
Equity attributable to owners of the parent company								
	Share capital	6 (15)						
3110	Ordinary share		2,009,917	9	1,909,899	9	1,909,899	10
3140	Advance receipts for share capital		-	-	625,798	3	-	-
	Capital surplus	6 (16)						
3200	Capital surplus		6,605,628	32	5,905,340	27	5,703,978	28
	Retained earnings	6 (17)						
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		4,509,350	21	4,236,542	19	3,788,646	19
	Other equity							
3400	Other equity		(1,525,108)	(7)	(269,057)	(1)	(277,441)	(1)
3500	Treasury shares	6 (15)	-	-	(57,583)	-	(57,583)	-
31XX	Total equity attributable to owners of the parent company		13,256,317	63	14,050,192	65	13,010,900	65
36XX	Non-controlling interests	6 (26)	17,174	-	20,703	-	21,550	-
3XXX	Total equity		13,273,491	63	14,070,895	65	13,032,450	65
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
	Significant Events after the Balance Sheet Date	11						
3X2X	Total liabilities and equity		\$ 20,944,842	100	\$ 21,765,183	100	\$ 20,112,292	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 Nine Months Ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Share)

Item	Note	For the Three Months Ended September 30, 2025		For the Three Months Ended September 30, 2024		For the Nine Months Ended September 30, 2025		For the Nine Months Ended September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	6 (18)	\$ 3,819,386	100	\$ 3,598,903	100	\$ 12,719,347	100	\$ 10,223,301	100
5000 Operating costs	6 (4)	(3,148,900)	(82)	(2,915,373)	(81)	(10,382,237)	(82)	(8,330,209)	(82)
5950 Gross profit from operations		670,486	18	683,530	19	2,337,110	18	1,893,092	18
Operating expenses	6 (23)								
6100 Selling expenses		(52,646)	(2)	(56,411)	(1)	(159,666)	(1)	(160,478)	(1)
6200 Administrative expenses		(240,738)	(6)	(236,756)	(7)	(775,731)	(6)	(692,131)	(7)
6300 Research and development expenses		(79,893)	(2)	(83,324)	(2)	(240,226)	(2)	(221,364)	(2)
6450 Expected credit Impairment gain	12 (2)	1,037	-	174	-	1,375	-	7,427	-
6000 Total operating expenses		(372,240)	(10)	(376,317)	(10)	(1,174,248)	(9)	(1,066,546)	(10)
6900 Net operating income		298,246	8	307,213	9	1,162,862	9	826,546	8
Non-operating income and expenses									
7100 Interest income	6 (19)	9,739	-	18,335	-	45,936	-	69,057	1
7010 Other income	6 (20)	19,245	-	23,807	1	69,217	1	105,629	1
7020 Other gains and losses	6 (21)	68,174	2	(212,286)	(6)	(112,303)	(1)	25,906	-
7050 Finance costs	6 (22)	(14,950)	-	(11,720)	-	(41,255)	-	(29,738)	-
7000 Total non-operating income and expenses		82,208	2	(181,864)	(5)	(38,405)	-	170,854	2
7900 Profit before income tax		380,454	10	125,349	4	1,124,457	9	997,400	10
7950 Income tax expenses	6 (24)	(79,951)	(2)	(23,674)	(1)	(273,756)	(2)	(207,082)	(2)
8200 Profit for the period		\$ 300,503	8	\$ 101,675	3	\$ 850,701	7	\$ 790,318	8
Other comprehensive income, net									
Items that may be subsequently reclassified to profit or loss									
8361 Exchange differences on translation of foreign financial statement		\$ 468,299	12	\$ 102,986	3	(\$ 1,256,128)	(10)	\$ 416,077	4
8300 Other comprehensive income (loss), net		\$ 468,299	12	\$ 102,986	3	(\$ 1,256,128)	(10)	\$ 416,077	4
8500 Total comprehensive income (loss) for the period		\$ 768,802	20	\$ 204,661	6	(\$ 405,427)	(3)	\$ 1,206,395	12
Profit (loss) attributable to:									
8610 Owners of the parent company		\$ 301,009	8	\$ 102,289	3	\$ 853,360	7	\$ 792,052	8
8620 Non-controlling interests		(\$ 506)	-	(\$ 614)	-	(\$ 2,659)	-	(\$ 1,734)	-
Comprehensive income (loss) attributable to:									
8710 Owners of the parent		\$ 769,308	20	\$ 205,298	6	(\$ 402,691)	(3)	\$ 1,208,186	12
8720 Non-controlling interests		(\$ 506)	-	(\$ 637)	-	(\$ 2,736)	-	(\$ 1,791)	-
Basic earnings per share	6 (25)								
9750 Total basic earnings per share		\$ 1.50		\$ 0.54		\$ 4.26		\$ 4.16	
Diluted earnings per share									
9850 Total diluted earnings per share		\$ 1.46		\$ 0.54		\$ 4.14		\$ 4.16	

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 Nine Months Ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of the parent company											
Note	Share capital			Retained earnings			Exchange differences on translation of foreign financial statements	Treasury shares	Total	Non-controlling interests	Total equity
	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	-	-	-	-	-	792,052	-	-	792,052	(1,734)	790,318
Other comprehensive income (loss) for the period	-	-	-	-	-	-	416,134	-	416,134	(57)	416,077
Total comprehensive income (loss) for the period	-	-	-	-	-	792,052	416,134	-	1,208,186	(1,791)	1,206,395
Distribution of earnings for the second half year of 2023	6(17)										
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(16)(26)										
	-	-	2,111	-	-	-	-	-	2,111	(2,111)	-
Changes in non-controlling interests										25,452	25,452
Balance at September 30, 2024	\$ 1,909,899	\$ -	\$ 5,703,978	\$ 1,249,826	\$ 693,575	\$ 3,788,646	(\$ 277,441)	(\$ 57,583)	\$ 13,010,900	\$ 21,550	\$ 13,032,450
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	-	-	-	-	-	853,360	-	-	853,360	(2,659)	850,701
Other comprehensive loss for the period	-	-	-	-	-	-	(1,256,051)	-	(1,256,051)	(77)	(1,256,128)
Total comprehensive income (loss) for the period	-	-	-	-	-	853,360	(1,256,051)	-	(402,691)	(2,736)	(405,427)
Distribution of earnings for the second half year of 2024	6(17)										
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)(15)(16)(27)	18	-	170	-	-	-	-	188	-	188
Issue of shares	6(15)(16)	100,000	(625,798)	657,361	-	-	-	-	131,563	-	131,563
Share-based payments	6(14)(16)	-	-	50,167	-	-	-	-	50,167	-	50,167
Treasury shares sold to employees	6(15)(16)	-	-	(7,410)	-	-	-	57,583	50,173	-	50,173
Difference between consideration and carrying amount of subsidiaries acquired	6(26)	-	-	-	-	(207)	-	-	(207)	(793)	(1,000)
Balance at September 30, 2025	\$ 2,009,917	\$ -	\$ 6,605,628	\$ 1,387,473	\$ 269,057	\$ 4,509,350	(\$ 1,525,108)	\$ -	\$ 13,256,317	\$ 17,174	\$ 13,273,491

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 Nine Months Ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	<u>Note</u>	<u>For the Nine Months Ended September 30, 2025</u>	<u>For the Nine Months Ended September 30, 2024</u>
<u>Cash flows from operating activities</u>			
Profit before income tax		\$ 1,124,457	\$ 997,400
Adjustments items			
Adjustments to reconcile profit and loss			
Depreciation expense	6(5)(6)(23)	667,521	749,907
Amortization expense	6(23)	13,717	14,855
Expected credit impairment gain	12(2) (	1,375 ) (	7,427)
Gain on financial assets and liabilities at fair value through profit or loss, net	6(2)(21) (	2,900)	-
Interest expense	6(22)	41,255	29,738
Interest income	6(19) (	45,936 ) (	69,057)
Share-based payments	6(14)	50,167	-
(Gain) loss on disposal of property, plant and equipment	6(21) (	2,727)	3,778
Profit from lease modification	6(6) (	10 ) (	971)
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable		482,509 (	37,436)
Other receivables	(	147,689 ) (	54,249)
Inventories	(	385,966 ) (	207,696)
Prepayments		15,836	9,834
Other current assets	(	13,071 ) (	7,678)
Net changes in operating liabilities			
Contract liability		32,258	88,919
Accounts payable		96,784	484,309
Other payables	(	34,073)	43,073
Other current liabilities		2,393 (	5,523)
Other non-current liabilities	(	2,297 ) (	2,369)
Cash inflow generated from operations		1,890,853	2,029,407
Interest received		45,158	69,856
Interest paid	(	19,023 ) (	22,031)
Income tax paid	(	303,205 ) (	689,533)
Net cash flows generated from operating activities		<u>1,613,783</u>	<u>1,387,699</u>

(Continued)

(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 Nine Months Ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	<u>Note</u>	<u>For the Nine Months Ended September 30, 2025</u>	<u>For the Nine Months Ended September 30, 2024</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		(\$ 10,169)	(\$ 156,236)
Proceeds from disposal of financial assets at amortized cost		145,345	251,154
Acquisition of property, plant and equipment	6(27)	(2,047,958)	(1,155,742)
Proceeds from disposal of property, plant and equipment		6,559	17,000
Increase in refundable deposits		(6,072)	(5,488)
Acquisition of intangible assets		(2,399)	(5,092)
Net cash inflows from business combination		-	952
Acquisition of use-of-right assets	6(6)	(362)	-
Decrease in other non-current assets		67	253
Net cash flows used in investing activities		(1,914,989)	(1,053,199)
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(28)	10,141,913	10,449,405
Decrease in short-term borrowings	6(28)	(10,461,416)	(10,173,039)
Proceeds from long-term borrowings	6(28)	358,159	-
Payments of lease liabilities	6(6)(28)	(10,430)	(9,010)
Cash dividends paid	6(17)(28)	(380,660)	(380,660)
Proceeds from issuing shares	6(15)	134,202	-
Treasury shares sold to employees		50,173	-
Acquisition of equity interests in subsidiaries	6(26)	(1,000)	-
Net cash flows used in financing activities		(169,059)	(113,304)
Effects of exchange rate changes		(126,055)	138,236
Net (decrease) increase in cash and cash equivalents		(596,320)	359,432
Cash and cash equivalents at beginning of period		3,378,425	2,609,321
Cash and cash equivalents at end of period		\$ 2,782,105	\$ 2,968,753

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 Nine Months Ended September 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 November 6, 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 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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[®] Interpretations, and SIC[®] 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
			September 30, 2025	December 31, 2024	September 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 (26) 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 (26).

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) 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

There are no significant changes in this period, please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. Explanation of Significant Accounts

(1) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and revolving funds	\$ 6,075	\$ 5,345	\$ 3,593
Checking deposits & demand deposits	1,039,038	2,113,107	1,095,908
Time deposits	1,736,992	1,259,973	1,869,252
Total	<u>\$ 2,782,105</u>	<u>\$ 3,378,425</u>	<u>\$ 2,968,753</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 well as its restricted bank deposits, as financial assets at amortized cost and presents them under "other current assets", please refer to Note 6 (7) and 8.

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

Item	September 30, 2025	December 31, 2024	September 30, 2024
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
- Convertible corporate bond redemption and sale rights	<u>\$ 1,100</u>	<u>\$ -</u>	<u>\$ -</u>

Item	September 30, 2025	December 31, 2024	September 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 \$900 and \$2,900 for the three months and the nine months ended September 30, 2025, respectively.

(3) Accounts receivable, net

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	\$ 2,929,689	\$ 3,680,980	\$ 2,811,673
Less: Allowance for impairment	(6,005)	(7,913)	(7,594)
	<u>\$ 2,923,684</u>	<u>\$ 3,673,067</u>	<u>\$ 2,804,079</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 2,901,100	\$ 3,626,208	\$ 2,785,303
Overdue 0 to 90 days	22,351	47,115	18,923
Overdue 91 to 180 days	280	21	55
Overdue 181 to 365 days	-	6	26
Over 365 days past due	5,958	7,630	7,366
Total	<u>\$ 2,929,689</u>	<u>\$ 3,680,980</u>	<u>\$ 2,811,673</u>

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

B. The balances of accounts receivable of September 30, 2025, December 31, 2024 and September 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 September 30, 2025, December 31, 2024 and September 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

	September 30, 2025		
	Cost	Allowance for inventory market decline and obsolescence	Book value
Raw materials	\$ 675,175	(\$ 33,693)	\$ 641,482
Work in process	744,222	(6,819)	737,403
Finished goods	1,004,720	(19,451)	985,269
Inventory in transit	283,590	-	283,590
Total	<u>\$ 2,707,707</u>	<u>(\$ 59,963)</u>	<u>\$ 2,647,744</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>

	September 30, 2024		
	Cost	Allowance for inventory market decline and obsolescence	Book value
Raw materials	\$ 680,645	(\$ 38,655)	\$ 641,990
Work in process	590,487	(4,075)	586,412
Finished goods	934,787	(19,000)	915,787
Inventory in transit	256,923	-	256,923
Total	<u>\$ 2,462,842</u>	<u>(\$ 61,730)</u>	<u>\$ 2,401,112</u>

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

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Cost of inventories sold	\$ 3,147,958	\$ 2,929,712
Loss (reversal) on decline in market value of obsolete and slow-moving inventory	2,699 (	22,983)
Inventory scrap losses	793	7,859
Others	(2,550)	785
	<u>\$ 3,148,900</u>	<u>\$ 2,915,373</u>

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Cost of inventories sold	\$ 10,375,802	\$ 8,357,221
Inventory valuation gains from price recovery	(2,519) (	30,112)
Inventory scrap losses	6,171	10,930
Others	2,783 (	7,830)
	<u>\$ 10,382,237</u>	<u>\$ 8,330,209</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 ended September 30, 2024 and the nine months ended September 30, 2025 and 2024.

(Blank Below)

(5) Property, Plant and Equipment

For the Nine Months Ended September 30, 2025

	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Cost						
Land	\$ 389,700	\$ 463,300	\$ -	\$ -	(\$ 38,368)	\$ 814,632
Buildings	5,798,654	64,526	-	284,676	(456,326)	5,691,530
Machinery equipment	5,793,402	241,416	(50,228)	54,906	(471,561)	5,567,935
Transportation equipment	96,747	7,433	(1,438)	3,214	(8,802)	97,154
Office equipment	75,326	9,651	(1,754)	147	(5,781)	77,589
Others	2,642,713	112,239	(59,369)	11,802	(201,102)	2,506,283
Construction in progress and to-be-inspected equipment	1,781,223	1,162,080	-	(350,461)	(214,619)	2,378,223
	<u>\$ 16,577,765</u>	<u>\$ 2,060,645</u>	<u>(\$ 112,789)</u>	<u>\$ 4,284</u>	<u>(\$ 1,396,559)</u>	<u>\$ 17,133,346</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)	(\$ 195,059)	\$ -	\$ -	\$ 147,926	(\$ 2,180,155)
Machinery equipment	(2,616,191)	(206,969)	47,342	-	194,842	(2,580,976)
Transportation equipment	(66,562)	(4,828)	1,438	-	5,620	(64,332)
Office equipment	(58,399)	(6,476)	1,744	-	4,334	(58,797)
Others	(2,167,259)	(198,314)	58,433	-	163,293	(2,143,847)
	<u>(\$ 7,041,433)</u>	<u>(\$ 611,646)</u>	<u>\$ 108,957</u>	<u>\$ -</u>	<u>\$ 516,015</u>	<u>(\$ 7,028,107)</u>
	<u>\$ 9,536,332</u>					<u>\$ 10,105,239</u>

For the Nine Months Ended September 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	\$ -	\$ -	\$ -	\$ 10,432	\$ 349,388
Buildings	5,524,545	5,067	-	35,121	163,462	5,728,195
Machinery equipment	5,547,612	65,945	(54,715)	9,481	156,557	5,724,880
Transportation equipment	90,741	5,215	(3,870)	1,573	2,353	96,012
Office equipment	65,505	5,333	(62)	294	2,025	73,095
Others	2,406,688	124,597	(56,229)	6,972	72,516	2,554,544
Construction in progress and to-be-inspected equipment	301,587	988,304	-	(54,045)	19,092	1,254,938
	<u>\$ 14,275,634</u>	<u>\$ 1,194,461</u>	<u>(\$ 114,876)</u>	<u>(\$ 604)</u>	<u>\$ 426,437</u>	<u>\$ 15,781,052</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)	(\$ 196,114)	\$ -	\$ -	(\$ 63,071)	(\$ 2,054,843)
Machinery equipment	(2,275,736)	(231,291)	37,369	-	(72,748)	(2,542,406)
Transportation equipment	(60,864)	(5,321)	3,830	-	(1,698)	(64,053)
Office equipment	(48,483)	(5,876)	62	-	(1,585)	(55,882)
Others	(1,808,988)	(250,441)	52,837	-	(55,169)	(2,061,761)
	<u>(\$ 5,989,729)</u>	<u>(\$ 689,043)</u>	<u>\$ 94,098</u>	<u>\$ -</u>	<u>(\$ 194,271)</u>	<u>(\$ 6,778,945)</u>
	<u>\$ 8,285,905</u>					<u>\$ 9,002,107</u>

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

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 922,397	\$ 1,046,923	\$ 1,063,136
Buildings	576,215	672,367	685,850
	<u>\$ 1,498,612</u>	<u>\$ 1,719,290</u>	<u>\$ 1,748,986</u>

	<u>For the Three Months Ended September 30, 2025</u>	<u>For the Three Months Ended September 30, 2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 7,950	\$ 9,001
Buildings	9,652	11,106
	<u>\$ 17,602</u>	<u>\$ 20,107</u>

	<u>For the Nine Months Ended September 30, 2025</u>	<u>For the Nine Months Ended September 30, 2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 25,163	\$ 26,745
Buildings	30,712	34,119
	<u>\$ 55,875</u>	<u>\$ 60,864</u>

- C. The Group's right-of-use assets for the three months ended September 30, 2025 and 2024 increased to \$1,930 and \$0, respectively. For the nine months ended September 30, 2025 and 2024 increased to \$4,037 and \$0, respectively.

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

	<u>For the Three Months Ended September 30, 2025</u>	<u>For the Three Months Ended September 30, 2024</u>
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 1,838	\$ 2,190
Expense on short-term lease contracts	92	2,756

	<u>For the Nine Months Ended September 30, 2025</u>	<u>For the Nine Months Ended September 30, 2024</u>
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 5,874	\$ 6,639
Expense on short-term lease contracts	2,938	5,667
Profit from lease modification (	10)(	971)

- E. The Group's total cash outflows for leases were \$13,368 and \$14,677 for the nine months ended September 30, 2025 and 2024, respectively.

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

Item	September 30, 2025	December 31, 2024	September 30, 2024
Current:			
Financial assets at amortized cost - Restricted bank deposits	\$ 1,901	\$ 4,089	\$ 2,898
Financial assets at amortized cost - Time deposits	10,100	166,696	155,736
Others	34,965	20,452	20,273
Total	<u>\$ 46,966</u>	<u>\$ 191,237</u>	<u>\$ 178,907</u>

Item	September 30, 2025	December 31, 2024	September 30, 2024
Non-current:			
Prepayments for land and equipment	\$ 58,387	\$ 35,644	\$ 26,471
Refundable deposits	49,056	48,117	45,817
Others	4,386	3,462	4,164
Total	<u>\$ 111,829</u>	<u>\$ 87,223</u>	<u>\$ 76,452</u>

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

(8) Short-term borrowings

Loans type	September 30, 2025	Interest rate range	Collateral
Credit loans	<u>\$ 1,090,000</u>	1.740%~1.800%	Note
Loans type	December 31, 2024	Interest rate range	Collateral
Credit loans	<u>\$ 1,510,000</u>	1.730%~1.816%	Note
Loans type	September 30, 2024	Interest rate range	Collateral
Credit loans	<u>\$ 2,009,800</u>	1.700%~5.340%	Note

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

(9) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Accrued salaries	\$ 645,345	\$ 732,496	\$ 615,666
Dividends payable	623,068	380,660	570,990
Payables on equipment	258,405	218,691	189,834
Others	165,722	185,327	173,294
	<u>\$ 1,692,540</u>	<u>\$ 1,517,174</u>	<u>\$ 1,549,784</u>

(10) Bonds payable

Item	September 30, 2025	December 31, 2024	September 30, 2024
Domestic sixth unsecured convertible corporate bonds	\$ 999,800	\$ 1,000,000	\$ -
Less: Discount on corporate bonds payable	(47,378)	(63,763)	-
Total	<u>\$ 952,422</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 September 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 August 29, 2025, the conversion price was adjusted to \$106.4 (in dollars) per share with the approval of the Chairman.
- D. As of September 30, 2025, the bonds totaling \$200 had been converted into 1,801 shares of common stock.

(11) Long-term borrowings

Loans type	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2025
Secured loans	From August 20, 2025 to August 20, 2032; interest is repayable monthly.	1.950%	Note	\$ 350,000
Less: Current portion				(50,000)
				<u>\$ 300,000</u>

The Group had no such situation as of December 31, 2024 and September 30, 2024.

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

(12) Other non-current liabilities

Item	September 30, 2025	December 31, 2024	September 30, 2024
Deferred government grant income (Note)	\$ 103,636	\$ 111,245	\$ 112,548
Other non-current liabilities, others	89,643	94,160	94,584
Total	<u>\$ 193,279</u>	<u>\$ 205,405</u>	<u>\$ 207,132</u>

Note: This is a cash grant from the local government, received by the Group's subsidiaries, Hubei Sunsmile Footwear Co., Ltd. and Sunny Footwear Co., Ltd., for the acquisition of land use rights.

(13) 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 September 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$1,893 and \$1,789, respectively. For the nine months ended September 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$5,604 and \$5,223, 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 September 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$20,850 and \$17,887, respectively. For the nine months ended September 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$63,563 and \$57,898, 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 September 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$53,006 and \$45,647, respectively. For the nine months ended September 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$161,118 and \$118,023, 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 September 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$3,803 and \$4,324, respectively. For the nine months ended September 30, 2025 and 2024, the pensions recognized by the Group in accordance with the above regulations were \$13,316 and \$12,949, 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 ended September 30, 2025, the pensions recognized by the Group in accordance with the above regulations was \$137. For the nine months ended September 30, 2025, the pensions recognized by the Group in accordance with the above regulations was \$139.

(14) Share-based payment

- A. For the nine months ended September 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 September 30, 2025	For the Three Months Ended September 30, 2024
Equity-settled	\$ -	\$ -
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Equity-settled	\$ 50,167	\$ -

(15) 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 September 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
Conversion of convertible bonds	2	-
Issue of shares	10,000	-
Treasury shares sold to employees	660	-
September 30	200,992	190,330

C. Treasury shares

(A) Reason and quantity of share recovery

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

		December 31, 2024	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Book value
The Company	Transfer to employees	660	\$ 57,583
		September 30, 2024	
Shareholder	Reason for Buyback	Number of Shares (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)	-
September 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 six months from the date of buyback.

(16) 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)
September 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	\$ 5,701,321	\$	-	\$ 546	\$ 5,701,867		
Changes in ownership interests in subsidiaries	-	2,111		-	2,111		
September 30	\$ 5,701,321	\$	2,111	\$ 546	\$ 5,703,978		

(17) 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:

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

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

	For the second half year of 2024		For the first half year of 2024	
Board resolution date	February 25, 2025		December 26, 2024	
Legal reserve appropriated	\$	68,670	\$	68,977
Reversal for special reserve	(\$	111,393)	(\$	313,125)
Cash dividends	\$	623,068	\$	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, due to the conversion of convertible corporate bonds, on February 25, 2025, the Board of Directors resolved to authorize the Chairman to implement the adjustment of the dividend rate for shareholders. On August 29, 2025, the dividend rate was adjusted to \$3.09997 (in dollars) per share.

G. The appropriation of earnings for the first half year of 2025 which has been resolved by the Company's Board of Directors, was as follows:

	For the first half year of 2025	
Board resolution date	November 6, 2025	
Legal reserve appropriated	\$	55,214
Special reserve appropriated	\$	1,724,350
Cash dividends	\$	401,983
Dividends per share (NT\$)	\$	2.00

Before the record date of the appropriation of interim earnings for the first half year of 2025, 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 Board of Directors' meeting and shareholders' meeting, refer to the "Market Observation Post System" ("MOPS") of Taiwan Stock Exchange Corporation.

(18) Operating revenue

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Revenue from Contracts with Customers	\$ 3,819,386	\$ 3,598,903
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Revenue from Contracts with Customers	\$ 12,719,347	\$ 10,223,301

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 September 30, 2025	For the Three Months Ended September 30, 2024
Domestic sales (Note)	\$ 261,048	\$ 137,639
Asia	514,435	428,017
America	1,428,587	1,543,443
Europe	1,575,191	1,444,501
Africa	11,896	8,420
Australia	28,229	36,883
	\$ 3,819,386	\$ 3,598,903
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Domestic sales (Note)	\$ 763,598	\$ 393,445
Asia	1,457,907	1,116,093
America	5,008,683	3,990,390
Europe	5,342,842	4,575,346
Africa	42,988	21,327
Australia	103,329	126,700
	\$ 12,719,347	\$ 10,223,301

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:

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract liabilities:				
- Advance sales receipts	\$ 38,918	\$ 29,059	\$ 95,488	\$ 36,938

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

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	\$ 670	\$ 2,543

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	\$ 20,215	\$ 30,863
(19) <u>Interest income</u>		
	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Interest on bank deposits	\$ 9,739	\$ 18,335
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Interest on bank deposits	\$ 45,936	\$ 69,057
(20) <u>Other income</u>		
	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Government grants	\$ 1,821	\$ 1,741
Mold	10,494	11,011
Other income - others	6,930	11,055
	\$ 19,245	\$ 23,807
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Government grants	\$ 5,568	\$ 13,622
Mold	36,670	56,600
Other income - others	26,979	35,407
	\$ 69,217	\$ 105,629
(21) <u>Other gains and losses</u>		
	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Gain on disposal of property, plant and equipment	\$ 1,697	\$ 865
Foreign exchange gain (loss)	68,784	(209,594)
Gain on financial assets and liabilities measured at fair value through profit and loss	900	-
Other losses	(3,207)	(3,557)
	\$ 68,174	\$ 212,286
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Gain (loss) on disposal of property, plant and equipment	\$ 2,727	(\$ 3,778)
Foreign exchange (loss) gain	(98,121)	40,321
Gain on financial assets and liabilities measured at fair value through profit and loss	2,900	-
Other losses	(19,809)	(10,637)
	(\$ 112,303)	\$ 25,906

(22) Finance Costs

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Bank borrowings	\$ 7,562	\$ 9,530
Convertible bonds	5,550	-
Lease liabilities	1,838	2,190
	<u>\$ 14,950</u>	<u>\$ 11,720</u>
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Bank borrowings	\$ 19,001	\$ 23,099
Convertible bonds	16,373	-
Lease liabilities	5,874	6,639
Others	7	-
	<u>\$ 41,255</u>	<u>\$ 29,738</u>

(23) Expenses Expressed by Nature

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Employee benefits		
Salary	\$ 1,254,342	\$ 1,113,541
Labor and health insurance	36,304	34,625
Pension	79,689	69,647
Others	13,735	12,815
	<u>1,384,070</u>	<u>1,230,628</u>
Depreciation expense	207,866	242,070
Amortization expense	4,499	5,240
	<u>\$ 1,596,435</u>	<u>\$ 1,477,938</u>
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Employee benefits		
Salary	\$ 4,021,244	\$ 3,095,064
Labor and health insurance	111,679	101,633
Pension	243,740	194,093
Others	43,005	43,973
	<u>4,419,668</u>	<u>3,434,763</u>
Depreciation expense	667,521	749,907
Amortization expense	13,717	14,855
	<u>\$ 5,100,906</u>	<u>\$ 4,199,525</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 nine months ended September 30, 2025 and 2024 were both \$5,000 and \$15,000, respectively. The estimated directors' remuneration for the same periods amounted to \$3,750, \$5,000, \$11,250, and \$15,000, 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.

(24) Income tax

A. Income tax expenses

Components of income tax expense:

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Current tax:		
Current tax on profits for the period	\$ 88,546	\$ 62,760
Total current tax	88,546	62,760
Deferred tax:		
Origination and reversal of temporary differences	(8,595)	(39,086)
Total deferred tax	(8,595)	(39,086)
Income tax expenses	\$ 79,951	\$ 23,674
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Current tax:		
Current tax on profits for the period	\$ 338,133	\$ 238,958
Underestimated income tax in prior periods	3,440	6,537
Total current tax	341,573	245,495
Deferred tax:		
Origination and reversal of temporary differences	(67,817)	(38,413)
Total deferred tax	(67,817)	(38,413)
Income tax expenses	\$ 273,756	\$ 207,082

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.

(25) Earnings per share

	For the Three Months Ended September 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	\$ 301,009	200,992	\$ 1.50
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	301,009	200,992	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	5,550	9,397	
Employee compensation	-	152	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 306,559	210,541	\$ 1.46

For the Three Months Ended September 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	\$ 102,289	190,330	\$ 0.54
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	102,289	190,330	
Effect of dilutive potential ordinary shares			
Employee compensation	-	121	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 102,289	190,451	\$ 0.54

For the Nine Months Ended September 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	\$ 853,360	200,529	\$ 4.26
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	853,360	200,529	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	16,373	9,397	
Employee compensation	-	269	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 869,733	210,195	\$ 4.14

For the Nine Months Ended September 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	\$ 792,052	190,330	\$ 4.16
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	792,052	190,330	
Effect of dilutive potential ordinary shares			
Employee compensation	-	215	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 792,052	190,545	\$ 4.16

(26) 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 nine months ended September 30, 2025, the impact of changes in non-controlling interests on equity attributable to owners of the parent is as follows:

	For the Nine Months Ended September 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>

(27) Supplemental cash flow information

- A. Investing activities with partial cash payments:

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Additions to property, plant and equipment	\$ 2,064,929	\$ 1,193,857
Less: Prepayments for equipment, beginning of period	(35,644)	(13,362)
Add: Prepayments for land and equipment, end of period	58,387	26,471
Add: Payables on equipment, beginning of period	218,691	138,610
Less: Payables on equipment, end of period	(258,405)	(189,834)
Cash paid during the period	<u>\$ 2,047,958</u>	<u>\$ 1,155,742</u>

- B. Financing activities with no cash flow effects:

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 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>

(28) Changes in liabilities from financing activities

	Short-term and long-term borrowings (Note)	Lease liabilities	Convertible corporate bonds	Dividends payable	Total liabilities from financing activities
January 1, 2025	\$ 1,510,000	\$ 858,823	\$ 936,237	\$ 380,660	\$ 3,685,720
Changes in cash flows from financing	38,656 (	10,430)	- (	380,660) (	352,434)
Changes in other non- cash items	-	9,539	16,185	623,068	648,792
Impact of changes in foreign exchange rate (	108,656)	90,194)	-	-	198,850)
September 30, 2025	<u>\$ 1,440,000</u>	<u>\$ 767,738</u>	<u>\$ 952,422</u>	<u>\$ 623,068</u>	<u>\$ 3,783,228</u>

	Short-term borrowings	Lease liabilities	Dividends payable	Total liabilities from financing activities
January 1, 2024	\$ 1,685,000	\$ 902,318	\$ 380,660	\$ 2,967,978
Changes in cash flows from financing	276,366 (	9,010) (	380,660) (	113,304)
Changes in other non- cash items	- (	20,940)	570,990	550,050
Impact of changes in foreign exchange rate	48,434	15,317	-	63,751
September 30, 2024	<u>\$ 2,009,800</u>	<u>\$ 887,685</u>	<u>\$ 570,990</u>	<u>\$ 3,468,475</u>

Note: The portion due within one year is included.

7. Related Party Transactions

(1) Name of related parties and relationship

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

(2) Significant related party transactions

Acquisition of equity interests in subsidiaries

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

The Group had no such situation for the nine months ended September 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 (26).

(3) Key management compensation

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024
Short-term employee benefits	<u>\$ 19,607</u>	<u>\$ 23,681</u>
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Short-term employee benefits	\$ 58,810	\$ 67,611
Share-based payments	<u>50,167</u>	<u>-</u>
Total	<u>\$ 108,977</u>	<u>\$ 67,611</u>

8. Pledged Assets

Assets	Book value			Guarantee use
	September 30, 2025	December 31, 2024	September 30, 2024	
Land	\$ 561,590	\$ 117,209	\$ 113,151	Short-term and long-term borrowings
Buildings	202,113	157,045	152,676	Short-term and long-term borrowings
Financial assets at amortized cost (recognized in other current assets and other non-current assets)	6,038	7,220	7,016	Performance guarantee of the power supply agreement, performance bond and others
Refundable deposits (recognized in other current assets and other non-current assets)	49,348	48,117	45,817	Plants lease deposits and others
	<u>\$ 819,089</u>	<u>\$ 329,591</u>	<u>\$ 318,660</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		
	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	\$ 3,046,773	\$ 2,864,789	\$ 2,749,905
	Outstanding amount		
	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	\$ 677,866	\$ 1,283,460	\$ 1,708,874

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Please refer to Note 6(17)7.

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

	September 30, 2025	December 31, 2024	September 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	\$ 1,100	\$ -	\$ -
Financial assets at amortized cost/ loans and receivables			
Cash and cash equivalents	\$ 2,782,105	\$ 3,378,425	\$ 2,968,753
Accounts receivable	2,923,684	3,673,067	2,804,079
Other receivables	467,882	360,198	567,154
Financial assets at amortized cost - current	12,001	170,785	158,634
Refundable deposits (current and non-current)	49,348	48,117	45,817
Financial assets at amortized cost - non-current	4,137	3,131	4,118
	<u>\$ 6,239,157</u>	<u>\$ 7,633,723</u>	<u>\$ 6,548,555</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	\$ 1,090,000	\$ 1,510,000	\$ 2,009,800
Accounts payable	2,000,488	2,039,801	1,826,789
Other payables	1,692,540	1,517,174	1,549,784
Bonds payable	952,422	936,237	-
Long-term borrowings (including current portion)	350,000	-	-
	<u>\$ 6,085,450</u>	<u>\$ 6,003,212</u>	<u>\$ 5,386,373</u>
Lease liabilities (current and non-current)	<u>\$ 767,738</u>	<u>\$ 858,823</u>	<u>\$ 887,685</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:

September 30, 2025						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value	Sensitivity Analysis		
				Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: RMB	\$ 115,870	7.1273	\$ 3,527,654	1%	\$ 35,277	\$ -
USD: VND	55,153	0.000038	1,679,130	1%	16,791	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,530,017	0.0328	\$ 1,530,017	1%	\$ 15,300	\$ -
December 31, 2024						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value	Sensitivity Analysis		
				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	\$ -
September 30, 2024						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value	Sensitivity Analysis		
				Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: RMB	\$ 120,718	7.0223	\$ 3,820,713	1%	\$ 38,207	\$ -
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,721,156	0.0316	\$ 1,721,156	1%	\$ 17,212	\$ -

- 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 nine months ended September 30, 2025 and 2024, with recognized gain and (loss) was \$68,784, (\$209,594), (\$98,121) and \$40,321, 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 nine months ended September 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 nine months ended September 30, 2025, and 2024, would have decreased or increased \$864 and \$1,206, 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 September 30, 2025, December 31, 2024, and September 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 September 30, 2025, December 31, 2024, and September 30, 2024, were as follows:

September 30, 2025	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 2,901,100	\$ -
Overdue 0 to 90 days	0.18%	22,351	40
Overdue 91 to 180 days	2.50%	280	7
Overdue 181 to 365 days	-	-	-
Over 365 days past due	100.00%	5,958	5,958
Total		<u>\$ 2,929,689</u>	<u>\$ 6,005</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>

September 30, 2024	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 2,785,303	\$ -
Overdue 0 to 90 days	1.10%	18,923	208
Overdue 91 to 180 days	16.36%	55	9
Overdue 181 to 365 days	42.31%	26	11
Over 365 days past due	100.00%	7,366	7,366
Total		<u>\$ 2,811,673</u>	<u>\$ 7,594</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	(1,375)	(7,427)
Effect of foreign exchange	(533)	538
September 30	<u>\$ 6,005</u>	<u>\$ 7,594</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 September 30, 2025, December 31, 2024, and September 30, 2024, the Group had unused borrowing facilities of \$9,049,557, \$10,020,314, and \$9,228,225, 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:

September 30, 2025	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	\$ 1,091,427	\$ -	\$ -	\$ -
Accounts payable	2,000,488	-	-	-
Other payables	1,692,540	-	-	-
Bonds payable	-	999,800	-	-
Long-term borrowings (including current portion)	56,588	55,403	160,359	102,031
Lease liabilities	91,084	50,505	159,797	550,332

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:

September 30, 2024	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	\$ 2,014,925	\$ -	\$ -	\$ -
Accounts payable	1,826,789	-	-	-
Other payables	1,549,784	-	-	-
Lease liabilities	68,755	53,292	167,810	661,807

(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, other payables and long-term borrowings (including current portion) are a reasonable approximation of their fair values (except those stated in the following table):

		September 30, 2025	
		Fair Value	
	Book value	Level 3	
Bonds payable	\$ 952,422	\$ 960,326	
		December 31, 2024	
		Fair Value	
	Book value	Level 3	
Bonds payable	\$ 936,237	\$ 938,822	

The Group had no bonds payable as of September 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:

September 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	\$ -	\$ -	\$ 1,100	\$ 1,100
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 September 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 nine months ended September 30, 2025, and 2024.

F. The following table shows the changes for the nine months ended September 30, 2025:

	2025
	Embedded derivative instruments
January 1	(\$ 1,800)
Gain recognized in profit and (loss) (Note)	2,900
September 30	<u>\$ 1,100</u>

Note: Recognized in other gains and losses.

The Group had no such situation for the nine months ended September 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 September 30, 2025	Evaluation techniques	Significant unobservable inputs	Interval (weighted average)	Relationship of inputs to fair value
Redemption right of corporate bonds	\$ 1,100	Binomial tree evaluation model	Volatility	47.96%	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 September 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:

		September 30, 2025	
		Recognized in Profit or Loss	
Input value	Change	Favorable change	Unfavorable change
Financial Liabilities			
Redemption right of corporate bonds	Volatility ±5%	\$ 200	(\$ 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 September 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 Nine Months Ended September 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 Drawn	Interest rate	Nature of loan	Transaction Amounts	Reason for short-term financing	Allowance for bad debt	Collateral Item	Value	Financing Limits for each borrowing company	Financing company's total financing Amount	Limits	Note
1	Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	\$ 791,100	\$ 608,900	\$ 608,900	1.50%	Short-term financing	\$ -	Operating capital	\$ -	- None	\$ -	\$ 1,098,013	\$ 1,464,018		Notes 2 ,6& 7
2	Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	1,201,300	776,348	776,348	3.50%	Short-term financing	-	Operating capital	-	- None	-	1,119,271	1,492,361		Notes 3 ,6& 7
3	Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	116,218	106,558	106,558	3.50%	Short-term financing	-	Operating capital	-	- None	-	153,974	192,468		Notes 4 ,6& 7
4	Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Other receivables	Y	456,675	456,675	-	0.00%	Short-term financing	-	Build factory	-	- None	-	8,551,467	11,401,956		Notes 5 ,6& 7

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: Hubei Sunsmile Footwear Co., Ltd. is engaging in the lending of funds due to the necessity of short-term financing. The aggregate amount of such lending shall not exceed 80% of the lender's net worth, and the amount to a single counterparty shall not exceed 60% of the lender's net worth.

Note 3: Fujian Sunshine Footwear Co., Ltd. is engaging in the lending of funds due to the necessity of short-term financing. The aggregate amount of such lending shall not exceed 80% of the lender's net worth, and the amount to a single counterparty shall not exceed 60% of the lender's net worth.

Note 4: Fujian Laya Outdoor Products Co., Ltd. is engaging in the lending of funds due to the necessity of short-term financing. The aggregate amount of such lending shall not exceed 100% of the lender's net worth, and the amount to a single counterparty shall not exceed 80% of the lender's net worth.

Note 5: Capital Concord Enterprises Limited is engaging in the lending of funds due to the necessity of short-term financing. The aggregate amount of such lending shall not exceed 80% of the lender's net worth, and the amount to a single counterparty shall not exceed 60% of the lender's net worth.

Note 6: In Q3 2025, the exchange rates for assets and profit or loss were USD:NTD=30.4450 and USD:NTD=31.1547, respectively.

Note 7: Offset in consolidated financial statements.

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

Unit: NT\$ Thousand
(Unless Otherwise Specified)

Appendix 2

No. (Note 1)	Endorser/ Guarantor	Party Being Endorsed/Guaranteed			Limit on Endorsements/ Guarantees Provided for a Single Party (Note 3)	Maximum Outstanding Endorsement/ Guarantee Amount for the Period	Outstanding Endorsement/ Guarantee Amount	Amount Actually Drawn	Amount of Endorsements /Guarantees Secured with Collateral	Ratio of Accumulated Endorsement/ Guarantee Amount to Net Asset Value of the Endorser/ Guarantor Company (%)	Ceiling on Total Amount of Endorsements/ Guarantees Provided (Note 4)	Provision of Endorsements/ Guarantees by Parent Company to Subsidiary	Provision of Endorsements/ Guarantees by Subsidiary to Parent Company	Provision of Endorsements/ Guarantees to the Party in Mainland China	Note
		Company Name	Relation (Note 2)												
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	4	\$ 8,551,467	\$ 332,050	\$ 152,225	\$ -	\$ -	1.15%	\$ 11,401,956	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 Q3 2025, the exchange rates for assets and profit or loss were USD:NTD=30.4450 and USD:NTD=31.1547, 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 Nine Months Ended September 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	\$ 746,801	7.19%	180 days after purchase	Note 1	Note 1	(\$ 605,551)	-30.27%	Note 2 & 3	
Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	Subsidiary	Purchases	322,531	3.11%	180 days after purchase	Note 1	Note 1	(282,005)	-14.10%	Note 2 & 3	
Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	Subsidiary	Purchases	573,962	5.53%	90 days after purchase	Note 1	Note 1	(292,269)	-14.61%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	2,468,815	23.78%	120 days after purchase	Note 1	Note 1	(1,220,272)	-61.00%	Note 2 & 3	
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiary	Purchases	2,803,329	27.00%	120 days after invoices issued	Note 1	Note 1	(1,167,325)	-58.35%	Note 2 & 3	
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Subsidiary	Purchases	655,428	6.31%	120 days after invoices issued	Note 1	Note 1	(483,549)	-24.17%	Note 2 & 3	
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Subsidiary	Purchases	363,929	3.51%	120 days after invoices issued	Note 1	Note 1	(25,901)	-1.29%	Note 2 & 3	
Fulgent Sun Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	Sister company	Purchases	380,355	3.66%	120 days after invoices issued	Note 1	Note 1	(164,059)	-8.20%	Note 2 & 3	
Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	160,304	1.54%	120 days after purchase	Note 1	Note 1	(43,204)	-2.16%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Sales	(918,331)	-7.22%	135 days after shipment	Note 1	Note 1	43,948	1.50%	Note 2 & 3	
Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd	Subsidiary	Sales	(104,624)	-0.82%	135 days after shipment	Note 1	Note 1	-	-	Note 2 & 3	
Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd	Sister company	Sales	(146,530)	-1.15%	90 days after shipment	Note 1	Note 1	51,527	1.76%	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 Q3 2025, the exchange rates for assets and profit or loss were USD:NTD=30.4450 and USD:NTD=31.1547, 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
September 30, 2025

Appendix 4

										Unit NT\$ thousand (Unless Otherwise Specified)
Creditor	Name of the Counterparty	Relationship with the Counterparty	Accounts Receivable		Turnover Rate	Overdue Receivable		Amount Collected Subsequent to the Reporting Period (Note 1)	Allowance for Bad Debt	Note
			Balance from Related Party			Amount	Actions Taken			
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	\$ 605,551	1.56	\$	118,260	Collection after reporting period	\$ 91,371	\$ -	Note 2 & 3
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	776,348	-		-	-	-	-	Note 2, 3& 4
Sunny Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	282,005	1.30		62,522	Collection after reporting period	41,101	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	292,269	2.44		56,763	Collection after reporting period	60,890	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	106,558	-		-	-	-	-	Note 2, 3& 4
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	608,900	-		-	-	-	-	Note 2, 3& 4
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited	Parent company	1,220,272	2.62		303,331	Collection after reporting period	271,037	-	Note 2 & 3
Fulgent Sun Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	1,167,325	3.58		-	-	60,764	-	Note 2 & 3
NGOC HUNG Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	483,549	1.81		178,892	Collection after reporting period	292,272	-	Note 2 & 3
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Subsidiary	651,523	-		-	-	651,523	-	Note 2, 3& 5
Eversun Footwear Co., Ltd.	Fulgent Sun Footwear Co., Ltd.	Sister company	164,059	6.50		-	-	59,207	-	Note 2 & 3

Note 1: The subsequent collections represent collections from the balance sheet date to November 6, 2025.

Note 2: In Q3 2025, the exchange rates for assets and profit or loss were USD:NTD=30.4450 and USD:NTD=31.1547, 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 Nine Months Ended September 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)
0	Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	1	Other receivables	\$ 651,523	Note 4	3.11%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Accounts payable	605,551	Note 4	2.89%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Accounts payable	282,005	Note 4	1.35%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Accounts payable	292,269	Note 4	1.40%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts payable	1,220,272	Note 4	5.83%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Accounts payable	1,167,325	Note 4	5.57%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Accounts payable	483,549	Note 4	2.31%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Other payables	776,348	Note 4	3.71%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Other payables	608,900	Note 4	2.91%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Purchases	746,801	Note 4	5.87%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Purchases	322,531	Note 4	2.54%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Purchases	573,962	Note 4	4.51%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Purchases	2,468,815	Note 4	19.41%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Purchases	2,803,329	Note 4	22.04%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Purchases	655,428	Note 4	5.15%
1	Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	1	Purchases	363,929	Note 4	2.86%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Sales	918,331	Note 4	7.22%
2	Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Purchases	160,304	Note 4	1.26%
3	Fulgent Sun Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	3	Purchases	380,355	Note 4	2.99%
3	Fulgent Sun Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	3	Accounts payable	164,059	Note 4	0.78%

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 Q3 2025, the exchange rates for assets and profit or loss were USD:NTD=30.4450 and USD:NTD=31.1547, 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 Nine Months Ended September 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	\$ 14,252,445	\$ 940,079	\$ 940,079	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	982	179	179	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	3,542,310	176,213	176,213	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	208,897	(35)	(35)	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	155,430	(4,484)	(4,484)	Subsidiary
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	2,250,981	2,177,881	-	100.00	3,033,744	246,726	246,726	Subsidiary
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,424,400	1,402,639	-	100.00	1,248,916	46,239	46,239	Subsidiary
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,154,305	1,139,429	-	100.00	1,112,625	78,145	78,145	Subsidiary
Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production and Sales	1,295,442	498,346	-	100.00	1,193,970	(11,086)	(11,086)	Subsidiary
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Indonesia	Sports Leisure Outdoor Footwear Production and Sales	1,896,379	1,177,242	-	100.00	1,690,234	(39,686)	(39,686)	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	41,253	(8,574)	(6,012)	Subsidiary
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd.	Cambodia	Land lease	232,402	232,402	-	100.00	242,678	2,126	2,126	Subsidiary

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

Note 2: The historical exchange rate was adopted.

Note 3: In Q3 2025, the exchange rates for assets and profit or loss were USD:NTD=30.4450 and USD:NTD=31.1547, respectively.

Note 4: Investment income (loss) recognized in current period is based on the financial statements reviewed 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 (26) and 7.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Information on Investments in Mainland China
For the Nine months Ended September 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	\$ -	\$ -	\$ -	\$ -	(\$ 61,280)	100.00	(\$ 64,946)	\$ 1,850,998	\$ -	Note 1
Hubei Sunsmile Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	1,825,033	2	-	-	-	-	(55,893)	100.00	(65,661)	1,835,973	-	-
Sunny Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	130,680	2	-	-	-	-	11,004	100.00	11,004	391,227	-	-
Fujian Laya Outdoor Products Co., Ltd.	Import/export trading	40,656	2	-	-	-	-	25,930	100.00	23,296	184,246	-	-

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 Q3 2025, the exchange rates for assets and profit or loss were USD:NTD=30.4450 and USD:NTD=31.1547, 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 reviewed by the parent company’s CPAs.